



# Coldwell Banker Buyer Bonus

## F.A.Q.

**1. What is the Coldwell Banker Buyer Bonus Event?**

The Coldwell Banker Buyer Bonus Event is a three month-long national sales promotion that begins on May 1<sup>st</sup> and lasts through July 31<sup>st</sup>, 2010. Sellers participating in the promotion are giving 3% of the accepted offer price up to \$8,000 credit at closing back to homebuyers who sign an offer before the July 31<sup>st</sup> deadline. The Event is timed to coincide with the April 30<sup>th</sup> expiration of the government's Homebuyer Tax Credit, extending the benefits of the government program to a much wider audience of potential homebuyers.

**2. Why is Coldwell Banker doing this promotion?**

The national government has done its part in helping to reinvigorate the housing market through the extension of the tax credit. Some people may be anxious about missing the April deadline. The Coldwell Banker Buyer Bonus Event will allow participating Coldwell Banker home sellers to "essentially" extend the credit for participating homebuyers. And the Coldwell Banker Buyer Bonus Event has fewer restrictions. With the increased inventory around the country, Coldwell Banker listings will stand out from the competition.

**3. How does it work?**

It's simple. If a home seller decides to participate in the promotion, they agree to refund as a credit at closing 3% of their final home purchase price up to \$8,000 to the buyer. The buyer simply has to sign an offer on a participating property after the promotion start date and before the promotion expiration date. The home seller should consult their Coldwell Banker agent to make sure that program participation aligns with their sales goals and to coordinate event enrollment. Participants in the Buyer Bonus program are also encouraged to contact their lender to ensure that participation will not adversely affect their financing.

**4. How much is the Buyer Bonus?**

The amount of the Buyer Bonus is equal to 3% of the home's purchase price on accepted offers up to \$8,000. The bonus will be shown as a credit from the seller to the buyer at closing. The bonus cannot exceed \$8,000. The \$8,000 amount was chosen because it coincides with the maximum incentive available through the Homebuyer Tax Credit.

**5. How is the Buyer Bonus paid?**

The Buyer Bonus will be shown as a credit from the seller to the buyer at closing.

**6. Will there be any issues with the Buyer Bonus program affecting the buyer's financing or will this be perceived as an inducement to buy from the seller?**

No, if the contract is written and structured properly. The Buyer Bonus program should be treated as a typical seller concession in the contract to be applied towards items like closing costs and other prepaid items. We have created a set of specific lending FAQs based on recommendations from Coldwell Banker PHH Mortgage.

**7. Does the closing have to occur by a specific date?**

No. Unlike the Federal Home Buyer Tax Credit which had a closing deadline, there is no closing deadline for the Buyer Bonus event. The deadline to enter into a contract will be July 31<sup>st</sup> when the program ends, but the closing date will be negotiated by the buyer and seller.



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**8. What is Coldwell Banker doing to promote the Event?**

Coldwell Banker is investing the resources necessary to promote the Buyer Bonus Event on a national scale. There will be 15 second Coldwell Banker television commercials slated to air during the month of May, June and July promoting the event. The event will be heavily highlighted on coldwellbanker.com including a flash header and banners/buttons as well as a "Buyer Bonus" check box on the quick search function. Coldwell Banker will have Buyer Bonus messaging available on Facebook and Twitter, as well as a consumer video on OnLocation, the most visited real estate channel on YouTube. We will also be conducting a significant public relations outreach as well.

**9. Which homes can participate in the event?**

Any property listed with a Coldwell Banker agent is eligible for inclusion in the Buyer Bonus Event.

**10. How are participating properties going to be displayed on the Coldwell Banker website?**

Each listing will have a special logo on the search results and detail pages on coldwellbanker.com to alert the consumer that it's a participating property.

**11. Which home buyers are eligible for the Buyer Bonus?**

Unlike the Homebuyer Tax Credit which had income limitations and property eligibility requirements, all home buyers are eligible to participate in the Buyer Bonus Event. The key is to make a qualified offer on a participating property that the home seller accepts. Participants in the Buyer Bonus program are encouraged to contact their lender to ensure that participation will not adversely affect their financing.

**12. How should sellers be contacted about the program?**

We encourage all Coldwell Banker affiliates to send a letter from the broker/owner to all active listings explaining the program and its benefits. Coldwell Banker has supplied a customizable letter to use on the Buyer Bonus landing page on Coldwell Banker Works.com.

**13. How do sellers and buyers take advantage of the program?**

For home sellers, participation in the program can be arranged by contacting their Coldwell Banker agent. They'll be able to help you evaluate the program's benefits and facilitate the necessary paperwork. For buyers, they simply need to choose a home that is participating and sign an offer on or before the Event cutoff date of July 31<sup>st</sup>, 2010.

**14. How will a buyer know if a house is participating?**

Participating homes will typically display Buyer Bonus Event yard sign riders which agents can order. Again, they will also be tagged as Buyer Bonus homes on their property detail pages at [www.coldwellbanker.com](http://www.coldwellbanker.com).

**15. How will the program benefit the seller?**

Participation in the Buyer Bonus Event could improve the chances that a seller's home will sell more quickly during a particularly challenging time for the marketplace. It also gives the seller the opportunity to draw additional attention to their property by taking advantage of the national promotion of the event. Coldwell Banker plans to generate widespread awareness and replenish a home buyer pipeline depleted by the expiration of the government's Tax Credit program.

**16. Aren't you really just asking sellers to reduce their asking price?**

The purpose of the event is not to adjust the price of properties. Instead, it is meant to provide an incentive to buyers once the government's Tax Credit program expires on April 30<sup>th</sup>.



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**17. Are all homes listed with CB participating?**

No. Participation is determined solely by the home seller on an individual basis. We are, however, encouraging widespread participation given the market situation and the heightened short-term need to provide home buyers with incentive. Any pricing decision is in the seller's sole discretion and is subject to negotiation between the buyer and seller. Certain sellers may elect to extend the Buyer Bonus beyond the promotional period.

**18. Is the credit at closing taxable income to the buyer?**

Each seller's financial and tax situation is different. More importantly, Coldwell Banker agents are prohibited from providing tax or legal advice, so every seller should be advised to consult with their accountant and/or attorney to determine what effect the Buyer Bonus program may have.

**Legal Disclaimer:** *Any pricing decision is in the seller's sole discretion and is subject to negotiation between the buyer and seller. No portion of a real estate broker's or real estate sales agent's commission is offered as part of the credit incentive. Buyers are encouraged to contact their lender to ensure that participation will not adversely affect their financing as well as an attorney or tax professional regarding any legal or tax implications. Certain sellers may elect to extend the Buyer Bonus beyond the promotional period.*