

Legal Questions & Answers

March 2017

Question: If a buyer chooses to terminate a real estate sales transaction due to a contingency not being met, do the parties need to sign a Termination Agreement prior to disbursing the earnest money from our client trust account?

Answer: Although it is considered good practice to have the parties sign a Termination Agreement prior to disbursing earnest money, it is not required by law. However, you may wish to review OAR 863-015-0186 should disbursement of the funds be disputed by the parties.

Question: If a buyer marks the professional inspection box on the residential sale agreement, can they subsequently waive all inspections or are they still required to complete the inspections?

Answer: The inspection contingency is for the buyer's benefit only, and may be waived by the buyer at any time. The seller cannot require the buyer to complete inspections if the buyer chooses to waive the contingency after execution of the sale agreement.