

Appraisal

The appraisal can only be ordered by the buyer's lender in order to be valid for the transaction. It is no fun for anybody when the appraisal comes in low, but you do have options.

> Buyer Options

When the appraisal comes in low the ball is in the buyer's court. The buyer can either:

Cancel the transaction and in many cases keep the earnest money

- or -

Try to negotiate a price reduction with the seller

- or -

Bring in enough cash to make up the difference between the appraised price and the purchase price

> Seller Options

Once the seller has been notified of the low appraisal and that the buyer would like to negotiate instead of cancel, the seller can either:

Refuse to lower the purchase which will force the buyer to either:

1. Bring in cash
2. Cancel the transaction

If the transaction gets canceled, the house will go back on the market and the seller will hope for a new buyer, an equal or better offer, and a subsequent better appraisal.

- or -

Lower the purchase price to the appraised value

Buyer and Seller can work together to keep the deal alive! Either one can try to dispute the appraisal and increase the value. This can be worth trying and is occasionally successful.