

# UNDER *Contract*

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## PROCESS

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Once you accept a Buyer's offer (or your counter-offer is accepted by the Buyer) your home is then "Under Contract" (in-Escrow). Although under contract, we still have much work to do to ensure a successful closing. Many of these steps will have strict deadline dates applied, and if not completed properly and on time, could cause forfeiture of the contract and loss of the sale, and even worse, you could be liable for a penalty amount equal to the earnest money due to the Buyer. Just remember, we are your guide throughout this entire process.

### Acceptance

This is the date that the seller or the buyer accepts the offer, or last counter-offer, hereby placing the property under contract. Many dates throughout the transaction process may be based on the "Acceptance Date".

### Earnest Money to be Deposited

The Buyer may turn in Earnest Money with their offer, but more often the Earnest Money will be due within "4 calendar days upon acceptance" as stated in the Real Estate Purchase Contract (REPC). The Earnest Money is normally deposited with the Buyer's real estate brokerage to be held in a real estate trust account until closing.

### Providing the Seller's Disclosures

This is the process where you as the Seller are required to provide to the Buyer information relating to your home. Below is the list of items you will need to provide. This is usually completed within 1 week from the

### Contract Acceptance Date

- Seller Property Condition Disclosure - filled out forms, signed and dated from Seller.
- Commitment for the policy of Title Insurance, showing any known easements, encroachments and liens.
- HOA information, budget, minutes, assessments, CC&R's, and survey, water rights if applicable.
- Copy of any leases, rental, and property management affecting the property not expiring prior to closing.
- Notice of any claims and/or conditions relating to environmental problems & building or zoning code violations.

### The Buyer's Home Inspection

During the Buyer's due diligence timeframe, they will complete a home inspection. They typically do not attend the entire inspection, but often they do meet the inspector at the end to have the opportunity to discuss any major concerns and visually see them together. Once they get a full detailed inspection report with photos of the concerns and issues they may bring to our attention what they expect to be resolved.

Normal wear and tear is not generally covered, but it is common to fix or repair items of deferred maintenance. The inspection is usually completed within 1 week from the Contract Acceptance Date.

### Buyer's Due Diligence (Evaluations and Inspections)

This is the time period provided to the Buyer to learn, review, and inspect your property, and decide if the condition is acceptable. This is usually completed within 2-3 weeks from the Contract Acceptance Date.

- The Buyer will carefully review all items provided in the Seller's Disclosures.
- The Buyer may schedule physical condition inspections, tests and evaluations of the property.
- The Buyer will review the costs, terms and availability of homeowner's insurance for the property.
- The Buyer will verify the ability to do nightly rentals, if important.

### Buyer's Right to Cancel or Resolve Objections

If the Buyer determines from his Evaluations and Inspections that the property's physical, title, or legal conditions are unacceptable, the Buyer may:

- No later than the Due Diligence Deadline, cancel the contract by written notice to Seller.
- Or no later than the Due Diligence Deadline, resolve in writing any objections.

This also must be completed by Buyer within the Buyer Due Diligence time period. If they cancel within this time period, they get their full earnest money back.

### Financing, Appraisal and Any Remaining Contingencies

In the final steps of the transaction we will coordinate and complete any remaining details. This is the Buyer's last deadline to cancel the contract (based only on financing/appraisal issues) and get their earnest money deposit back. This is usually completed within about 35-40 days from the Contract Acceptance Date.

- Is the sale contingent upon an appraisal?
- At what amount did the property appraise?
- How is the Buyer's financing going? Are they fully approved to close from underwriting?
- Are there any last minute issues for securing their mortgage?
- Was the sale contingent upon the Buyer selling their previous home?
- Final pre-settlement walk-through inspection.

### Settlement

You can complete your side of Settlement from your home state. The documents can be FedEx or Email.

We help coordinate these details with the title company. In Utah, all closings are performed by title companies. Settlement shall take place only when all of the following occur:

- Buyer and Seller have signed all documents required by REPC, Title, Lender, etc.
- Any monies required to be paid have been delivered by Buyer and/or Seller.
- The proceeds of the new loan have been "funded" by lender.

### Closing or Recording of the Sale

Once Settlement has been completed, the Title Company can then Record the sale with the County. Once recorded, this is the official point when the ownership of the property changes hands. Sometimes this can happen the same day as Settlement, especially when it is a cash sale. But if a loan is involved, it's often the following day.

- Record the sale with the County.
- Hand off keys, garage door openers, manuals, warranties.

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