

So They Found The Property They Want To Buy..... Now What Do I Do?

(September 21, 2020)

When you are showing properties what do you do?

- Make a list of concerns, things to consider in the offer, if half of the things in the home are missing, etc..... (Water softener is owned and not a rental, there is a storage shed in the back yard, 2 ceiling fans, a crack in the ceiling, peeling paint, leaking water heater, etc...)

Once they have decided on a property.... (EX: 540 Troy Ave. - \$335,000)

- download and print off a copy of the MLS data sheet
- download and print off the Property Disclosure (if none, call the listing agent to get one to you ASAP)

Basic “Game Plan” - price to offer?

You should already know:

- BUYER’s Legal Names (how to take title)
- Price to offer (the ideal one)
- Closing Date (Ideal vs. options) – Flexible??
- Preference for closing agency (if any)
- Spoken about how Earnest Money is handled (be prepared for it)
- What to ask for or to have done...
- Remind the BUYERS not to go out and purchase anything – even on credit or 90 days same as cash. Do not quit or change jobs, etc....

Review what is included and excluded on the MLS data sheet: (Included: Oven/Range, Dishwasher, Microwave, Water Softener. Excluded: Trampoline, Storage Shed)

What items did you see when showing the property that needs to be addressed? - Repairs, FHA concerns, Items to ask for or exclude, etc...

Call the lender for an “Approval letter” and verify loan type, interest rate, any closing costs (required or optional) – get a \$ figure not a percentage. How soon could we close, if necessary. (Don’t write it up for anything over the amount you are going to offer. – If necessary have them get the letter ready, pending you giving them the “offering price.”) Same day funding or do they delay a day?

Call the listing agent to verify that the property is still available. Ask for the SELLERS “Ideal” closing date (if they currently are planning to close on another property), title company (if any), any other important factors or concerns? What’s it going to take to get this together? Time frame for the SELLER to respond (Out of town, Corporate seller, etc...)

Call the Home Inspector to see if there is a long wait or delay to get an inspection done...

Determine your options.....

- Quick close or Flexibility in the closing date (if the BUYERS are renting vs. them needing to be out when their home sells)
- Repairs needed to be done vs. overlook them or assume responsibility for them
- Home Warranty – do we want to ask for one from the SELLERS or the BUYERS get one?
- Other ideas?

Start writing it up – make a list of any “blanks” or “questions” to be completed on the forms

- Title company
- Closing Date

Online in FormSimplicity do the following:

- Forms Packages
- Select “PURCHASE – Residential with Buyer Representation” then “CREATE TRANSACTION FROM SELECTED PACKAGE”
- NEW TRANSACTION – Put in the Street Address (540 Troy Ave.) and then Give it a name (Fred and Wilma Flinstone) – SAVE
- Go to the “CONTENT” tab Enter the MLS# (138679) and select “Snake River MLS import” then “IMPORT MLS”
- Verify the right property and click “SELECT”
- Update any different information... (Purchase Price..., add contacts....)
- “SAVE INFO TO TRANSACTION”

Open each document and fill in the required information.

- Agency Disclosure Brochure
- Buyer Representation Agreement
- Purchase and Sales Agreement

Meet with the BUYERS

Review options

Put together a plan

Print off all documents

Get signatures on everything (Agency, Buyer Rep., Offer, Property Disclosure, etc...)

Talk about the Earnest Money, again.

Talk to the BUYERS about what the SELLERS options are: 1) Accept the offer as written, 2) Reject the offer, or 3) Counter certain terms in the offer.

I point out any items they may counter back, like the price. I prepare them for a potential counter. I learn what they are willing to do in the event of a counter. I let them know that I will be contacting them as soon as I hear anything...

I then call the Listing Agent and inform them that I have an offer to get presented. When does he / she think that the offer could be presented. (Most agents just want you to send it over and let them do everything and then let you know. You do have the option to present the offer to the SELLERS yourself, but most agents do not.)

If you are sending the offer over, only send the Purchase and Sales agreement and the completed property disclosure form. **DO NOT SEND** the agency brochure or the Buyer Rep. agreement to the SELLERS agent. Ask when you expect to get a reply. Ask them to call you when they reply (vs. just emailing it to you).

When you get a reply.... Is it in writing? Is it verbal? (If verbal, why not in writing?)

Print off the counter OR if it was a verbal write it down....

Talk with your BUYERS – meet up with them.

Do you accept or counter?

Get signatures and get it back to the other agent ASAP. Call the other agent as well. Don't wait until tomorrow – it is never “too late” in our business. “Time is of the essence.”

Now that you have all signatures on the Purchase & Sale Agreement, what next?

- Make sure you have all initials, signatures, dates and times on ALL documents.
 - Make sure it was accepted “On Time”
 - Upload everything into KW Command and submit it for approval
- (Make sure everything is complete and not missing anything. Don't delay in getting incomplete items. Don't wait to get it resolved at closing.)

