

Phoenix Real Estate- The Selling Process

Offer Accepted...what happens next??

Once the offer has been accepted and duly signed by buyers & sellers, it is called the Executory Contract. We will email you copies of the executed purchase contract and all associated documents.

Once we have the final signing, the **earnest money (the deposit) will be due typically the next business day.** I will open escrow with which ever Escrow Officer/Title company was agreed upon in the contract. I will ensure that they have your contact info as well as contact info for the Buyer's Agent. I check to ensure that the deposit has been delivered or wired to escrow and get a receipt for the Earnest deposit when received.

Also....the inspection period begins the next day after contract execution. This is typically 10 days (or whatever is negotiated) and gives the buyers the opportunity to have a home inspection, termite inspection, mould inspection or any other kind of inspection that they would like to have done. As stated in the standard state contract, you have agreed to allow reasonable access to your home for inspections to occur. The Buyer's Agent will contact me as to when they would like to conduct inspections and then I will call you to check if that is ok. Typically a home inspection and a termite inspection can take anywhere from 2 hours to 3 hours to conduct...the longest I have ever witnessed is 4 hours. Time for inspections is dependent upon how large the home is, how many bathrooms to check, whether there is a pool/spa and if both termite and home inspectors show up at the same time. It is best to not be present for inspections. The inspector will have a code to open the lockbox and will lock up when completed.

During this time the escrow company is going to request an HOA Statement from the Home Owner's Association. That is called a resale disclosure request. The statement details any outstanding fees to be paid by the seller as well as any transfer fees or capital improvement fees, etc that the escrow agent will determine which side of the closing or settlement statement it is to be placed on...in other words...who is to pay for what. Dependent on what is negotiated in the offer, will determine who is to pay for what.

Also during this time we are required to send the buyers a **completed Seller Property Disclosure Statement (SPDS) and an insurance history** from your insurance agent covering the period of your ownership of the home. If the buyers have questions about how you answered some of the SPDS questions, the Buyer's Agent will get in touch with me. Then they will sign acknowledging that they have read it and return it to us.

When the buyers are satisfied or not satisfied with inspections, the Buyers' Agent will get the buyers to complete and sign a form called the **Buyer Inspection Notice and Seller Response (BINSR)** with their selection indicated for either (a) accepting the property, or (b) requesting repairs/corrections, or (c) canceling the contract and then forward the BINSR to us.

If they are dissatisfied with items found during inspections, they will itemize what they disapprove of and attach a copy of the home and/or termite inspection. Then you have 5 days to respond back as to whether you will agree to do the requested repairs or if you propose to do some but not all of the items. If you agree to what they requested, then we proceed to close. If you agreed to only part of it, then the buyers will have 5 more days to decide as to whether they would agree to that proposal or they can elect to cancel the contract. Should they choose not to complete the sale, the escrow company will refund their deposit and I will update the MLS changing the status from Under Contract status back to Active status.

Once we have acceptance or an agreement about repairs between buyers and sellers, then the escrow process continues and all of the paperwork really starts to flow!

If the buyers are paying cash, then that is pretty straight forward...the buyers wire cash prior to closing. **If they are financing, then their full approval process has begun once we have contract acceptance.** They have a Pre-Qualification form which is a basic pre-approval. But the property still has to appraise appropriately and the loan underwriting still needs to be done which is not always a sure thing. The lender will hire a property appraiser to do an appraisal. This could take anywhere from one week to three weeks before that happens. The appraiser will get in touch with me for getting lockbox access to your home. I will coordinate that with you and once that has been completed, we will hear back from the Buyer's Agent as to whether the appraisal was for at least the sale price of the home. If it appraises for a lower amount and the buyers did not waive their appraisal contingency (as it is not common to waive this contingency), then prepare for the buyers to ask us to lower the sale price to match the appraised price.

If repairs/corrections have been agreed to be performed by you, you are required to provide receipts showing that these corrections have been completed. We must have this evidence to them prior to 3 business days before the closing date. If you need assistance to get repairs done to your home, we can make suggestions for tradesman/ handymen that you can hire to do the work.

During this time, the Title Company performs their title record checks and then prepare a Commitment for Title Insurance. The seller always pays for the title insurance policy as per state contract.

Once the HOA Statement is obtained from the property management company that runs the HOA, the **Escrow Officer prepares the Settlement Statement.** They send a copy to me and also to the Buyer's Agent. We check to ensure that it is prepared correctly in accordance with what was agreed to in the contract. We also check to make sure that all pro-rations for property taxes and HOA monthly or quarterly dues are done to reflect up to and including the day of closing. Once we are satisfied that it has been prepared appropriately, we let escrow know to proceed. They will email it out for signing agreement by you and by the buyers.

Of course there are other docs that get sent to the buyers and also to you such as an agreement to allow the Title Company to provide escrow services and proof of identity forms. If you are present before the closing date, they will make an appointment with you to come in and **sign to transfer the deed to the buyers.** Identification is necessary at the signing appointment so bring your passport. If you are out of state, the Escrow officer will email you the documents for you to print off for signing (sometimes they fed-ex original copies but not typically). **This has to be notarized** in front of a notary if within the United States but if you are in Canada, then you will need a lawyer to witness your signatures as Maricopa County or Pinal County will only recognize a lawyer as an out of country notary. **You'll need your passport for identification** purposes at the lawyer's office too.

At this time, you should contact utility providers to inform them of the transfer date. Contact any other services that you have to inform such as internet, phone service, gardener, pool guy, security, etc.

The Buyer's Agent will conduct a Pre-Closing Walkthrough typically the day before closing, but sometimes the morning of closing day, to check that all items within the home that are warrantable by the seller up to the day of possession are working properly (such as heating, cooling, plumbing, pool equipment & more all as itemized on the standard State Purchase Contract). They will also check to ensure any and all repairs have been performed and that the home is in at least the same condition as on the day of the contract signing. If things are not as they should be, they can delay closing until the situation is resolved.

On possession day, the escrow officer submits electronically to the County to record the deed transfer. **When the deed is recorded, the escrow agent will notify everyone involved and the keys are releasable!!**

That is it.....we will guide you through this process but we wanted you to be familiar with what happens in advance.

