

Purchase Transaction Guide

This document will serve as an outline for an agent representing a Buyer in the purchase of a property. The information, steps and procedures in this document are meant to be comprehensive for all types of residential properties. Every single step may not be required for every type of transaction. Just ignore those items that do not apply for a particular property type or situation.

This document starts at the point when your customer have decided they are ready to purchase a property. It will guide you though the transaction until you can receive your commission check.

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Transaction Phases:

There are 4 phases to a purchase transaction. Offer, Negotiation, Escrow and Conveyance.

Offer - This is when you are collecting and completing the forms and paperwork needed to present an offer to purchase a property to the Listing Agent. This document will refer to multiple buyers as Buyer and multiple sellers as Seller.

Negotiation - Once the Seller has reviewed the offer, they can either accept, reject or negotiate on any of the terms in the purchase contract. Should there be any changes to the purchase contract, make sure both parties initial any changes and date the initials so everyone knows when they were accepted. It may be necessary for a new purchase contract to be made up that incorporates all the changes to have a cleaner, easier to understand document.

Escrow - This is when both the Buyer and Seller have come to an agreement and the purchase contract is fully signed. On the day that the fully signed contract is delivered to the other party, that day is called the Effective date. This is when timeline determined by the dates in the contract start. For example, when there are 10 days for the inspection contingency, the 10 days start on the effective date. Should the last day of the contingency fall on a weekend or holiday, it automatically rolls over to the next business day. During the escrow period is when both parties work to meet their obligations per the contract. Should it take longer to complete a task, the parties can negotiate to extend the closing date or individual contingency as needed.

Conveyance - This is commonly called the closing date. This is when both parties sign the documentation to transfer property ownership and any other documents required such as financing paperwork.

Parties involved:

Party/Person	Responsibility
Yourself (Selling Agent)	You are the agent helping the Buyer purchase a property. It is your task to help educate the Buyer, make sure all required documents are completed and delivered in a timely manner and to verify that the other parties are completing their tasks on time.
Seller	This is the property owner trying to sell their property.
Buyer	These are the people looking for a property to purchase.
Listing Agent	This is the agent who has the listing for the property that the Buyer have decided to make an offer on. You are permitted to work with a Buyer who wants to make an offer on a listing that you have. You just need to make sure you disclose this fact to all parties involved. This is due to the fact that by default, all real estate brokers in Florida are Transaction Brokers unless paperwork has been signed to change this relationship.
Title Company/Closing Agent	These are the people that act as the impartial third party to make sure all aspects of the contract have been met. They also do the title search to make sure the property is free and clear of any liens or encumbrances. The closing agent also facilitates the signing of all the papers to convey the property. This party also makes sure all the funds are collected and dispersed as required. The title company also issues the Home Owner's Title Policy and Lender's Title Policy.
Inspection Company	Should the Buyer choose to do an inspection on the property (as an agent, you should always advise your Buyer to do so), write up a report and send it to the Buyer to review. These inspections may include but will not be limited to: General Home Inspection, Roof Inspection, Wood Destroying Organism Inspection, Pool Inspection and Seawall Inspection.
Lender	If the Buyer is going to be financing the purchase, they will have to be pre approved through a lender, whether it be their personal bank or a mortgage broker, to show they are qualified to apply for a loan in an amount to cover the purchase the property including closing costs.
Appraiser	The Appraiser is hired by the lender to give an opinion of fair market value of a particular property on a specific date.
Home Owners/Condo Contents Insurance Agent	While a home owner is not required by law to carry insurance on their property, if they are financing the purchase, the lender will most likely require that they do carry enough insurance to cover the cost of the property in case of loss and will require the policy be in place at the time of closing.
Condo/Home Owner's Association	If the property is governed by an association, be it is a Condominium or a Home Owner's association, this body of people will generally have the right to approve the Buyer to purchase the property given the guidelines outlined in their association's documents.

