

Activity Worksheet

Appraisal Waiver Contingency Addendum

Option B

There are multiple offers on a property which is listed at \$400,000. Buyer A wants to make an offer and really wants to win the bidding war. He has \$15,000 in additional cash that he can bring to closing and he's willing to go all the way up to \$425,000. Buyer submits the Appraisal Waiver Contingency Option B.

Activity: Please fill out Option D of the Appraisal Waiver Contingency

Please answer these questions:

- What is the Appraisal Gap? _____
- What is the Cap? _____
- What happens if the property appraises for \$420,000?
• _____
- What happens if the property appraises for \$405,000?
• _____
- What happens if the property appraises for \$375,000?
• _____

Option D

There are multiple offers on a property which is listed at \$400,000. Buyer A wants to make an offer and really wants to win the bidding war. He has \$15,000 in additional cash that he can bring to closing and he's willing to go all the way up to \$425,000. Buyer A wins the war and is paying \$420,000. The Buyer submits Option B, but the seller Counters with Option D setting their floor at \$410,000.

Activity: Please fill out Option D of the Appraisal Waiver Contingency

Please answer these questions:

- What is the Cap?
• _____
- What is the Gap?
• _____
- What happens if the property appraises for \$400,000?
• _____
- What happens if the property appraises for \$415,000?
• _____
- What happens if the property appraises for \$375,000?
• _____