DC SPOT

Virginia Home Buyer Contingencies

★ YOUR OPTIONS AT EACH STAGE ★

01 Home Inspection Contingency

Choose your inspection track BEFORE making the offer:

TRACK TYPE	YOUR OPTIONS
Negotiation & Void (Most Common)	• Ask seller to fix issues or give you credits • Walk away completely if you can't agree • Accept as-is if no major problems found
Void-Only	• You can't ask for repairs or credits • Only choice: void the contract if unhappy OR accept as-is
Informational Only	• You inspect but waive right to request anything • Only choice: void if you find deal-breakers OR accept as-is

02 Appraisal Contingency

What happens if the house appraises LOWER than your offer price:

YOUR OPTION	WHAT IT MEANS
Request Price Reduction	Ask seller to drop price to match the appraisal value
Use Appraisal Gap Waiver	You pre-agreed to cover up to a certain amount yourself (e.g., you'll cover gaps up to $10k)
Pay Extra Cash	Bring extra money to closing to make up the difference between offer and appraisal
Terminate Contract	Walk away and get your earnest money back if seller won't budge on price

03 Financing Contingency

Protects you while your lender processes your mortgage application:

YOUR OPTION	WHAT IT MEANS
Get Loan Commitment	Work with your lender to meet any conditions and get formal approval within the deadline (usually 21 days)
Void if Rejected	If lender denies you, provide the rejection letter and terminate the contract to get earnest money back
Seller Can Void	If you miss the deadline for loan approval, seller can give you notice to perform or they can void the contract

04 Home Sale & Settlement Contingency

Used when you need to sell your current home to buy this one:

YOUR OPTION	WHAT IT MEANS
Contingent on Sale & Settlement	Your current home must be under contract AND close successfully before you close on this new home
Contingent on Settlement Only	Your current home is already under contract; this protects you if your buyer's financing falls through at the last minute
Kick-Out Clause (Seller's Right)	Seller can keep marketing. If they get a better offer, they give you 48-72 hours to either drop your sale contingency or let this contract void

05 HOA/Association Disclosure Contingency

By Virginia law, you CANNOT waive this right:

YOUR OPTION	WHAT IT MEANS
Review & Accept	You review HOA docs (bylaws, financials, special assessments) within 3 days and decide everything looks fine
Negotiate Credits	Ask seller for credits if a big special assessment is coming that you'll have to pay
Cancel the Contract	Walk away without penalty within your 3-day window if HOA is in bad shape or has major problems coming

QUICK CHECKLIST

- ☐ **Inspection:** Choose your track before you submit the offer
- ☐ **Appraisal:** Know your options if it comes in low
- ☐ **Financing:** Stay on top of your lender's timeline
- ☐ **Home Sale:** Only use if you actually need to sell first
- ☐ **HOA:** You have 3 days to cancel if needed (can't be waived)

Most contingencies exist to **protect you** during specific timeframes. As long as you act within the deadline and formally notify the seller, you can usually walk away **without losing money.**

For general education only | Virginia purchase contracts | Confirm specific terms and deadlines in your own contract.

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