Most Commonly used Documents are:

Document Name	Found At	Completed By	Sent TO	Description
FAR/BAR AS IS Residential Contract for the Sale and Purchase/ Residential Contract for the Sale and Purchase	Transaction Desk, Form Simplicity	The Selling Agent, signed by the Buyer and the Seller. This is part of the offer.	The Buyer, the Listing Agent, Office Transaction Management system, title/closing company.	This is the purchase contract used to outline how the Buyer wants to structure their purchase of the property. When signed by both parties, Buyer and Seller, it is a binding, legal contract. When signed by just the Buyer, we call this the "Offer".
FAR/BAR Condominium Association Disclosure Rider	Transaction Desk, Form Simplicity	The Selling Agent, signed by the Buyer and the Seller. This is part of the offer.	The Buyer, the Listing Agent, Office transaction management system, title/closing company.	This rider is included with any purchase contract where the property is covered by a Condominium Association.
FAR/BAR Homeowners Association/ Community Disclosure Rider	Transaction Desk, Form Simplicity	The Selling Agent, signed by the Buyer and the Seller. This is part of the offer.	The Buyer, the Listing Agent as an offer, sent to Office transaction management system, title/closing company when fully signed by both parties.	This rider is included with any purchase contract where the property is covered by a Homeowners Association.
FAR/BAR Lead-Based Paint Disclosure Rider and Federally required document.	Transaction Desk, Form Simplicity	The Selling Agent, signed by the Buyer and the Seller. This is part of the offer.	The Buyer, the Listing Agent as an offer, sent to Office transaction management system, title/closing company when fully signed by both parties.	This rider is required for the purchase contract for any residential property built prior to 1978. It is used to disclose that fact that the property MAY contain lead base paint and that the Buyer understand the issues that can arise from having lead based paint in a structure.
Pre-Approval/Pre-Qualification Letter or Proof of funds.	Lender or Buyer.	Lender if they are financing or the Buyer if they are purchasing with all cash. This is part of the offer.	The Buyer, the Listing Agent as an offer, sent to Office transaction management system, title/closing company.	This is the letter from the lender that shows how much the lender has "Pre" approved the Buyer for the purchase of a property. This is used for offer purposes. The Buyer and property still need to be fully approved by the lender for the purchase to be completed.

Document Name	Found At	Completed By	Sent TO	Description
Ernest Money Deposit Check	Buyer	Buyer	The Listing Agent as part of an offer, sent to Office transaction management system or title/closing company.	The Ernest Money Deposit Funds can either be included with the offer or submitted after contract acceptance. This will depend on what the listing agent requires or what the Buyer what to do. It will eventually go to the title company so very often it is easier to have it go right to them so it doesn't have to be transferred at a later time.
Castelli Real Estate Expense of Brokerage Commission	Transaction Desk, Form Simplicity	The Selling Agent, signed by the Buyer and the Selling Agent. While not part of the offer it should be signed at the same time as the offer.	The Buyer, Office Transaction Management system.	This form explains the amount and reason for the Castelli Transaction Fee. This commission/fee is charged by Castelli Real Estate Services for overhead expenses and it not shared with the Listing or Selling agents. Generally this fee will cover the \$295 Castelli Transaction Fee and your \$40 E&O Insurance charge.
Seller's Disclosure Statement	Listing Agent	Signed by the Buyer after reviewing.	The Buyer, Office transaction management system, Buyer and Listing Agent.	This disclosure is used to help the Seller convey what they know about the property that may materially affect it's value. This disclosure is not required by law and they are instances where it won't be available (such as foreclosures), but should be available in most standard purchase situations.
Castelli Real Estate Contract Info & Escrow Deposit	Transaction Desk, Form Simplicity	The Selling Agent	Office Transaction Management system when the offer is accepted.	This is the form sent to the Transaction Management system that summarizes the terms of the contract and any related escrow deposit made into Castelli's escrow account

