



How to Identify **RED FLAGS** When Selling Your Home



Learn how to ****PROTECT YOURSELF**** and...
Avoid being taken advantage of.



“And/or Assign” in a Contract

If you see “and/or assigns” after the buyer’s name, be cautious. This clause lets the buyer transfer your contract to someone else instead of buying your home themselves. In other words, they’re acting like a middleman. If they find another buyer, they profit from the assignment, but if they can’t, the deal dies and you’re left starting over.



No Earnest Money Deposit

Serious buyers put down an earnest money deposit, usually \$1,000–\$5,000, to show they’re committed. If a buyer says a deposit isn’t needed because the deal is “fast” or “cheap,” that’s a red flag. It often means they don’t have the funds to close and may just be trying to assign your contract. If they can’t find another buyer, the deal dies.



No Proof of Funds

A proof of funds letter shows the buyer has money in the bank to actually purchase your home. Assignors usually don’t have the funds, since they’re hoping to sell your contract instead. Some even use fake letters that look real. A legitimate buyer will provide proof from a local, reputable bank or lender.



Multiple Walk-Throughs

Real buyers usually need just one visit to evaluate your home. If multiple people start coming through as “inspectors” or “contractors,” it’s a red flag. It often means the buyer doesn’t have the funds and is shopping your property around to assign your contract.



Price Reductions

Be cautious of buyers who promise an unrealistically high price just to lock up a contract. Assignors often do this, then come back later trying to lower the price once you are ready to move. This stalls your sale and keeps you from working with real buyers. Remember, you do not have to accept less. You always have options.



Delayed Closing Dates

If a buyer keeps pushing back the closing date, it often means they are trying to assign your contract. An assignor will agree to any date you choose, but they cannot close until they find another buyer. This delays your move and disrupts the timeline you were promised.