

# Smother transactions begin at the offer level...

Listed are common oversights causing delays in a residential real estate transaction.



# Info for the LO

Let's start with an organized file when submitting a contract to your preferred lender.



## DOCUMENTS:

- Executed Purchase contract
- Copy of EMD
- Broker Compliance Fee: *If Applicable*
- Addendums to contract
- Survey and copy of receipt of payment (new construction)

## CONTRACT CLOSING DATE

It is normal to put in the contract **30, 45, or 60 days to close from accepted offer.**

**Check with the lender before committing to a date.** The loan program and/or underwriting may or may not allow for the closing date you have in mind.

# Info for the LO

## Contract Contacts



Completing a detailed cover sheet or Broker Demand assists in other parties tracking down the same info.

### **Listing Agent Info:**

- Contact Name
- Active Realtor® ID
- Listing Office ID
- Phone
- Email
- Office Address

### **Any Realtor Assistant/Transaction Coordinator Info: *If Applicable***

- Contact Name
- Email
- Phone
- Address
- Active Realtor ID (if applicable)

### **Title Company Info:**

- Contact Name
- Email
- Phone
- Address

# Info for the LO

## CONTRACT CLOSING DATE

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# Info for the LO



## EMD – EARNEST MONEY DEPOSIT

Earnest money deposits **MUST COME FROM** the buyer's bank account listed on the purchase agreement.

**Example:** If at the time of offer your client did not have the funds so Mom wrote the check.

*This would be treated like a gift -- required documents would need to be gathered to prove funds.*

# Info for the LO

## NO PERSONAL ITEMS IN CONTRACT

i.e. lawn mowers, patio furniture, televisions, etc.

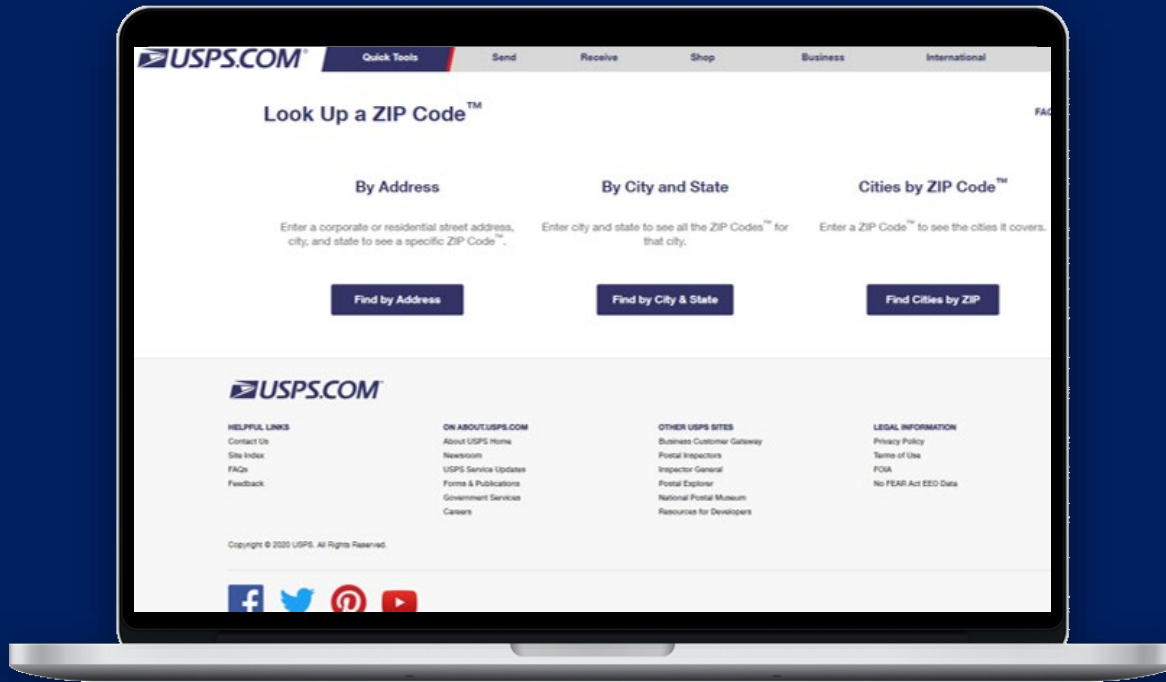
Underwriters see as an inducement to purchase. Example, “Buy my home and I will throw in a car.” These cannot be put in the contract, or the underwriter will need an assessed value to these items and subtract it from the price of the home.



