



## Transaction Process Guideline for Buyer's Agent

This is a step-by-step guide for the buyer's (selling) agent on how to handle the residential (one to four dwelling units) real estate transaction process. A transaction with REO, short sale, multifamily, new construction, commercial, mobile home and land require some additional forms and reports.

Please contact us if you need help with transactions or have comments regarding these guidelines.

You may find most of the forms listed in this document at the WinForms web site, [www.winforms.com](http://www.winforms.com) or at our company web site's Document Library. You can also log into WinForms website through [www.car.org](http://www.car.org)

### Step 1: Buyer(s) representation

When you have found a client who wants to buy a real estate property, you may ask him/her to sign:

BUYER REPRESENTATION AGREEMENT-EXCLUSIVE C.A.R. form BRE or  
BUYER REPRESENTATION AGREEMENT-NON-EXCLUSIVE C.A.R. form BRNE or  
BUYER REPRESENTATION AGREEMENT C.A.R. form BRNN

This form is optional and isn't required by our policy, but please note that the buyer may use another agent or make an offer by himself/herself. You may not be able to receive a commission without this agreement.

You don't need to notify us or send any forms to The Real Estate Office for that step.

### Step 2: Purchase contract/offer

1) When the Buyer finds a property and wants to make an offer, you have to fill out and obtain signature(s) for the following:

RESIDENTIAL PURCHASE AGREEMENT C.A.R. form RPA-CA BUYER'S  
INSPECTION ADVISORY C.A.R. form BIA-A  
DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIPS C.A.R. form AD-2  
DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIPS C.A.R. form AD-3

2) The buyer must give you an earnest money deposit check **made payable to "Escrow."** Keep this check in a safe place. **According to our company policy, you must not accept the earnest money deposit in cash or as a check payable to you or The Real Estate Office.**

3) Send the purchase agreement (offer) to the seller's agent. Attach C.A.R. forms BIA-A, AD-2, AD-3 and a copy of the earnest money deposit check to the purchase agreement.

4) The seller can reject or accept your offer or send his/her counter offer. During the negotiation period you may use:  
COUNTER OFFER C.A.R. form CO ADDENDUM  
C.A.R. form ADM

You don't need to notify or send any forms to The Real Estate Office for that step.

### Step 3: Open Escrow/Title

1) When all parties agree with the purchase terms and you have fully executed the contract, you can open an escrow. Usually the buyer's agent opens the escrow. In some cases it is done by the seller's agent. Ask the buyer to write a new earnest money deposit check payable to the correct escrow/title company. Deliver or send the deposit check and copies of all completed documents to the escrow/title company.

2) The escrow/title officer must provide you information about the file (officer name, escrow/title file number, contact information, etc.) and give you a receipt for the earnest money deposit.

3) When the escrow/title is open, you have to record the new transaction on our company website in your account within 48 hours. Make the new transaction status "Open." There is a penalty for a delay. Please check our company Office Policies for information regarding penalties.

You may begin uploading executed transaction documents and forms to the transaction file at this point.

### Step 4: Inspection/Disclosure period

1) Depending on the transaction type and your client(s)'s needs, you may have to order different types of inspections (termite, home inspection, septic system, roof, plumbing, etc.) and fill out (if need) the following:

REQUEST FOR REPAIR C.A.R. form RR

WOOD DESTROYING PEST INSPECTION AND ALLOCATION OF COST C.A.R form WPA

2) Each agent (buyer's and seller's) must fill out:

AGENT VISUAL INSPECTION DISCLOSURE C.A.R. form AVID

If property is in Common Interest Developments you have to provide the HOA report CC&Rs for the buyer. Usually the escrow officer orders this report (ask him/her about it), but if not, you can use:

HOMEOWNER ASSOCIATION INFORMATION REQUEST C.A.R. form HOA

4) The seller or his/her agent must provide additional disclosures forms and reports for the buyer:

REAL ESTATE TRANSFER DISCLOSURE STATEMENT C.A.R. form TDS

SELLER'S AFFIDAVIT OF NONFOREIGN STATUS C.A.R form AS

NATURAL HAZARD DISCLOSURE STATEMENT C.A.R. form NHD

STATEWIDE BUYER AND SELLER ADVISORY C.A.R. form SBSA

LEAD-BASED PAINT DISCLOSURE C.A.R form FLD (for houses built before 1978)

SELLER PROPERTY QUESTIONNAIRE C.A.R form SPQ

WATER HEATER AND SMOKE DETECTOR STATEMENT C.A.R. form WHSD

AGENT VISUAL INSPECTION DISCLOSURE C.A.R. form AVID

DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIPS C.A.R. form AD-2

DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIPS C.A.R. form AD-3

LOCAL AREA REAL ESTATE TRANSFER DISCLOSURE STATEMENT

EARTHQUAKE HAZARDS REPORT AND RECEIPT <http://www.seismic.ca.gov/hog.html>

REPORT/INFORMATIO PACKAGE FROM HOA (CC&Rs) (if any) ADDITIONAL DISCLOSURES STATEMENT (if any)

The local disclosures may vary by city and county. Please ask your escrow company or visit the local Association of Realtors to find out local disclosure requirements. Some local disclosures are available at The Real Estate Office's Document Library.

