

MidMOBOR MSC-134 – Escalation Clause to Residential Sales Contract FAQ

What Is Form MSC-134?

- Form MSC-134 allows a buyer's offer to automatically increase above another valid competing offer, up to a set maximum price (the Cap). The goal is to help buyers stay competitive in multiple-offer situations.

Where Can I Find the Form & Calculator?

- Form MSC-134 is available in the TransactionDesk Forms Library. The NEW Escalation Calculator can be accessed via the Escalation Calculator tile on the MidMOBOR Launch Dashboard, by scanning the QR code on MSC-134 or online: <https://www.cbormls.com/escalation-calculator/>

What Is the Escalation Calculator?

- The calculator is an online tool that automatically handles the math behind escalation scenarios. It allows you to compare two offers and determine which offer results in the highest net or "This Offer Net Price" (Line O). You can reset the calculator at any time and test multiple scenarios before completing the form.

Key Lines on Form MSC-134

- Lines 2–5: Basic contract information.
- Line 13 – Escalating Factor: The amount the buyer agrees to increase their offer above a competing offer.
- Line 16 – Cap: The buyer's maximum purchase price.

What Does "This Offer Net Price" (Line O) Mean?

- Line O is a comparison tool — not the seller's actual net proceeds. It accounts for seller concessions, home warranties, and buyer-broker compensation. It helps compare offers on equal terms but does not represent the seller's final financial proceeds.

Why Was the Escalation Form Updated?

- Updates allow more flexibility when offers have different compensation structures, concessions, or other varying terms. These changes ensure offers can still be evaluated fairly and consistently.

Using the Escalation Calculator Correctly

- Check out the training video here: <https://tinyurl.com/midmoborform>

New Purchase Price Calculated

- If the new purchase price is written on the Escalation Form and all parties have signed, the contract is binding at that price. No additional counteroffer or amendment is required unless other terms change.

Seller Checkboxes & Signatures (Lines 42–49)

- If Box A is checked, sellers must sign the designated signature lines, confirming they are not exercising the escalation. If Box B is checked and the worksheet is used, sellers sign at the bottom of the form.

Proof of a Bona Fide Offer

- Proof of the competing offer is required. Best practice is to provide the full offer with buyer and buyer-agent information redacted, including any riders.

Lender Qualification Reminder

- Confirm the buyer qualifies for the maximum purchase price (cap). Buyers must be prepared to finance or pay the escalated amount.

Need Help?

- If you are unsure how to complete or explain Form MSC-134, consult your broker.