# Seller Concessions

	Conventional	FHA	Rural Development	VA
MAX Seller Concessions	6% with <10% Down Payment	6% of Purchase price	6% of Purchase Price	4% - 6% of Purchase Price
	3% with >10% Down Payment			
	9% with <20% Down Payment			

# USPS Address Verification

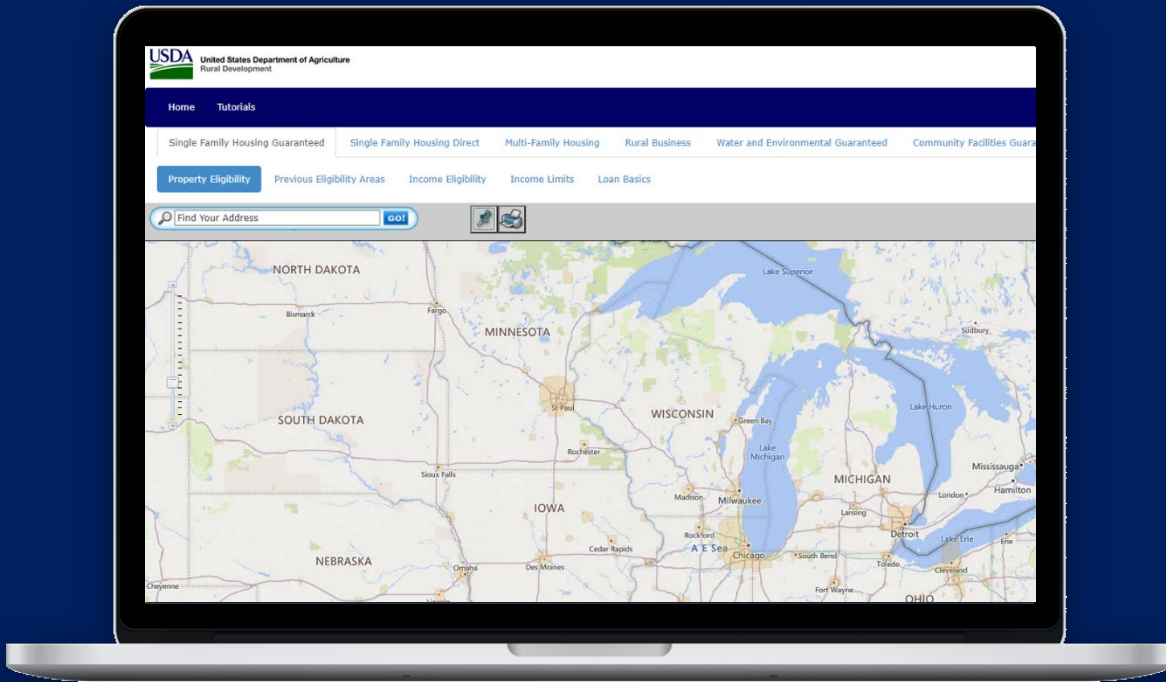


Lenders will always use the address assigned by the United States Postal Service not MLS public record.



# Rural Development Address Verification

Only property in approved Rural Development areas are eligible for the financing program. Be sure to check before writing the RD offer.



