

HOW TO MEET THE NEW EARNEST-MONEY DEADLINE

The *One to Four Family Residential Contract (Resale)* (TAR 1601, TREC 20-14) now has a strict three-day deadline to deliver earnest money. Unlike other deadlines in the contract, though, if the deadline falls on a weekend or legal holiday, the deadline is extended to the next business day. Here are three scenarios that show how to determine the earnest money deadline.



EXAMPLE 1 No weekends or holidays fall on the third day

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Contract effective date	Day 1	Day 2	Day 3 Earnest money must be delivered by end of the day.			

EXAMPLE 2 Weekend and legal holiday fall on third day

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			Contract effective date	Day 1	Day 2	Deadline for earnest money extended to next business day.
Deadline for earnest money extended to next business day.	Legal holiday Deadline for earnest money extended to next business day.	Day 3 Earnest money must be delivered by end of the day.				

EXAMPLE 3 Legal holidays and weekend days on Days 1 and 2 do not extend the deadline

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				Contract effective date	Day 1 Legal holiday Since this is not Day 3, this legal holiday still counts as Day 1	Day 2 Since this is not Day 3, this Saturday still counts as Day 2
Deadline for earnest money extended to next business day.	Day 3 Earnest money must be delivered by end of the day.					