

## **Transaction process guideline for buyer's agent**

This is a step-by-step guide for the Real Estate Source, Inc. agent on how to handle the buying transaction process. Please contact us at [tony@realestatesource1.com](mailto:tony@realestatesource1.com) or [info@realestatesource1.com](mailto:info@realestatesource1.com) if you need help with transactions or have comments regarding these guidelines. You can find most of the forms at <http://www.winforms.com> you may use similar PRDS or other C.A.R. approved forms instead of Win Forms.

### **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-EXLUCSIVE C.A.R. form BRE or  
BUYER REPRESENTATION AGREEMENT-NON-EXLUSIVE C.A.R. form BRNE or  
BUYER REPERSENTATION AGREEMENT C.A.R. form BRNN

These forms are optional and are not 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 Real Estate Source, Inc. for this 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:  
PURCHASE AGREEMENT  
BUYER'S INSPECTION ADVISORY C.A.R. form BIA-A  
DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIPS C.A.R. form AD
- 2) The Buyer must give you an earnest money deposit check.
- 3) Review the MLS report and follow the seller's agent instructions on submitting an offer. Send the purchase agreement (offer) to the seller's agent. Attach C.A.R. forms BIA-A, AD 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 have to notify your Broker about negotiation process of upload any forms in this 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 account. Usually the buyer's agent opens the escrow. In some cases it is done the seller's agent.
- 2) Instruct our office where to send the earnest money deposit. You may do this by emailing [tony@realestatesource1.com](mailto:tony@realestatesource1.com) or faxing your request to the office.
- 3) The escrow/title office 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.

#### **Step 4: Inspection/Disclosure Period**

- 1) Depending on the transaction type and your client(s) needs, you may have to order different types of inspections (termite, home inspection, septic system, roof, plumbing, etc.) and fill out (if needed) the following:  
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 fo the repairs or offer monetary reimbursement for the repairs.
  
- 2) The seller or his/her agent must provide additional disclosures forms and reports fro the buyer in 7 days:  
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. from SBSA  
LEAD-BASED PAINT DISCLOSURE C.A.R. form FLD(for houses built before 1978)  
SUPPLEMENTAL STATUTORY AND CONTRACTUAL DISCLOSURES C.A.R. form SSD  
WATER HEATER AND SMOKE DEDECTOR STATEMENT C.A.R. form WHSD  
AGENT VISUAL INSPECTION DISCLOSURE C.A.R. form AVID  
DISCLOSURE REGAURDING REAL ESTATE AGENCY RELATIONSHIPS C.A.R. form AD  
LOCAL AREA REAL ESTATE TRANSFER DISCLOSURE STATEMENT  
EARTHQUAKE HAZARDS REPORT AND RECEIPT  
[http://www.swismic.ca.gov/pub/CSSC\\_2005-01\\_HOG.pdf](http://www.swismic.ca.gov/pub/CSSC_2005-01_HOG.pdf)  
MOLD DISCLOSURE  
REPORT/INFORMATION PACKAGE FROM HOA (CC&Rs) (if any)  
ADDITIONAL DISCLOSURES STATEMENT (if any)  
The local disclosure may vary by city and county. Please ask your escrow company or visit the local Association of Realtors to find out local disclosure requirements.
  
- 3) Prepare and send the following to the seller and escrow officer:
  - 3.1 Preapproval letter from the lender (in 7 days)
  - 3.2 Proof of funds for down payment (in 7 days)
  - 3.3 CONTINGENCY REMOVAL C.A.R. form CR (in 17 days)It may be challenging to refund the earnest money deposit to the Buyer after the contingencies are removed. Please inform the Buyer of this.
  
- 4) Escrow/title will send both agents and the lender a preliminary title report. This must be received within seven (7) days of acceptance of the offer.
  
- 5) For residential property each agent (buyer's and sellers) must fill out their own AGENT VISUAL INSPECTION DISCLOSURE C.A.R. form AVID
  
- 6) If the 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:  
HOME OWNER ASSOCAITON INFORMATION REQUEST C.A.R. form HOA
  
- 7) You must prepare the other forms required in the transaction check list and obtain the parities' signatures. The checks list for different types of different types of transactions is available on the Real Estate Source, Inc website.

- 8) You must take care to ensure that the buyer receives all the necessary reports and obtains his/her signature on them.  
NOTICE TO SELLER TO PERFORM C.A.R. form NSP  
If the buyer fails to perform the action by the date given in the NSP, you may cancel escrow using:  
CANCELLATION OF CONTRACT, RELEASE OF DEPOSIT C.A.R. form CC
- 9) 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 escrows were late because of financing issues.
- 10) Stay in touch with the escrow/title officer. 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 (HUD) for the buyer.
- 11) 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

### **Step 5: Closing Process**

- 1) Real Estate Source, Inc. must sign the commission distribution instructions. Ask the escrow office to prepare the instructions and send them to our office. The broker will sign this form and fax it back to escrow/title company. There is a penalty for signing the commission instructions yourself in place of the broker.
- 2) Assist the buyer with the final inspection and fill out:  
VERIFICATION OF PROPERTY CONDITION C.A.R. form VP
- 3) Escrow will provide the buyer with an estimated closing statement and the buyer must transfer the required down payment to the escrow company.
- 4) 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.
- 5) Please help the buyer get the keys, garage or gate opener, postal box key, etc. from the seller. Provide phone numbers for the utility company. Moving to a new house can be challenging for a buyer. Provide as much support to your clients as possible. We have observed that this step is very important in receiving referrals.
- 6) 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 address stamp or something similar.