

MPB Tool-Kit: The Basics of Writing an Offer

Disclaimer for the Instructor:

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Slide 1 – The Basics of Writing a Solid Offer:

This week, we'll be focusing on the basics of writing a strong and effective offer.

For those of you who are already writing lots of offers, this might feel like a review. But it's actually a great chance to hear from others and see how different brokers are approaching offers in the current market.

As professionals, it's our responsibility to stay sharp and make sure we are helping our clients submit offers that are competitive and well-prepared.

Slide 2 – Preparing to Write the Offer:

Gathering information ahead of time is essential before drafting the offer. Here are some key steps to take:

- Talk with the buyer's lender to confirm the loan type, the expected closing timeline, the amount of the down payment, and get a copy of the pre-approval letter. You also need to ask if there are any limits on seller contributions for closing costs or limits on buyer agent compensation.
- Collect all offer details, including the legal names of all buyers, pricing strategy, earnest money amount, preferred inspection terms, desired closing date, any contingencies, and the expiration date of the offer. Also, if there is a non-borrowing buyer involved, speak with the lender early to avoid delays.
- Communicate with the listing agent to find out what the seller needs. Do they need extra time after closing? Are they ready to respond quickly? This conversation can give you helpful insights that will allow you to write a stronger offer.

Question for the group:

When speaking with the listing agent, what are your top three questions?

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And when speaking with the buyer's lender, what questions do you always make sure to ask?

Slide 3 – Using the Incorrect Sale Agreement

Today, we'll also go over some of the most common mistakes that brokers see when reviewing files. One frequent issue is using the wrong sale agreement.

Choosing the wrong form can result in leaving out key terms or conditions that are important for the transaction. For example, if you're writing an offer for vacant land, ensure you're using OREF 008. This can cause issues later in the process.

Question for the group:

How do you decide between the Condo Sale Agreement and the Residential Sale Agreement with the HOA Addendum?

What about new construction? If you're using a builder's form, what is one thing that is often missing?

(Hint: The Final Agency Acknowledgment. You can use OREF 010 to make sure you're in compliance.)

Slide 4 – Failing to Reference or Attach Addenda to the Offer:

Whenever you attach an addendum to an offer, make sure it is clearly referenced in the agreement. Use the "See Attached Addendum" fields or mention it in Additional Provisions.

Once the seller accepts the offer, it is important that they are also accepting all the attached terms. Clear referencing helps avoid confusion or disputes. Always double-check to confirm that any referenced addenda are actually attached to the submitted offer.

Question for the group: *Are there specific addenda you often use when writing offers?*

Slide 5 – Leaving Sections of the Sale Agreement Blank:

Always fill in every section of the sale agreement, even if the form includes a default option. This demonstrates professionalism and helps avoid misunderstandings.

If there are multiple choices in a section, be sure to check the correct box. Skipping or leaving sections blank can lead to risk and liability for your client.

Question for the group: *Is Section 4 – Buyer Representation of Funds required?*

Answer: *Yes, it is. The buyer should identify the source of their funds and disclose any financing contingencies. This gives the seller a clear and honest picture of the buyer's financial position.*

Slide 6 – Not Identifying Personal Property:

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Disagreements over personal property happen more than they should. Items in the MLS or marketing materials are not legally binding unless they are included in the contract.

If your buyer wants something specific to stay, such as a refrigerator or washer and dryer, you must write it into the offer. Be as detailed as possible. For example: "Stainless steel Kenmore refrigerator, model number X123, located in the kitchen as of walk-through on 1/1/2025." Best Practice is to include these items in the Personal Property section of the Sale Agreement, as the language included in that section satisfies most lenders regarding value.

Slide 7 – Skipping the Pre-Approval Letter:

This might seem obvious, but it's worth repeating. Always include the buyer's pre-approval letter with the offer.

If the buyer has already gone through underwriting, be sure to mention that. It shows the buyer is serious, strengthens the offer in the eyes of the seller, and can help them stand out in a competitive market.

Slide 8 – Not Clarifying VA Loan Closing Costs:

When working with VA buyers, it is important to be clear about which closing costs they are asking the seller to pay.

In the financing section, there is a box to indicate whether the buyer is requesting the seller to cover non-allowable VA fees. Confirm this with the lender and include any additional costs that should be disclosed in the offer in the Additional Financing Provisions section.

Transparency here helps prevent last-minute issues.

Slide 9 – Leaving Water and Sewer Information Blank:

It may seem minor, but you should never leave the water and sewer section blank.

This information is usually available in the MLS and must be filled in by the buyer when writing the offer. If the information is incorrect, the seller can correct it via a counteroffer or addendum. If the property is on a private system like a well or septic, be sure to include the appropriate addenda giving the buyer a chance to negotiate inspection periods for those systems to make sure they are protected.

***Question for the group:** If the property is on a private well or septic system, is the inspection period covered by the default home inspection timeline?*

Slide 10 – Preparing a Woodstove Addendum Too Early:

If there's a woodstove on the property, don't include OREF 046 with your offer. That's the seller's job.

This form confirms whether the stove is DEQ-certified. Including it prematurely may create confusion—wait for the seller to provide it after acceptance.

Slide 11 – Choosing a Closing Date without Talking to the Lender:

Always confirm the closing date with the lender before putting it in the offer.

The lender's timeline depends on factors like whether the buyer has completed underwriting and how quickly appraisals can be scheduled. Be sure to factor in holidays, too, as they can not only delay funding and recording but also underwriting and processing timelines.

Slide 12 – Misusing or Skipping the Possession Section:

The possession section is often left blank, but it plays a critical role in the agreement.

If the property has tenants, does the buyer agree to keep them? Or is the seller responsible for delivering the property vacant?

If the seller needs to stay in the home after closing or the buyer wants to occupy early, you must include the proper Agreement to Occupy form with the offer.

***Question for the group:** If the seller stays after closing, what is considered Day 1 of the Agreement to Occupy?*

***Answer:** The day after closing. Closing day is Day 0, and possession timelines begin the following calendar day.*

Slide 13 – Questions or Suggestions:

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