

BUYERS' REMORSE

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You wake up in the middle of night, in a cold sweat, and shaking and panicking and wondering what the hell you have just done. Pure fear. Buyers' remorse can develop over just about anything from the new golf club, to clothing, a new car, or even real estate. For just about everything except real estate there are numerous protections in the law to return the products – often for a full refund: company policies, credit card protection programs, lemon laws, etc.

With real estate however, the opportunity to get out of a properly executed – sometimes called “ratified”, contract is pretty limited. Once a real estate transaction is finalized – sometimes called “settled” or “closed”, chances are pretty slim. You cannot just change your mind and get your money back.

However, during the time between ratification and settlement – sometimes called the “under contract”, “discovery” or “escrow” period, there are usually at least three major opportunities to stop the purchase process and get your deposit money back. The opportunities – called contingencies include: satisfactory inspections, satisfactory appraisal, and final loan approval. Every real estate contract is a little different – check the contract language, talk to your real estate agent, or consult an attorney when you have questions about what your options are.

A good source of information is this great article that is published online:

<https://www.thebalance.com/how-to-avoid-home-buyer-s-remorse-1797771>

Whether there is a rescission period or not will depend on if there is a rescission clause in your contract. Even if there is no such clause, the laws of your state may allow it. Many state statutes stipulate that you have three days to rescind an offer, even after you agree to all the terms.

Another great source of information is this report:

<https://www.cnbc.com/2017/07/14/almost-half-of-americans-have-buyers-remorse-about-their-house.html>

Bottom line, try to relax and continue to approach the decision to buy your home as a logical and fact-based step in your personal and financial plan.

DISCLAIMER

John P. Hale is a licensed real estate agent in Maryland and Pennsylvania. He is affiliated with Coldwell Banker Residential Brokerage in Westminster, Maryland. John has been licensed since 2000 and also practiced in Tucson, Arizona for many years. Mr. Hale holds the following designations and certifications awarded by the National Association of REALTORS® (NAR) and other authorized institutions: ABR-Accredited Buyers Representative, AHWD-At Home With Diversity, CNE-Certified Negotiation Expert, CRMS-Certified Risk Management Specialist, CRS-Certified Residential Specialist, CTA-Certified Tourism Ambassador, e-PRO-Online Real Estate Practice, GRI-Graduate of Realtor Institute, MRE-Master of Real Estate, MREP-Mortgage Real Estate Professional, MRP-Military Relocation Professional, and Workforce Housing Certification.

Please note that this article was written by John to provide objective information and to also reflect his opinion of good practice at the time of its' writing for the general benefit of those considering sale or purchase of real estate. It is not intended as definitive legal advice and you should not act upon it as such without seeking independent legal and financial counsel. Frequent changes in the law and standards of practice may cause this information to become outdated and no longer applicable or incorrect.