Document Name	Found At	Completed By	Sent TO	Description
Escrow Deposit Letter	Office transaction management system or Title/ Closing Company	Office transaction management system or Title/ Closing Company	The Buyer, the Listing Agent, office Transaction Management system.	This letter is proof that the Buyer have deposited funds into an escrow account as required by the contract.
Lender/Mortgage Application	The Lender	The Lender/Buyer should complete this as soon as their offer is accepted.	The Lender	If the Buyer is financing their purchase, they will need to complete this application in a timely manner.
Condo/ Homeowner's Association purchase Application	The Association or their Management Company	The Buyer should completely fill this in, supply all required documentation and submit all this with the required fee to the association/ management company for purchase approval.	The Association or their Management Company	When a property is governed by an association that requires they approve the Buyer, this is the application and instructions that must be completed so that the association can go through the process of approving the Buyer to purchase this property.
Condo/ Homeowner's Association purchase Approval	The Association or their Management Company	The Association/ Management Company.	The Title/Closing Company	This is the document, signed by the association the declares that the Buyer has been approved to purchase in their association.
Addendum to FAR/ BAR contract for Sale and Purchase	Transaction Desk, Form Simplicity	The Selling Agent or Selling Agent, signed by both Buyer and Seller.	The Buyer, The Listing Agent as an offer, sent to Office transaction management system, title company when fully signed by both parties.	Should there be any changes to the purchase contract after both parties have signed it, this document is used to amend the contract and takes precedence over what is stated in the contract.
Home Owner's Insurance Policy	The insurance company	The insurance company	The Buyer and the Lender	If the Buyer is financing their purchase, the lender will need to see the insurance policy to confirm it is sufficient for their needs.

Document Name	Found At	Completed By	Sent TO	Description
Survey	Title Company/ Closing Agent	Survey Company	The Buyer	Should the Buyer elect to have a survey done, the cost will be reflected in the closing statement and they will receive the document at closing.
Closing Statement	Title Company/ Closing Agent	Title Company/ Closing Agent	The Buyer, The Listing Agent as an offer, sent to Office transaction management system, title company when fully signed by both parties.	This statement shows how the associated credits and debits for the sale for both the Buyer and Seller.
Castelli Real Estate Check Request Form	Transaction Desk, Form Simplicity	The Selling Agent	Office transaction management system.	This form is completed and sent to the transaction management system when the sale has closed and the title/closing agent has issued a check to Castelli Real Estate with the commission from the transaction.

Information needed to complete an a purchase contract for an offer:

Data	Contract Line	Description	Found At
Seller's Names	1	The names of the current property owners as found on the title	BCPA.net or IMMap. Click on the folio number in the listing and the IMMap record will come up.
Buyer Names	2	The names of the Buyer.	Please do make sure they give you the name as they want them to appear on the title, including any middle initials or if the property is to be held by a trust or LLC.
The address of the property	7-8	This is the common address	BCPA.net or IMMap.
The Folio number of the property	8	The county identification of the property	BCPA.net or IMMap.
The legal description	9	The legal description as per the county records.	BCPA.net or IMMap. If you click on the Transaction Desk icon from the listing, TD will automatically create a transaction for you and enter this information for you.
Personal property to be included	20	Items to be included in the sale such as hot tub, extra washer/dryer, etc.	Listing agent and Buyer will supply this
Personal property to be excluded	23	Items to be excluded from the sale such as hot tub, extra washer/dryer, etc.	Listing agent and Buyer will supply this
Purchase Price	26	The price the Buyer is offering to pay for the property.	The Buyer with your help.
Initial Deposit	27	Initial funds the Buyer put up towards the purchase of the property. This should be enough to show the Buyer is serious but not more then the Buyer can lose should they need to cancel the contract.	The Buyer.
Deposit Accompanies	29	Will the deposit accompany the offer or be made within a number of days.	The Buyer with your help.
Escrow Agent Information	32-34	The contact information for where the deposit funds will be held. Either Castelli or the Title/Closing Company.	You, the Selling Agent.