Talk about them getting the Earnest Money turned in tomorrow morning.... (Call you once it is done)

Once you have the competed (and signed) offer. Get copies to everyone. (Lender / title company / turn in to the office)

Deliver a complete copy to the other agent and make sure they received it and that you have a “deal.”

Get a copy to the Lender – Verify they received it. Request that they “lock in the interest rate.” See if there are any “new” concerns or what is it that they need to be able to write you the “Loan Approval Letter.”

Deliver a copy to the title company and set up a preliminary time to close. (Less people are trying to schedule now, so you should be able to pick any time that you and your Buyers want.)

Check all dates that need to be met on the contract: (Develop a Time Line)

- EM to be deposited (3 Business Days?) – Get a written receipt with the date and time.
- Must have received the Property Disclosure from the Seller(s) within 10 Business Days of Execution.

- Letter of Loan Approval (10 Business Days)
- Inspections to be completed (5 Business Days)
 - Well, Septic, Survey, etc... (Is there a different time accepted for them to be completed?)
 - Who is to order which inspections?
- Walk Thru (2 different ones – The first one is within 3 Business Days of work completed. The 2nd is within 3 Business Days prior to closing.)
- Lead Based Paint Inspection (A set date)
- Closing (“No later than...”) ← Make sure it is not a holiday or weekend. (Remind the Buyers that if they are going to have a group of people help them move in, it can only happen once it has “recorded,” not after they go in and sign the documents. It might be 4 pm that day.)
- Possession (“Upon Closing”)

Schedule the Home Inspection

- Call the Inspector to “pre schedule” - Inform them when you need the report back
- Have the BUYERS call to schedule and arrange payment
- Schedule Inspection with Listing Agent – see if you can leave the inspector there alone for the first part of the inspection and you will be there when the Buyers show up at the end

Get the Appraisal back - The Lender will order it. Stay on top of it to know it has been ordered and know when it comes back. - Address and required repairs on it. Who will do them and who will pay for them?

Work with the lender to make sure the Buyers are getting everything done.

Get the Lender to write an “approved letter.”

- Showing: lender approval of the credit report, income verification, debt ratios, and evidence of sufficient funds and/or proceeds necessary to close the transaction in a manner acceptable to the SELLER(s) and subject only to a satisfactory appraisal and final lender underwriting.

For the Home Inspection:

Explain to the BUYERS that there will be things that come up in the inspection, but we are really looking for the BIG things. No home is perfect. All have something that could be improved. We are not looking or wanting to call out the little things. Those can be put on a “honey do” list for later.

After the Home Inspection... Fill out an RE-10 to either “remove the inspection contingency,” “terminate the offer,” or ask for items to be corrected.

- Review the report and fill out the RE-10 and deliver it to the Listing Agent within the time frame
- If Seller does not agree then review options. (Accept sellers response OR Terminate)

Once completed turn in all copies to the office for review.

Make sure all inspection items are done and addressed.

Verify with the title company that they have everything.
Verify with the lender that everything is going OK.

Review the preliminary title report. Send a copy to your BUYERS.

Review the Closing Statement. Send a copy to your BUYERS (only the BUYERS side). Inform them to bring in certified funds (a cashiers check made payable to the title company) for the closing. Talk about when possession will be given (once it is recorded.) Talk about bringing photo ID to the closing.

Closing:

- Verify figures
- Inform the Buyers of the date / time / location / name of closer
- Bring a cashiers check in the amount of _____ made payable to _____ Title company
- Bring photo ID
- Not to late to purchase a Home Warranty

No Possession until it is recorded. No keys until it is recorded. No moving ANYTHING in until it is recorded.

Once recorded:

- Give the Buyers the keys (Suggest they have the property re-keyed)

Provide the BUYERS with information about getting the utilities switched over.

Re-key the home (never know who has a copy)

Change your address (mail forwarding) with the Post Office.

Verify that the Home Warranty information has gone into effect.

Set them up to keep in contact with them.

Closing gift?

Testimonial? Video clip? Written down? Social Media?

Dropping by when they move in?

What if there is a concern after closing?

- Have them put it in writing and get it to the other agent.
- Does the Home Warranty cover it?

Follow up with them. - Add them to your database.

Ask for a referral.

Get a testimonial.

Thank you letters to those involved....

OPTIONS NOT MENTIONED:

How to handle Multiple Offers or Counter offers if you were on the Listing Side....

How to rescind an offer or counter offer

- Call and speak to the other agent directly
- Follow up with a written TEXT and EMAIL reiterating the Phone Call

Time is of the essence

- Don't wait to get back to people. Ack quickly – Don't lose out

Acceptance AND Delivery

When they are (or potentially) Multiple Offers – Make yours the Best! How?

Clauses: “Beat any other offer by \$500” – Want proof