



## **Transaction Process Guidelines for Seller's Agent**

This is a step-by-step guide for the seller's (listing) 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 can find most of the forms listed in this document at the WinForms website at <http://www.winforms.com> or at C.A.R.'s website [www.CAR.org](http://www.CAR.org) to get to WinForms.

### **Step 1: Seller's representation and Multiple Listing Service (MLS)**

1) When you get a seller who wants to sell residential real estate property, you have to fill out and obtain signature(s) for the following:

RESIDENTIAL LISTING AGREEMENT-EXCLUSIVE C.A.R form RLA

SELLER'S ADVISORY C.A.R. form SA

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

2) Install a lock box and take pictures of the property.

3) List the property for sale in the local MLS.

4) Place "for sale" signs. Consult with the Home Owners Association (HOA) about any existing sign and open house regulations.

5) When a listing is uploaded on MLS, you have to record the new transaction on our website under your account within 48 hours. Make the new transaction status "Listing." There is a penalty for a delay. Please check your Office Policy's and website for information regarding penalties.

At this point, you must upload at least these forms:

a) RESIDENTIAL LISTING AGREEMENT-EXCLUSIVE C.A.R form RLA

b) DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIPS C.A.R. form AD

c) Agent property report printed from the MLS listing.

d) COVER SHEET C.A.R. form COVER

6) You may start uploading the executed transaction documents and forms to the transaction file now.

You may upload as many executed documents and forms as you want (not only those that are required in the check list) at any time. Use the "Note" option if you want to leave a message for the broker. We may ask you for additional information (if necessary).

### **Step 2: Marketing time and changing the listing status**

1) Have an open house and use other marketing tools to attract a buyer.

2) If the seller decides to change the price or any terms of the property, fill out a

MODIFICATION OF TERMS AND RIGHT TO SELL C.A.R. form MT

and make the changes on the MLS listing. Upload the both forms to the transaction file. The updated Agent property report printed from the MLS listing and the MODIFICATION OF TERMS AND RIGHT TO SELL C.A.R. form MT.

3) If the seller wants, you may order a termite inspection prior to receiving offers. Remember that the termite report expires after 90 days.

4) If the seller decides to cancel the agreement, use CANCELLATION OF LISTING C.A.R. form COL

**You must change the status from "Listing" to "Cancel" on your transaction management platform on our website within 48 hours. There is a penalty for a delay. Please check our Office Policy's and the website for information regarding penalties.**

You must upload the COL form to the transaction file.

### **Step 3: Receive offers from the buyer's agent**

1) The offer typically includes the following:

a) RESIDENTIAL PURCHASE AGREEMENT C.A.R. form RPA-CA

b) BUYER'S INSPECTION ADVISORY C.A.R. form BIA-A

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

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

e) Pre-approval letter from the lender

f) Copy of earnest money check

2) The Seller can reject or accept the offer or send his/her counter offer. During the negotiation period you may use:

COUNTER OFFER C.A.R. form CO or

ADDENDUM C.A.R. form ADM

### **Step 4: Open Escrow/Title**

1) When all parties agree with the purchase terms, return a fully executed contract with all counter offers and addendums to the buyer's agent. Usually the buyer's agent opens the escrow/title. In some cases this may be done by the seller's agent.

2) You may fill out, sign and send the following to the buyer's agent for his/her signature:

COOPERATING BROKER COMPENSATION AGREEMENT C.A.R. form CBC

Our policy does not require this form, but you may use it for your own benefit.

3) The escrow/title officer or buyer's agent must provide you with information about the file (the escrow/title officer's name, escrow file's number, contact information, etc.) and give you a receipt (copy) for the earnest money deposit.

**4) When the escrow/title is open, you have to change the "Listing" status to "Convert To Sale" on your transaction management platform on our website within 48 hours. There is a penalty for a delay. Please check our Office Policy and the website for information regarding penalties.**

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

**5) Don't forget to change the listing status to "Pending" on the MLS.** The delay can result in a penalty charge from the listing agent (check MLS regulations).

## **Step 5: Inspection Disclosures period**

1) Forward the following disclosures and reports to the buyer's agent within seven (7) days of acceptance:

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

SELLER'S AFFIDAVIT OF NONFOREIGN STATUS C.A.R form AS - One of these forms must be filled out for each seller.

