

# 12 Tips: Standard Real Estate Purchase and Sale Agreement

To get you started making some money right away I've included just one of the over 300 carefully crafted forms available in the *Street Smart® Whole Enchilada®*.

Remember, I said that the right form has Profit Centers, Negotiation and Protection contained in it. Well, this one is a great example of that. Take a few minutes to read this form and see if you can find them. Then listen to the audio recording on my website at [MillionaireJumpStart.com/psa](http://MillionaireJumpStart.com/psa), which will take you line by line through this Purchase and Sale Agreement and explain a lot more about the all important clauses and how to fill it out. It will also help to be able to read the form as you listen, but it is not mandatory. Even a single sentence in this form can make you a fortune.

Use the *Street Smart®* STANDARD REAL ESTATE PURCHASE AND SALE AGREEMENT (BUYING) – Form BSH-1301-B... when YOU are the Buyer. It is far from “Standard” because it contains many Street Smart Secrets which create profit, save money and secure your deal from the seller getting out easily. It does, however, contain some provisions which would make it fairly easy for you, the Buyer, to get out of the deal. It has many provisions which are not included in any Realtor agreement. “Subject to”; Seller pays all closing costs; owner financing provisions; all built in are but a few examples.

**TIP 1)** Many times I let the contract do much of the negotiating for me.

**TIP 2)** Since this is the “Standard” agreement many times the Seller does not argue about the closing costs. This could add \$1,000 or more to your bottom line and reduce your cash outlay.

Here's 10 more Street Smart tips to help guide you through the mystery of negotiating and filling out the contract.

**TIP 3)** It really helps in a negotiation when it looks like you've given up something you didn't have to when you agree to pay some of the closing costs by altering the preprinted form.

**TIP 4)** You'll notice that if your offer includes seller financing that when you read paragraph 14, it doesn't refer to an interest rate. This allows you to receive owner financing as a zero interest loan.

**TIP 5)** You'll notice the automatic extension in paragraph 6, which prevents your seller from waiting you out when they decide not to sell, or to sell to someone with a better offer, after entering into a contract with you.

**TIP 6)** This agreement allows for an "escape" if you have made a bad deal or have a funding snafu. Paragraph 8 states that the agreement is subject to an inspection and acceptance by Buyer and/or his associates after acceptance. This would allow you a re-evaluation and ability to re-negotiate if you make an unwise move.

**TIP 7)** If you use any other agreement to buy, such as a Realtor's contract, put "Subject to partner's approval" in the "special stipulations" section, usually near the end of the contract.

**TIP 8)** This agreement has a built in assignment clause, allowing you to assign the agreement to a third party if you want to earn an assignment fee. A Realtor's contract usually doesn't allow this... if you sign one of these, add a hand written "and/or assigns" after your signature. By doing this, you will then still be able assign the contract, regardless of what provisions the agreement may contain because hand written language take precedence over preprinted or typed language.

**TIP 9)** Of course "Subject To" (paragraphs 1E & 1F) existing financing is not in a Realtor's contract. It's built in here because sometimes a seller will allow you to "take over" their payments until you sell the property. This is a tremendous benefit to us as we don't have to use our own credit availability, allowing us to save it for other deals where a new loan is the only way we can buy. This technique doesn't work in every case, but it sure is great when it does. When using this concept, you will need

to create a Land Trust. See ***Street Smart® Asset Protection – Land Trusts*** course for a checklist and forms when buying “Subject-To” when the loan documents contain a “due on sale” clause.

**TIP 10)** When completing the purchase price section, paragraph 1, if your purchase price is an exact amount then check the “exactly” box in 1 G and the “approximately” boxes in 1B & 1D. Whereas, if you are giving the seller an exact cash amount as a down payment (also known as “Cash to Control”) and taking the property “subject to” the mortgage balance(s) then check the “exactly” boxes in 1B & 1D and the “approximately” box in 1G.

**TIP 11)** The buyer and seller should get an original of the final contract. Also give a copy to the closing agent (attorney or title company) so they have the information necessary to research the title and close the sale.

**TIP 12)** Don't be afraid... the right paperwork is your friend. It can make you a lot of money and keep you out of trouble.

Oh, and one more - this is the BUYING version. Only use this to BUY property. I have different version to use when selling property in the ***Street Smart® Holding and Selling™*** system.

For a more complete understanding on how to fill out and use the Street Smart Real Estate Purchase and Sale Agreement listen to the audio CD included with this course.

If you like what you see just from this one form imagine the impact this system will have on your business. Stop trying to patch things together... we have it all... Integrated, Coordinated and Complete.

To Your Abundant Profits



P.S. I would love to have your feedback and testimony about this powerful course. Please email me at [StreetSmartLouis@LouisBrown.com](mailto:StreetSmartLouis@LouisBrown.com).