

How to fill out the “OFFER TO PURCHASE REAL ESTATE” (OTP)

1. OTP is used only after the seller and buyer have verbally agreed to both the purchase price and the closing date.
2. Purchase Price – The price at which the seller agrees to sell the property.
3. Deposit – Earnest money collected at signing of OTP in the form of a check made payable to **SUPERIOR TITLE & ESCROW OF KANSAS CITY**, usually 1% of sales price, which will be held in escrow and credited to the buyer at closing. (Generally refundable to buyer if sale does not close.)
4. Offer is conditional – Explain to the buyer that the OTP is simply a “binder” and seller will have their attorney prepare a sales contract based on the information provided in the OTP. Seller will have the contract prepared and present it to the buyers within 5 days of the date on the OTP. Our attorneys will prepare the contract for you, if you want. Buyer may want to take the sales contract to their attorney (or someone else) for review prior to them signing it. Buyers always sign the sales contract first and return the signed contract to the seller. Seller (both husband and wife if married) then sign the contract and return it to one of **SUPERIOR TITLE & ESCROW OF KANSAS CITY’s** offices.
5. Seller explains to the buyer that they will sell them the property if the buyer can prove to them within 5 days that they can get a loan to buy the property.
6. We suggest that the seller give buyer 15 days to have their home inspection completed if their buyer opts to conduct one (most will). This inspection is paid for by the buyer.
7. Seller guarantees to the buyer that the property they are selling is free and clear of all liens and encumbrances... this is guaranteed via the title insurance that the seller purchases at closing.
8. This is the date of closing... normally also the possession date.
9. The buyer’s offer is either conditional on the sale of their home or it is not. A non-contingent agreement is best for sellers and buyers. (This means the buyer does not have to sell their house first in order to get a loan to buy the seller’s property.)
10. Other terms – Anything the buyer and seller agreed to verbally, write in this space. Such as “the refrigerator stays”, “we’ll fix the deck”, etc. If more space is needed write them out on a separate sheet of paper.