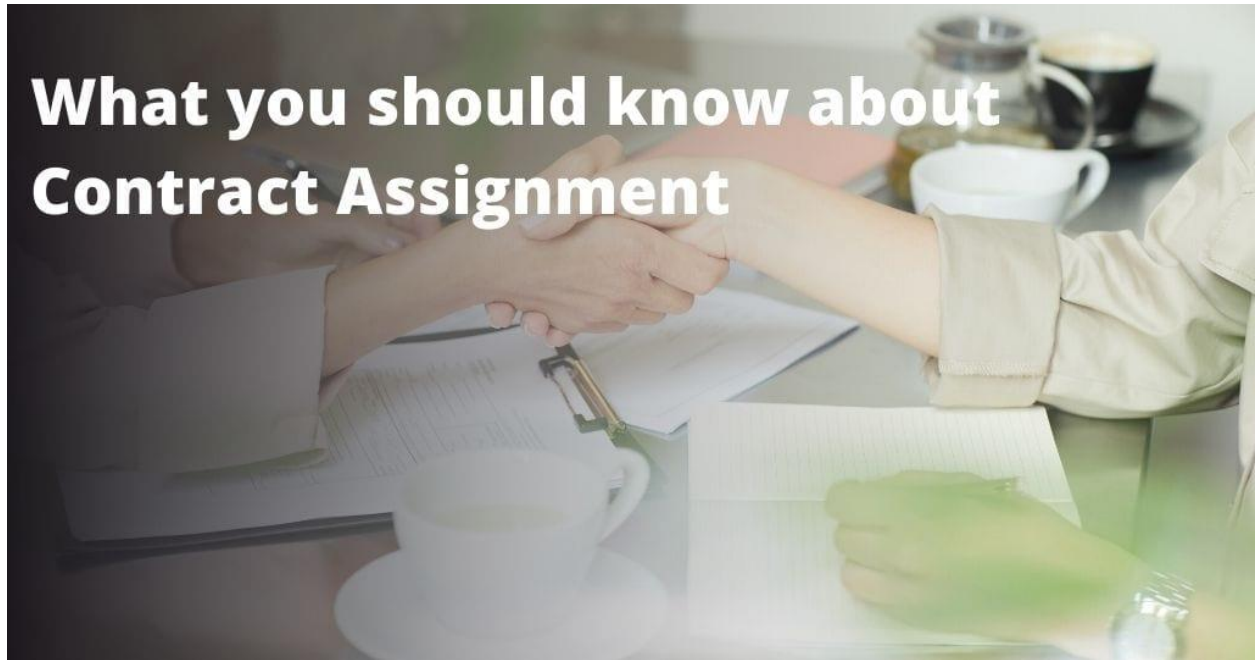




Contract Assignment: 3 Lucrative Facts



[Contract assignment](#) is used all over [real estate](#). Knowing what it is and when to use it provides you an edge in the market.



Guru's Don't Tell You Enough About It



Portrait of smiling female business coach giving speech to audience during seminar, copy space

There is a concept called “contract assignment” in real estate. Whether you are new to [real estate investing](#) or you're an oldie, you should be familiar with this term. If you're about to make your first foray in real estate investing, this article is for you. If you've seen some guru ads, most of them introduce you to the concept behind contract assignment, but they do not go deep into it. They just talk about the surface and move on to other things.



Contract Assignment Offers Access To Deals

The definition is quite clear and understandable. Contract assignment is purchasing a property (below [market value](#)) from a seller and selling to another buyer above market value. Although it is not as simple as it is usually taught, it is an established investment technique for real estate investors who are not comfortable with risk.

Going About The Contract Assignment Process

First of all, you have to find a motivated seller to be able to use a contract assignment. This person wants to sell their particular property quickly. There are various avenues to [meet motivated sellers](#). They include newspaper advertising, web marketing, postal marketing, etc. You can find several ways, so be sure that you use a mix of different tactics when you [start researching properties](#). When you find a motivated seller, study the persona of the seller inadeptly. Don't rush; take your time during negotiations as a motivated seller won't like this approach. This would make he/her want to sell the property, and he/she would probably give it to you below its market value.



Lawyers are advising clients about real estate law.

When you find that motivated seller, you need to draft a contract. There are several examples of contract assignment drafts on the internet. Make sure an attorney looks at it and endorses it.

This is so crucial for two reasons.

1. You'll first feel confident to realize that the paper is valid legally.
2. Should you find yourself in court, you will want to contact an attorney.

You need to add "and/or assigns" to your assignment contract draft.

This helps you to pass the property to another owner who has an interest in the land. This makes you get equity in the property if the supposed buyer resells it.

Also, you must submit the contract to the [title](#) company or attorney. Different states have different procedures to this approach, but usually, there is either a title firm or a closing lawyer performing a search for titles. The hunt for the title must review the history of the land to ensure there are no liens. The title



company or attorney is a private entity that is contracted directly to ensure that the deal is just in compliance with the contract.

In addition to these steps is finding a motivated buyer, this may be a bit of a challenge to locate the final buyer, so you should start closing the deal when you have a suitable buyer. First, you will need a non-refundable earnest cash deposit, should you locate your client (via Craigslist advertising, [Zillow](#), email marketing, etc.).

If the customer makes a non-refundable payment, it assures profits. Whether the deal ends or not, this money is yours. The income you receive will be too high or as little in your way. Once the potential purchaser deposits the funds, you realize the prospective purchaser has a genuine interest in your property and is ready to move on with negotiations. Usually, this fee is kept by the title company or the closing counsel.

Lastly is getting paid for your property. Most of us like to hear that. You would be paid for the transaction through the end buyer's wires. That payment includes whether you agreed to the property plus the contract facilitation charges.

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Learn about flipping, investing, and renting properties of all kinds from the #1 online resource. We upload fresh content routinely to bring you the best in real estate.