Earnest Money, Explained

The good faith deposit that anchors your offer.

WHAT IT IS

A deposit, commonly 1% to 3% of the price, sent to a neutral escrow company after your offer is accepted. It shows the seller you are serious.

WHERE IT GOES

It is not an extra fee. At closing it applies toward your down payment and closing costs. Walk through your contingencies properly and it is never lost.

HOW YOU KEEP IT SAFE

Contingencies for inspection, appraisal, and financing let you exit with your deposit if the deal legitimately falls apart. Never waive them casually; that is when deposits get risked.

PROTECT YOUR DEPOSIT

- **Wire only after verifying instructions by phone**
- **Know your contingency deadlines cold**
- **Ask before releasing any contingency**
- **Deposit applies to your costs at closing**
- **Your agent and lender should sync on dates**

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YOUR MORTGAGE GUIDE
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Scan with questions before you write an offer