



“Conditional on financing”: the most important part of your offer

When you find the condo or house of your dreams and want to make an offer, do you need a financing condition? Unless you can pay cash for the home, then yes you do. That little phrase – “conditional on financing” – is an important protection for buyers.

When an offer to purchase is made “conditional on financing”, we gain the time needed i.e. 3 to 5 days to ensure that you are fully approved for the necessary funds. Your lender needs to feel as comfortable about the property as you do and will likely conduct an assessment. After all, the property is the lender’s security if something goes wrong. Even if you have a mortgage preapproval, the lender may decline the property for reasons such as:

- The address may be just outside the acceptable location perimeter for the lender.
- Concern over a former grow op, an environment matter, or zoning issues.
- The appraisal may not match the offer you’ve made.

Don’t let the rush to buy overcome common sense. A preapproval is a guideline only, and a lender could disregard

it: especially if your income or financial situation has changed. That “conditional on financing” gives you time to confirm with the lender, and to withdraw the offer if the lender’s queries turn up something negative about the house.

An offer without conditions leaves you and your family on the hook. If the financing falls through, you will lose your deposit, and could be sued by the seller. It’s not the happily-ever-after scenario you envisioned when you made your offer. If you really want to put in an offer with no financing conditions, I can assist you in mitigating your risk i.e. review the strata docs, listing information, and contact the lender and insurer about the property prior to writing the offer, which can help eliminate some of the risk but nothing can be 100% guaranteed. Let me help you make sure your homebuying journey has a happy ending.



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