5) You must prepare the other forms required in the transaction check list and obtain the parties' signatures. The check lists for different types of transactions are available in The Real Estate Office's websites Document Library.

6) You must take care to ensure that the buyer receives all the necessary reports and obtain his/her signature on:

RECEIPT FOR REPORTS C.A.R. form RFR

You may use this form for the termite inspection report, home inspection report, preliminary title report, etc.

7) Please keep in touch with the buyer's lender for this step. It is good to be aware of how the loan process is going and be ready to help and support the buyer if he/she needs it. We have observed that the majority of late escrows were late because of financing issues.

8) Stay in touch with the escrow/title company. Make sure that the escrow/title officer has all the fully executed transaction forms and documents. Ask the escrow/title officer to provide a preliminary closing statement for the buyer.

9) If, for any reason, the transaction process has been cancelled, you may use:

CANCELLATION OF CONTRACT, RELEASE OF DEPOSIT AND JOINT ESCROW INSTRUCTIONS C.A.R. form CC

You must upload all the transaction forms to your transaction file on our company's website and change the listing status to "Cancel".

You may upload executed transaction documents and forms on our company's website at any time during the inspection period.

## Step 5: Closing process

1) Prepare and send the following to the seller and escrow officer:

CONTINGENCY REMOVAL C.A.R. form CR

It may be challenging to refund the earnest money deposit to the Buyer after the contingencies are removed. Please inform the Buyer of this.

**2) The Real Estate Office broker must sign the commission distribution instructions. Ask the escrow officer to prepare the instructions and send them to our office. The broker will sign this form and send it back to you and the escrow company. There is a penalty for signing the commission instructions yourself in place of the broker. Please check our Office Policy and website for information regarding penalties.**

3) Assist the buyer with the final inspection and fill out:

VERIFICATION OF PROPERTY CONDITION C.A.R. form VP

4) Escrow will provide the buyer with an estimated closing statement and the buyer must transfer the required down payment to the escrow company.

5) Know where and when the buyer is going to sign the loan documents. It is a good idea to assist the buyer with the signing, so you will be available if the buyer needs help or a "last minute problem" comes along.

6) Please help the buyer get the keys, garage or gate opener, postal box key, etc., from the seller. Provide phone numbers for the utility companies.

Moving to a new house can be challenging for a buyer. Provide as much support to your client as possible. We have observed that this step is very important to receiving referrals.

7) It is a good idea to give the new owner a present. The best gift is a household, long-term usable item with your name and contact information on it. It can be a new barbecue, TV, patio table, poker chips set or something similar.

## **Step 6: Organize and deliver the transaction file for the broker's review**

- 1) To receive your commission, you must upload the complete transaction file on the The Real Estate Office's website. You may upload as many documents and forms as you want (not only those that are required). We recommend you upload everything (including copies of e-mails) associated with this transaction. This way you don't need to keep the transaction file somewhere else and it will always be available for you on our website. This is a great benefit for our agents.
- 2) When all required forms are uploaded, you must contact The Real Estate Office's broker for review. **Only the broker can Close your file after the review.** The broker **will** check your file and may ask you for additional forms or accept and change the status to "**Close.**" You may submit the file for final review twice for free. There is an additional fee for third and additional reviews.
- 3) Please use the correct **Buyer's Transaction Check List** to organize the file. You may add more forms and documents in the list, according to your transaction.
- 4) We recommend you use PDF to format your documents for ease in uploading.
- 5) The file will be accepted when:
  1. The file contains all required forms and documents listed in the check list.
  2. All forms are correctly filled out with the required signatures and dates.
  3. Copies are legible.
  4. Document size does not exceed 10MB per upload. Incremental document uploads are fine if needed to stay under 10MB in size per upload.
- 6) You may write "Note" on the transaction page for the broker.
- 7) We will release your commission according to the **Salesperson Request For Commission Transfer Form** when all errors (if any) are corrected. Please remember to upload the **Salesperson Request For Commission Transfer Form** to the file.
- 8) You can complete the transaction file and submit it for the broker's review before Close of Escrow. This will allow us to review the file before COE and release the commission to you directly from escrow.
- 9) When we distribute the checks and the transaction is fully completed, **the broker** will change the transaction status to "**Close**". Then your transaction is finished.

**Please e-mail us if you have any questions.**