

Addition, Assignments And Deletions of Buyer

ADDITION OF BUYER(S):

Scenario: Jane signs the purchase contract to buy a property and John is also to be included and made a part of the transaction but did not sign the contract.

After escrow is opened, if it was intended for a second Buyer to be a part of the purchase agreement/joint escrow instructions, the escrow officer will prepare an escrow modification adding the additional Buyer to the transaction and circulate these instructions to all Buyers and Sellers for signature. Nothing stated or implied by this instruction is intended to relieve the obligation of the original Buyer to complete the escrow.

ASSIGNMENT OF BUYER:

Scenario: The Buyer chooses to hold title in the name of their trust, LLC, or partnership.

After escrow is opened if it was indicated in the purchase agreement/joint escrow instructions that there could be an "assignee," upon notification by the real estate agents of the new "assignee" to the escrow officer, the escrow officer will be required to prepare an amendment assigning all rights, title and interest of the first Buyer to the second Buyer, the "assignee." This instruction will be given to the Original Buyer, new Buyer and the Sellers to sign.

DELETION OF BUYER:

Scenario: If two Buyers are purchasing a property but only one qualifies for the loan, the lender may require that the Buyer who did not qualify be removed from the transaction.

In any event the escrow holder will be required to create an amendment for the Buyers and Sellers to sign removing one of the Buyers.

Just remember: Deleting one of the Buyers and/or adding an additional Buyer can usually be done by an escrow modification. Be advised that in some cases substituting a completely new/different Buyer may require a new contract and cancellation of the first contract...and in most cases the Lenders/Mortgage Brokers will determine which path escrow will be required to take.

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