

Name _____

Real Estate Transactions Unveiled: Contracts and Disclosures

Short Answer Key

1. A real estate contract is a legally binding agreement between the buyer and seller that outlines the terms and conditions of the transaction. Key elements typically include the purchase price, closing date, contingencies, earnest money deposit, and disclosures.
2. Seller disclosures are statements provided by the seller about the property's condition and any known issues. They are important because they inform the buyer about the property's condition, allowing them to make an informed decision.
3. Buyer due diligence involves thorough research and inspections to ensure the buyer makes an informed decision. Steps may include a home inspection, appraisal, title search, financing approval, and a review of disclosures.
4. One legal protection for both buyers and sellers is contract enforcement by courts, ensuring that both parties fulfill their obligations. This protection ensures that agreements are upheld and disputes are resolved fairly.
5. Earnest money is a deposit made by the buyer to show commitment to the purchase. It demonstrates the buyer's seriousness and is typically applied to the purchase price if the sale goes through.