# Seller's Disclosures

### Seller's Disclosure Statement

Property Address: \_\_\_\_\_ MICHIGAN  
 Street \_\_\_\_\_ City, Village or Township \_\_\_\_\_

**Purpose of Statement:** This statement is a disclosure of the condition of the property in compliance with the Seller Disclosure Act. This statement is a disclosure of the condition and information concerning the property, known by the Seller. Unless otherwise advised, the Seller does not possess any expertise in construction, architecture, engineering or any other specific area related to the construction or condition of the improvements on the property or the land. Also, unless otherwise advised, the Seller has not conducted any inspection of generally inaccessible areas such as the foundation or roof. **This statement is not a warranty of any kind by the Seller or by any Agent representing the Seller in this transaction, and is not a substitution for any inspections or warranties the Buyer may wish to obtain.**

**Seller's Disclosure:** The Seller discloses the following information with the knowledge that even though this is not a warranty, the Seller specifically makes the following representations based on the Seller's knowledge at the signing of this document. Upon receiving this statement from the Seller, the Seller's Agent is required to provide a copy to the Buyer or the Agent of the Buyer. The Seller authorizes its Agent(s) to provide a copy of this statement to any prospective Buyer in connection with any actual or anticipated sale of property. The following are representations made solely by the Seller and are not the representations of the Seller's Agent(s), if any. **THIS INFORMATION IS A DISCLOSURE ONLY AND IS NOT INTENDED TO BE A PART OF ANY CONTRACT BETWEEN BUYER AND SELLER.**

**Instructions to the Seller.** (1) Answer ALL questions. (2) Report known conditions affecting the property. (3) Attach additional pages with your signature if additional space is required. (4) Complete this form yourself. (5) If some items do not apply to your property, check NOT AVAILABLE. If you do not know the facts, check UNKNOWN. FAILURE TO PROVIDE A PURCHASER WITH A SIGNED DISCLOSURE STATEMENT WILL ENABLE A PURCHASER TO TERMINATE AN OTHERWISE BINDING PURCHASE AGREEMENT.

**Appliances/Systems/Services:** The items below are in working order. (The items listed below are included in the sale of the property only if the purchase agreement so provides.)

	Yes	No	Unknown	Not Available		Yes	No	Unknown	Not Available
Range/oven	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lawn sprinkler system	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dishwasher	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Water heater	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Refrigerator	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Plumbing system	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hood/fan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Water softener/conditioner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Disposal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Well & pump	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TV antenna, TV rotor controls	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Septic tank & drainfield	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
					Sump pump	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Electric system	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	City water system	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Garage door opener & remote	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	City sewer system	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alarm System	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Intercom	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Central air conditioning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Central vacuum	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Central heating system	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Attic fan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Wall furnace	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pool heater, wall liner & equipment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Humidifier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Microwave	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Electronic air filter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Trash compactor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Solar heating system	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ceiling fan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Fireplace & chimney	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sauna/hot tub	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Wood burning system	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Washer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Dryer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Explanations (attach additional sheets if necessary): \_\_\_\_\_

**UNLESS OTHERWISE AGREED, ALL HOUSEHOLD APPLIANCES ARE SOLD IN WORKING ORDER EXCEPT AS NOTED WITHOUT WARRANTY BEYOND DATE OF CLOSING.**

**Property conditions, improvements & additional information:**

- Basement/Crawlspace:** Has there been evidence of water? yes  no
- Insulation:** Describe, if known \_\_\_\_\_  
 Urea Formaldehyde Foam Insulation (UFFI) is installed? unknown  yes  no
- Roof:** Leaks? \_\_\_\_\_  
 Approximate age if known: \_\_\_\_\_  
 Well: Type of well (depth/diameter, age and repair history, if known): \_\_\_\_\_  
 Has the water been tested? yes  no   
 If yes, date of last report/results: \_\_\_\_\_

BUYER'S INITIALS   
 SELLER'S INITIALS

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### Seller's Disclosure Statement

Property Address: \_\_\_\_\_ MICHIGAN

- Septic tanks/drain fields: Condition, if known: \_\_\_\_\_
- Heating system: Type/approximate age \_\_\_\_\_
- Plumbing system: Type: copper  galvanized  other  \_\_\_\_\_  
 Any known problems? \_\_\_\_\_
- Electrical system: Any known problems? \_\_\_\_\_
- History of infestation, if any: (termites, carpenter ants, etc.) \_\_\_\_\_
- Environmental problems: Are you aware of any substances, materials or products that may be an environmental hazard such as, but not limited to, asbestos, radon gas, formaldehyde, lead-based paint, fuel or chemical storage tanks and contaminated soil on property.  
 Unknown  yes  no

