

These general guidelines provide an overview of activities completed by REALTORS® in most real estate transactions. Individual transactions may require additional or fewer service depending upon circumstances.

Guide lines provided by the Minnesota Association of Realtors®

Presented by



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Pre-listing ("pre-counseling")

- We will discuss agency relationships (state law)
- I have to obtain signed Agency Relationships in Real Estate Transactions form.
- I need to find out what your expectations are, wants, desires, motivation for moving, price,
- We can formulate a marketing plan: (*Dual interview process*)
- #1 what are you the sellers looking for in an agent
- We will discuss how agents compensated in a real estate transaction, including the listing company's policy for paying co-op agents. Including a discussion of Code of Ethics Standard of Practice 1-12, Variable Commissions, etc.
- What is your the position: i.e. relocation, move-up, retirement

Marketing Plan presented

- I will draw up and present a CMA
- Then I will give you my sales pitch, why I am are the best agent.

Listing the Property *Post-Listing Counseling*

- We will complete the Seller Disclosure and related forms to include
- We will discuss
 1. Truth-in-housing disclosure requirements (if applicable)
 2. Sellers Property Disclosure Statement
 3. Resale Disclosure Certificate (if applicable)
 4. Environmental Disclosures (if applicable) (wells, septic systems, Methamphetamine, lead paint, underground storage tanks, wetlands)
 5. Property Tax preferences disclosures
 6. Code compliance issues
 7. Seller inspections
 8. Abstract or owners title insurance policy and location.
 9. Address issues of the house (Repairs and/or replacement
 10. Verifying data such as selling price, mortgage amount, pre-payment penalties, taxes, assessments, and other issues with the house.
 11. Tax implications (1031 exchange, valuation exclusions, etc, tax advisor recommended)
 12. Net Proceeds
 13. Marketing plan:
 14. Services that the agent brings to the sellers
 15. Valuation issues – properly pricing the property
 16. Marketing time Neighborhood sales and types of financing.
 17. Current statistics/inventory
 18. Market expectations (*i.e. first time home buyers may use FHA financing requiring seller to pay for Some repairs*)
 19. Staging
 20. Advertising/signs
 21. Open houses
 22. Virtual tours
 23. Promotional flyers/brochures
 24. Closing time
 25. MLS exposure
 26. Explain company policies on cooperation and compensation
 27. How showings are arranged through listing office and who will be the contact person if listing
 28. agent is sick, out of town or otherwise unavailable.
 29. Electronic lock box key security system
 30. Seller availability for potential time sensitive issues regarding purchase agreement negotiations, removal of contingencies, inspections, etc.
 31. Industry trends, interest rates, marketplace issues
 32. Housing supply in immediate area
 33. Number of showings for their house versus other homes in the immediate area

Pre-Offer Consultation

- How do you want offers be handled (faxed, buyer or buyer's agent present, etc.).
- Will you the seller want an attorney be reviewing offers?
- I will explain company policy on multiple offers
- We will discuss counter offers versus "sleeping on it" Explain pros/cons of waiting to make a decision on offers received. Risk of losing buyer if long delays in acceptance or counters
- We will discuss the contingencies and inspections: Pros/Cons of accepting/rejecting offers that include contingencies?
- We will discuss the buyer's ability to purchase and consummate the transaction
- We will discuss pre-approved versus pre-qualified qualification
- We will discuss capital gains and tax implications
- We will discuss binding purchase agreements, execution and acceptance. And why oral agreements are not binding.

Presenting/Countering and Offer Acceptance

- We will discuss the offer. What is flexible, what is not.
- I will assist seller in understanding the risks and rewards of countering/accepting a particular offer. (Helping them answer, "what should I do?")
- We will walk through the contract and analyze and understand the proposal.
- What's done with
 1. Earnest Money
 2. Purchase Price
 3. Personal Property
 4. Financing Issues and fraudulent arrangements
 5. Contingencies (House stays on market)
 6. Inspections (What happens during this time period/consequences/what can happen as a result of the inspection)
 7. Closing date
 8. Possession/Move-In Agreements
 9. Risks of multiple offers versus only one offer
 10. Reviewing the integrity of the other agent involved
 11. Verification of mortgage pre-approval
- Strength of buyer. I will try to anticipate any potential problems by
- Appraisal and full-underwriting approval
- Net proceeds: bottom line for the seller
- Final Walk-thru review
- *Negotiate the offer*
- Due diligence/time is of the essence
- Obtain proper signatures
- Provide copies to seller

Post Purchase Agreement

- I will follow through and stay on top of all aspects by overseeing
 1. Inspection's, Work orders:
 2. Buyer's mortgage lender follow up
 3. Verify appraisal has been ordered
 4. Title: locate and provide to title company
 5. Schedule closing date, time and location and provide necessary documents to the closing agent.
 6. Provide necessary documents to lender for closing
 7. If a Common Interest Community sale, make

8. sure the Disclosure Statement or Resale Disclosure Certificate and other required documentation are delivered to the buyer.
9. Track the purchaser's right of rescission period.
10. Remind seller buyer has right to a walk through prior to closing (generally the day of or the
11. Day before closing)
12. Negotiate any last minute complications
13. mortgage information
14. Review and summarize the purchase agreement for the seller
15. Counsel seller on what to expect at closing
16. Review net proceeds, financials, etc.
17. Drivers license (photo ID)
18. Social Security Numbers
19. Previous addresses
20. Preview closing documents

Closing the Sale

- I will go through the HUD with the seller and match with estimate proceeds
- We will insure credit for anything (Money transfers for bad carpet, etc.) and watch for fraudulent financing proposals that could bring liability to seller
- I will handle any last minute issues—all known conflicts to be resolved by a written agreement, including escrow agreements to avoid adverse consequences.
- We will discuss Home Warranty programs. Make sure they are addressed.
- Exchange keys, garage door openers and final information about the property
- Verify possession date and time

Post Closing Follow up

- *Closure*
- *Survey*
- Any questions/problems/concerns
- Send thank you note and/or gift

During the pendency of the transaction and after the closing, real estate agents can perform a significant role in resolving disputes and moving the transaction forward and solving the problems before they escalate. However there does come a point in time when an agent will have to back off and suggest that the parties consult their own attorney. Dual agents are in a particularly awkward position when problems arise because they represent both parties. The dual agent can be an information disseminator but must not be a negotiator. Thus when a dual agent is involved and a problem starts to develop, the dual agent may have to refer the parties to an attorney earlier than they might if they were serving as an exclusive agent.