

Date: [Insert Date]

To: [Seller Name / Escrow Agent Name]

Property Address: [Insert Full Property Address]

Subject: Conditions for Earnest Money Deposit

Dear [Recipient Name],

This letter outlines the conditions regarding the Earnest Money Deposit (EMD) in the amount of \$[Insert Amount] provided by [Buyer Name] for the purchase of the above-referenced property.

The deposit shall be held in escrow by [Name of Escrow Company/Law Firm] and is subject to the following conditions for release or refund:

- **Inspection Contingency:** The Buyer has [Number] days to complete inspections. If the Buyer is unsatisfied with the results, the EMD shall be returned in full.
- **Financing Contingency:** This deposit is contingent upon the Buyer securing a mortgage commitment by [Date]. If financing is denied, the EMD shall be returned to the Buyer.
- **Appraisal Contingency:** If the property fails to appraise for at least the purchase price, the Buyer reserves the right to terminate the agreement and receive a full refund of the EMD.
- **Title Clearance:** The EMD is contingent upon the Seller providing a clear and marketable title.
- **Default:** If the Buyer fails to fulfill their obligations without a legal contingency, the EMD may be forfeited to the Seller as liquidated damages. If the Seller defaults, the EMD must be returned to the Buyer immediately.

All parties agree that the release of funds must be authorized by written consent from both the Buyer and the Seller, or by a court order.

Sincerely,

[Buyer Signature]

[Buyer Printed Name]

[Seller Signature]

[Seller Printed Name]