

The Return of Seller Financing: Contacts for Deed as an Option in Today's Struggling Real Estate Market

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A contract for deed may be a helpful tool for both sellers and purchasers in a tough real estate market. A contract for deed is also known as a “land contract” or “installment land contract.” In a contract for deed, the seller, rather than a lending institution, finances the purchase of the property. The purchaser takes immediate possession of the property and agrees to pay the purchase price of the property over time, generally in monthly installments. The seller retains legal title to the property throughout the term of the contract until the last payment is made and the contract is fulfilled. When the total purchase price has been paid to the seller, the purchaser is entitled to the type of conveyance identified in the contract. Generally, this will require the conveyance of a warranty deed to the purchaser.

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