

# How to Spot RED FLAGS

## When Selling Your Home

Learn how to **PROTECT YOURSELF** and avoid getting taken advantage of.



### “And/or Assign” on a Contract

A real estate contract typically has your name as the seller and the buyer's name as the buyer. **Watch out for the words “and or assigns” after the buyer's name.** These words mean this person may not intend to buy your house and is actually assigning it to someone else. These “ASSIGNORS” act as the middleman. They will be looking to assign your contract to a real buyer and make a profit in the process.

### No Earnest Money Deposit

It is standard real estate practice for a buyer to put down \$1,000 – \$5,000 earnest money deposit to show they are serious about buying your house. **Watch out for a buyer who says this deposit is not required because it's a fast deal or low purchase price.** This is a red flag that they may be an ASSIGNOR that does not have the money to purchase your house and may not follow through on the contract.

### No Proof of Funds

A Proof of Funds document is verification that a person has money in the bank to buy your house. **Someone who is only intending to ASSIGN your contract does not have the money to actually buy your house.** Some may even flash you a fake letter that looks legit! A real buyer should be able to show a proof of funds document from a local, reputable financial institution.

### Multiple Walk-Throughs

A true home buyer will only need to walk your property one time for all the information they need. **Watch out for many people trudging through your home—often introduced as inspectors or contractors.** This is a red flag that your “buyer” does not have money to actually buy your home and is showing your home to other buyers to ASSIGN your contract.

### Lowers the Price after Contract

Beware of a buyer offering a price too good to be true. **ASSIGNORS will tell you whatever price you want just to get you under contract.** This prevents you from selling your house to anyone else. Later, they will try to negotiate a lower amount with you just as you're ready to move. You don't have to settle—you have options.

### Pushes out Closing Date

If a buyer keeps pushing out the closing date you agreed to, this may be a sign they need more time to assign your contract. **An ASSIGNOR will agree to whatever closing date you want, but they cannot close until they find a buyer.** This tactic is unfair because this is the date you've been promised and are depending on to move.



## Call 816-844-6224

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