Data	Contract Line	Description	Found At
Additional Deposit Information	35-36	Is there a second deposit and when is it due? Usually after the inspection period ends.	The Buyer with your help.
Financing Amount	38-39	If the Buyer are financing, the amount expressed as either a dollar amount or percentage.	The Buyers and Lender.
Balance to Close	41	How much the Buyer will need to bring at closing to complete the purchase. This does not include closing costs as determined by the title/closing company.	You/form calculates.
Acceptance Date	45	This is the date by which the Seller has to accept the offer. Should the Seller not respond by this date, the Buyer can cancel the contract, if they choose. If they are willing to allow the Seller to have more time, that's fine. This is to protect the Buyer interest.	The Buyer with your help.
Closing Date	52	This is the date when the closing is to take place. If it's a cash deal, this can be as little as two week, if this is financing, it should be no less then 60 day. Speak to the Lender as to how much time they need. Take info account time to get the contract accepted.	The Buyer with your help.
Purchasing with Cash	58	If the Buyer are purchasing with all cash, check this box.	The Buyer with your help.
Financing through a Lender	92-96	If the Buyer are purchasing with help from a lender, check this box. Complete the items as per the pre-approval letter from the Lender	This will be on the Lender's Pre-Approval letter.
Assumption of existing loan.	122	If the Buyer are assuming the Seller's loan, check this box. Very rare these days.	The Buyer with your help.
Purchase Note	123	If the Buyer are using a purchase note through a third party, check this box. Very rare these days.	The Buyer with your help.
Closing Agent	155, 159, 161	Check the appropriate box for who determines the closing agent. Tradition is to use the Miami-Dade/Broward Regional Provision.	The Seller may require they determine the closing agent, especially for foreclosures but mostly it's up to the Buyer.
Home Warranty	171-172	Check the appropriate box should the Buyer want aHome Warranty.	The Buyer with your help.

Data	Contract Line	Description	Found At
Special Assessment	181, 183	Check the box on line 181 if Seller and Buyer will split assessments. Check the box on line 183 if the Seller is to pay all the assessments.	The Buyer with your help.
Inspection Period	243	How long will the inspection period be? Usually between 10 and 15 days. This is often negotiated.	The Buyer with your help.
Addenda	564	Check the boxes for the addenda to be included in the offer.	You.
Condo Addendum Rider	To be used if purchasing a condo.		
Association Approval	Sec. 1	Check if association approval is required. Almost always is.	You, the Selling Agent.
Right of first refusal	Sec. 2	Does the association have first right of refusal. Usually they don't or they would have purchased already.	You, the Selling Agent.
Fees and assessments	Sec. 3	What are the association dues, special assessments or recreation fees	This should be in the listing or from the List Agent.
Special assessments	Sec. 3(c)	List any known special assessments.	The listing agent should tell you if there are any special assessments.
Non-Developer Disclosure	Sec 5(a) (b)	If the Buyer already has received Condo Docs, check box (a), if the Buyer has not received them yet, check box (b).	The Buyer rarely get Condo Docs before writing the offer.
Buyer request condo Docs	Sec 6	Check the appropriate box.	You, the Selling Agent.
Parking	Sec 8	How many parking spaces come with the unit	You, the Selling Agent.
Lend Based Paint	To be used if the property being purchased was built before 1978.		
Buyer, Seller, property address.		Same as the purchase contract.	Filled in for you if you use Transaction Desk.
Buyer's Acknowledgement		Almost always the purchaser will waive an inspection.	
Homeowner's Association			
Buyer, Seller, property address.		Same as the purchase contract.	Filled in for you if you use Transaction Desk.
Name of Community		The name of the homeowner's association.	The Listing Agent or county records through IMMap or DCPA.net

Data	Contract Line	Description	Found At
Assessments and Special Assessments	(c)	These are the Homeowner's Association Dues and any special assessments the Buyer will be required to pay	Listing or Listing Agent.

Transaction Steps:

This is an outline of the tasks needed to be done from writing up an offer, presenting it, getting it accepted and seeing the transaction through closing. There can be less or more items depending not the requirements of the contract and the type of property being purchased.