If yes, please explain: \_\_\_\_\_

- Flood Insurance: Do you have flood insurance on the property? unknown  yes  no
- Mineral Rights: Do you own the mineral rights? unknown  yes  no

**Other Items:** Are you aware of any of the following:

- Features of property shared in common with the adjoining landowners, such as walls, fences, roads and driveways, or other features whose use or responsibility for maintenance may have an effect on the property? unknown  yes  no
- Any encroachments, easements, zoning violations or nonconforming uses? unknown  yes  no
- Any "common areas" (facilities like pools, tennis courts, walkways, or other areas co-owned with others) or a homeowners' association that has any authority over the property? unknown  yes  no
- Structural modifications, alterations, or repairs made without necessary permits or licensed contractors? unknown  yes  no
- Settling, flooding, drainage, structural, or grading problems? unknown  yes  no
- Major damage to the property from fire, wind, floods, or landslides? unknown  yes  no
- Any underground storage tanks? unknown  yes  no
- Farm or farm operation in the vicinity; or proximity to a landfill, airport, shooting range, etc.? unknown  yes  no
- Any outstanding utility assessments or fees, including any natural gas main extension surcharge? unknown  yes  no
- Any outstanding municipal assessments or fees? unknown  yes  no
- Any pending litigation that could affect the property or the Seller's right to convey the property? unknown  yes  no

If the answer to any of these questions is yes, please explain. Attach additional sheets, if necessary: \_\_\_\_\_

The Seller has lived in the residence on the property from \_\_\_\_\_ (date) to \_\_\_\_\_ (date).  
 The Seller has owned the property since \_\_\_\_\_ (date).  
 The Seller has indicated above the conditions of all the items based on information known to the Seller. If any changes occur in the structural/mechanical/appliance systems of this property from the date of this form to the date of closing, Seller will immediately disclose the changes to Buyer. In no event shall the parties hold the Broker liable for any representations not directly made by the Broker or Broker's Agent.

Seller certifies that the information in this statement is true and correct to the best of Seller's knowledge as of the date of Seller's signature.

BUYER SHOULD OBTAIN PROFESSIONAL ADVICE AND INSPECTIONS OF THE PROPERTY TO MORE FULLY DETERMINE THE CONDITION OF THE PROPERTY. THESE INSPECTIONS SHOULD TAKE INDOOR AIR AND WATER QUALITY INTO ACCOUNT, AS WELL AS ANY EVIDENCE OF UNUSUALLY HIGH LEVELS OF POTENTIAL ALLERGENS INCLUDING, BUT NOT LIMITED TO, HOUSEHOLD MOLD, MILDEW AND BACTERIA.

BUYERS ARE ADVISED THAT CERTAIN INFORMATION COMPILED PURSUANT TO THE SEX OFFENDERS REGISTRATION ACT, 1994 PA 295, MCL 28.721 TO 28.732 IS AVAILABLE TO THE PUBLIC BUYERS SEEKING SUCH INFORMATION SHOULD CONTACT THE APPROPRIATE LOCAL LAW ENFORCEMENT AGENCY OR SHERIFF'S DEPARTMENT DIRECTLY.

BUYER IS ADVISED THAT THE STATE EQUALIZED VALUE OF THE PROPERTY, PRINCIPAL RESIDENCE EXEMPTION INFORMATION, AND OTHER REAL PROPERTY TAX INFORMATION IS AVAILABLE FROM THE APPROPRIATE LOCAL ASSESSOR'S OFFICE. **BUYER SHOULD NOT ASSUME THAT BUYER'S FUTURE TAX BILLS ON THE PROPERTY WILL BE THE SAME AS THE SELLER'S PRESENT TAX BILLS. UNDER MICHIGAN LAW, REAL PROPERTY TAX OBLIGATIONS CAN CHANGE SIGNIFICANTLY WHEN PROPERTY IS TRANSFERRED.**

Seller: \_\_\_\_\_ Date: \_\_\_\_\_  
 Seller: \_\_\_\_\_ Date: \_\_\_\_\_

Buyer has read and acknowledges receipt of this statement.

