

Legal Questions & Answers

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Question: One of my real estate brokers has requested that his commission checks be held for one to two months, can I do this?

Answer: We would urge you to not withhold commission checks that are earned. For example, you do not want to assist a broker in avoiding payment of debts or deferring taxation of earned income. Regardless of the reason, when a commission is earned it should be paid.

Question: Is a buyer allowed to terminate a transaction after inspections have been completed, even if they are past the allotted time frames? Would the buyer then be required to release the earnest money to the seller? Additionally, can the seller reactivate the listing and enter into a new transaction with a new buyer?

Answer: If the buyer has provided an appropriate unconditional disapproval based upon the inspection and within the requisite timeframe, the transaction has been terminated. The buyer can also terminate the transaction outside of the requisite timeframe, but risks losing his or her earnest money. The issue of earnest money can be addressed through the dispute resolution provisions of the sale agreement. Despite the above, a seller should be cautioned to condition any subsequent acceptable offer, upon resolution of the first offer, to avoid any unanticipated problems.