Done	Contract Days	Task
		Confirm via www.myfloridalicense.com/wl11.asp that other agent is currently licensed
		Use Transaction Desk/Form Simplicity to type up offer, applicable addendums and Castelli Transaction Fee Agreement
		Have Buyer sign, initial, date all offer pages and any other disclosures/addendums provided by Seller.
		Make copy of deposit check. Give to either Office transaction management system or to the title company.
		If cash, get proof of funds. If financed, get pre-approval letter.
		Email offer and supporting docs to Listing Agent. Call and text Listing Agent to confirm receipt.
		Negotiate if applicable and get contract signed by Seller.
	1	If offer not accepted, end here. If offer is accepted, submit Contract Info/Escrow Deposit Form with all contract paperwork to the office transaction management system. The date this completely signed contract is sent to the other agent is the effective date. Confirm by email the effective date with the other agent.
		Email executed contract w/ addendums, escrow letter...to Buyer cc: lender, title company w/ instructions to Buyer as to next steps. Include contact information for all parties such as listing agent, selling agent, buyer, seller, lender, title company, inspector, association, etc. Include any important info such as transaction fees.
		Email other agent to confirm receipt.
		Schedule General Home, WDO, 4 Pts, Wind Mit, etc. inspections.
		Confirm water and electric on for inspections?
		If condo, does inspector have access to roof, i.e., permission from management to check HVAC unit on roof?
		If needed, get list of insurance agents to Buyer to get hazard, wind (if east of 95) and flood (if in flood zone) insurance.
	5	If a condo, is Condo app completed w/ fee, copy of contract, driver's lic, letters of ref, etc and provided to assoc.
	5	Verify the Buyer apply for Mortgage
		Get the Condo docs from the listing agent and send to the Buyer including land lease, budget, etc. as specified in condo rider. Have Buyer sign condo docs receipt.

	10	Before Inspection Period ends does Buyer want property as is or credits and/or repairs? If they are any changes to the contract, repairs, price reduction, seller credits, write up an addendum and have it signed by both parties. Then send it to the office transaction management system, Buyer and title company.
	10	Get Second Deposit from Buyer. Submit to office transaction management system w/ Escrow Deposit form or directly to the title company. If wired to office, add \$15 wiring fee.
		Condo Assoc interview scheduled for buyer.
		Have Title co get Tenant & Condo Estoppel.
		Get original copy of Condo Association certificate or Approval letter to title company. If not approved, write up a Release and Cancellation form and have it signed by both Buyer and Seller and send to office transaction management system and to the title company to have the deposit returned to the Buyer.
		Follow up with the lender that they are loan application is on track and that they won't be any delays for closing.
	45	Get Loan Commitment Letter by due date. Email to listing agent.
		Schedule day/time for Buyer to do the walk through.
		Schedule day/time and place mutually workable for Buyer, Seller, Agents, Title co...for Closing.
		If lease back, have Title Co draw up lease and have rent at Closing.
		Get Closing Gift
		Review closing statement before Closing - Commission, transaction fee there? Lease proration? Credit? (Comm + Fee on separate lines)
		Have Buyer switch FPL effective day of Closing.
		Do walk through with Buyer to make sure property is being delivered as promised.
		Keys/access devices/passes>Door, mail, gate, Lobby, laundry, pool, storage, parking...to Buyer at Closing.
	60	Bring the closing gift to closing and present to the Buyer when paperwork is done.
		Submit check from the title company, a copy of the closing statement and check request to office transaction management system.
		Have Buyer switch water/sewer to their name in person w/ final signed closing statement at municipal water/sewer department.
		Stop Buyer automated searches.
		Input anniversary dates into calendar/drip email system, closing date, birthdates, wedding, etc.
		5 days after closing, call the Buyer and send an email to check in to see how the Buyer are doing and ask that they write a review or recommendation for you.

	<p>Should the contract fall through at any time, write up a Release and Cancellation form and have it signed by both Buyer and Seller and send to office transaction management system and to the title company to have the deposit returned to the Buyer.</p>
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