Buyer: \_\_\_\_\_ Date: \_\_\_\_\_ Time: \_\_\_\_\_  
 Buyer: \_\_\_\_\_ Date: \_\_\_\_\_ Time: \_\_\_\_\_

**Disclaimer:** This form is provided as a service of Michigan Realtors®. Please review both the form and details of the particular transaction to ensure that each section is appropriate for the transaction. Michigan Realtors® is not responsible for use or misuse of form for misrepresentation or for warranties made in connection with the form.

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Have the buyer review the seller's disclosures thoroughly before writing their offer.



# Seller's Disclosures



## LEAD-BASED PAINT SELLER'S DISCLOSURE FORM

Property Address \_\_\_\_\_  
Street \_\_\_\_\_  
City, Village, Township \_\_\_\_\_ MICHIGAN \_\_\_\_\_

### Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may reproduce permanent neurological damage, including learning disabilities, reduced intelligent quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any know lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

#### I. Seller's Disclosure (initial)

(a) Presence of lead-based paint and/or lead-based paint hazards (check one below):

Known lead-based paint and/or lead-based paint hazards are present in the housing (explain):

Seller has no knowledge of lead-based paint and/or lead-based paint hazards in housing.

(b) Records and reports available to the seller (check one below):

Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below):

Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Seller certifies that to the best of his/her knowledge, the Seller's statement above are true and accurate.

Date: \_\_\_\_\_  
Date: \_\_\_\_\_  
Seller(s) \_\_\_\_\_

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#### II. Agent's Acknowledgment (initial)

Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852 d and is aware of his/her responsibility to ensure compliance.

Agent certifies that to the best of his/her knowledge, the Agent's statement above is true and accurate.

Agent \_\_\_\_\_

Date: \_\_\_\_\_

#### III. Purchaser's Acknowledgment (initial)

(a) Purchaser has received copies of all information listed above.

(b) Purchaser has received the federally approved pamphlet *Protect Your Family From Lead In Your Home*.

(c) Purchaser has (check one below):

Received a 10-day opportunity (or other mutually agreed upon period) to conduct a risk assessment or inspection of the presence of lead-based paint or lead-based paint hazards; or

Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

Purchaser certifies to the best of his/her knowledge, the Purchaser's statements above are true and accurate.

Date: \_\_\_\_\_  
Date: \_\_\_\_\_  
Purchaser(s) \_\_\_\_\_

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In loan Underwriting, if something was not identified, this will cause the disclosures to be sent back, to the listing agent, for signatures or explanation.



# Government Appraisal Checklist

This checklist is designed to assist in identifying potential repairs associated with Government loan's requirements for health and safety.

## CEILING/INTERIOR WALLS

- \* Large Holes
- \* Cracks allowing drafts
- \* Severe bulging
- \* Loose/falling material
- \* Peeling/Chipped paint

## WINDOWS

- \* At least 1 window in Living room and bedrooms
- \* Broke/Missing panes
- \* Doesn't shut
- \* Excessive air filtration
- \* Must have screens
- \* Windows/doors accessible from outside w/ locks

## FLOORS

- \* Large Holes/Cracks
- \* Missing/Warped floorboards
- \* Peeling laminate
- \* Trip hazards

## KITCHEN

- \* Food storage space
- \* Food prep area
- \* Running hot and cold water

# Government Appraisal Checklist

This checklist is designed to assist in identifying potential repairs associated with Government loan's requirements for health and safety.

## BATHROOMS

- \* Window that opens or an exhaust
- \* Working toilet
- \* Running hot and cold water
- \* Mechanical systems
- \* Plumbing in good condition
- \* Leaks
- \* Discolored water
- \* Adequate heat

## EXTERIOR

- \* **Roof w/ no leaks**
- \* Secured Gutters/Downspouts
- \* Structurally sound foundation
- \* **Secured handrails 30" above ground**
- \* **No cracked/peeling paint**
- \* Chimneys no serious defects.

## HEALTH & SAFETY

- \* At least 2 exits from Building
- \* No Trash inside or outside unit
- \* No signs of infestation
- \* No exhaust fumes, sewer gas, air pollution
- \* Interior stair railings, working & properly lit