NATURAL HAZARD DISCLOSURE STATEMENT C.A.R. form NHD or a report from a licensed, reputable company (ask the escrow officer about this report).

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

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

LOCAL AREA REAL ESTATE TRANSFER DISCLOSURE STATEMENT

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

ADDITIONAL DISCLOSURES STATEMENT (if any)

Follow The Real Estate Office's check list or other forms.

The local disclosures may vary by city and county. Please ask your escrow/title company or visit the local Association of Realtors to find out the local disclosure requirements. There are some local forms available at our Document Library. You can also get more information and order disclosures from:

<http://www.disclosuresave.com>

<http://www.car.org>

Information is also available through other on-line companies.

C.A.R. has disclosure charts available for download. <http://www.car.org>

2) Escrow/title will send to both agents and the lender a preliminary title report. This must be received within seven (7) days of acceptance of the offer.

3) Depending on the transaction type, the buyer may conduct different types of inspection (termite, home inspection, septic system, roof, plumbing, etc.) and put his/her request in:

REQUEST FOR REPAIR C.A.R. form RR

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

The Seller can reject or accept the request, agree to make some of the repairs or offer monetary reimbursement for the repairs.

4) Each agent (Buyer's and Seller's) must fill out:

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

5) If property is in Common Interest Developments, the seller has 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, the seller can use:

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

6) Be in touch with the escrow/title officer. Make sure that the escrow/title officer has all fully executed transaction forms and documents. Ask the officer to provide a preliminary closing statement (RUD) for the seller.

- 7) You must receive the following forms/documents from the buyer:
- 7.1. Preapproval letter from the lender (in 7 days)
  - 7.2. Proof of funds for down payment (in 7 days)
  - 7.3. CONTINGENCY REMOVAL C.A.R. form CR (in 17 days)

If the buyer removes all contingencies but fails to execute the contract, the seller is typically entitled to full or part of deposit made by the buyer as liquidated damages.

If any of required forms are not received, send the buyer a:

NOTICE TO BUYER TO PERFORM C.A.R. form NBP

If the buyer fails to perform the action by the date given in the NBP, you may cancel escrow using:

CANCELLATION OF CONTRACT, RELEASE OF DEPOSIT C.A.R. form CC

**8) If, for any reason, the transaction process has been cancelled, you must upload all the transaction forms to your transaction file on our website and change the listing status to "Cancel" in 48 hours.** There is a penalty for a delay. Please check our Office Policy and the website for information regarding penalties.

You may upload the executed transaction documents and forms on The Real Estate Office's web site at any time during the inspection period.

## **Step 6: Closing process**

1) Make sure that the seller is ready to vacate the property. Moving to a new place could be challenging for the seller. Provide as much support to your Client as you can. We have observed that this step is very important to receiving referrals.

2) The Real Estate Office broker has to sign commission distribution instructions. Ask the escrow/title officer to prepare these instructions and fax or email it to our office. The broker will sign this form and fax it back to you and the escrow/title company.

**There is a penalty for signing the commission instructions yourself in place of the broker.** Please check our Office Policy and the website for information regarding penalties.

3) You must receive from the buyer;  
VERIFICATION OF PROPERTY CONDITION C.A.R. form VP

4) Escrow/Title will provide the closing package for the seller. The seller has to sign the deed, the estimated closing statement and other closing documents. Help the seller understand them.

5) Work with the buyer's agent to determine how you will transfer the keys, garage or gate opener, postal box key, etc., to the buyer.

6) It is a good idea to give your client 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 chip set or a similar item.

## **Step 7: Organize and deliver the transaction file for the broker's review**

1) To receive your commission, you must upload the complete transaction file to 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 to you on our Web site. This is a great benefit for our agents.

2) When all required forms are uploaded, you must change the transaction status from "Open" to "Submit for review." The broker will check your file and may ask you for additional forms or change the status to "Accept." You may submit the file for review twice for free. There is an additional fee for a third and additional reviews.

3) Please use the correct Seller'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:

- 3.1. The file contains all required forms and documents listed in the check list.
- 3.2. All forms are correctly filled out with the required signatures and dates.
- 3.3. Copies are legible.
- 3.4. 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 "Notes" 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. You must notify us that your file is ready for review at least 3 business days before COE if you would like your commission to go directly to you from escrow.

9) When we distribute the checks and the transaction is fully completed, **the broker will change the transaction status to "Closed"**. Then your transaction is finished.

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