

Legal Questions & Answers

October 2017

Question: Is a real estate sale agreement legally binding if no earnest money is paid?

Answer: In order for a contractual agreement to be binding, there must be consideration. As earnest money is a form of consideration, it is considered necessary in order for a real estate sale agreement to be binding.

Question: If a buyer decides to terminate a real estate sales transaction based upon the home inspection, and the seller requests a copy of the well flow test results, is the buyer required to provide the seller with a copy of the well flow test results?

Answer: If the termination was not based on the results of well testing, then the seller is arguably not entitled to the well test reports.

Question: Is an inactive real estate broker entitled to earn commissions?

Answer: A real estate broker is not entitled to earn commissions while inactive. However, if the broker "earned" the commission while in active status, the commission can be paid to him or her while inactive.