



AGENT TRAINING

Using ZipForms and Filling Out Contracts Correctly

1

Order of Contracts/Forms

1. Information About Brokerage Services (TAR 2501)
2. 1-4 Family Residential Contract (TAR 1601)
3. Third Party Financing Addendum (TAR 1901)
4. Lead Based Paint Addendum (TAR 1906)
5. Residential Listing Agreements (TAR 1101)
6. Seller's Disclosure Notice (TAR 1406)
7. Amendment to Contract (TAR 1903)
8. Seller's Invitation to Buyer to Submit New Offer (TAR 1926)
9. Request for Mortgage Information (TAR 1413)
10. Seller's Temporary Lease (TAR 1910)
11. Notice of Termination of Contract (TAR 1902)
12. Release of Earnest Money (TAR 1904)
13. ZipForms Tips and Tricks for Filling Out Contracts Online

2

Information About Brokerage Services (TAR 2501)

The Information About Brokerage Services form is required to be given to all clients and customers once a substantive discussion has taken place about real estate. You have an obligation to make sure the person you are communicating with understands that you are a licensed real estate agent and that you represent clients and assist customers. You may present the IABS in person (paper copy) or by email (PDF). Although it is possible to disclose the information in the IABS verbally, there is no way to prove that you relayed the information to someone that way. Be sure you have a copy of every signed IABS form from every client and customer or at least keep the email that shows you sent it to them.



3

1-4 Family Residential Contract (TAR 1601)

Paragraph 1: Name of seller followed by name of buyer

Paragraph 2: A) Get this info from the tax roll sheet. D) If they are excluding items in the sale of the home that would normally stay, write in the excluded items here

Paragraph 3: If 100% financing put a Zero on line A by pushing the space bar and then type the 0. You can then click down to line B and fill in the total financing to match the sales price on line C. If the buyer is putting some money down, like 10% or 20%, be sure to calculate the percentage and type it on line A and then put the financing amount on line B. Line A and B MUST = line C.

Paragraph 4: Are you a party to the transaction or are you related to the buyer or seller? If so, it must be disclosed here

Paragraph 5: Earnest money is usually entered in \$500 increments and is approximately 1% of the loan (less on more expensive homes). Most homes have earnest money of \$500, \$1000, \$1500, \$2000. It is best to choose one near the home that you are familiar with. If you don't know the address, look it up. You can always discuss the title company choice with the other agent before you write the offer. **DO NOT PUT THE NAME OF THE TITLE COMPANY IN MLS**

Paragraph 6: Be sure to check the box that says SELLER to pay for the title policy. This is the accepted norm in Texas. The title company in paragraph 6 is the same as the one in paragraph 5. In RARE cases the buyer may pay the title policy. Consult your office manager or broker before you write it this way though. On line C it is common to check box 1 and write in 3 days and also check the box that says BUYER will pay for the survey if needed (this is the norm in Texas). On line D it is common to write "single family residence" and then "3" days below it. On Line E check the correct box if the property is or is not in a HOA.

Paragraph 7: On line B check the box that applies to your situation. Hopefully the Seller's Disclosure is online and you can just print it out. If not you may have to call and have it faxed over. Otherwise just check box 2 and put "2" days in the blank. If the property is a foreclosure, a seller's disclosure form is not required and you will check box 3. **DO NOT WRITE ANYTHING ON LINE D UNLESS YOU ARE ACCEPTING THE HOME AS IS** (wait until the inspections are completed to see what repairs are needed). On line H, this is where you write in an amount for the seller to pay for a home warranty, \$500 is normal

Paragraph 8: N/A

Paragraph 9: Type in the projected closing date (usually 30 days). Make sure it is not on a Saturday or Sunday because the title companies are closed. Check with the lender to see how much time they will need for the loan processing. Most closings happen between 14 days and 40 days (unless it is a contingency offer, which would be 90 or even 120 days)

Paragraph 10: Check the correct box. If the sellers will be out by closing, check the first box. If the sellers are staying in the house for a few days or weeks, check the second box and remember to prepare TAR form 1910 as an addendum.

Paragraph 11: Read the disclaimer on paragraph 11. **DO NOT** write in a lease agreement here. **DO NOT** write in seller paid closing costs here. **DO NOT** write in a home warranty here. See the example on the SAMPLE CONTRACT on our website to see what would be acceptable here. If you aren't sure, ask your office manager or broker.

4

1-4 Family Residential Contract (TAR 1601) CONTINUED

Paragraph 12: This is where you write in the amount of the "Seller Contribution" if any. If the seller is not contributing any money towards the buyer's closing costs then enter "0" by pushing the space bar and typing in "0" or "- 0 -". If the lender says your buyer needs a 3% seller contribution, calculate the contribution by multiplying the sales price by .03 and entering the amount in the space.

Paragraph 13: N/A

Paragraph 14: N/A

Paragraph 15: N/A

Paragraph 16: N/A

Paragraph 17: N/A

Paragraph 18: N/A

Paragraph 19: N/A

Paragraph 20: N/A

Paragraph 21: Fill in the contact information for your client so that the title company can contact them if needed

Paragraph 22: Check the boxes for the addenda that are required for each contract. **DO NOT** add addenda that are not necessary, but **DO NOT** leave out required addenda such as the Third Party Financing Addendum or the Lead Based Paint Addendum if the house was built before 1978.

Paragraph 23: This is where the OPTION FEE money is entered. The norm is \$10 per day. Be sure to check the box that says the option fee WILL be credited to the sales price at closing.

Paragraph 24: It is extremely rare to enter any information here. If the client insists on legal representation, they may enter the contact info here. Make sure that all parties to the transaction sign the contract. **AFTER ALL PARTIES HAVE SIGNED**, the agent who has the contract last will execute it. So, if the buyer signs last, the buyer's agent executes the contract. If the seller signs last, the listing agent executes the contract. This includes any initials that were required because of changes or scratch outs on the contract.

Page 9: Be sure to enter the amount of the commission that is being offered to you in the MLS. You may need to check that it is 3% because sometimes it may be less or more. If the co-op is 2.5%, that is what you enter on the contract. If there is a bonus to selling agent be sure to write 3% plus \$500 (or whatever the bonus is). If you don't write in on the contract, you may not get it. Fill in all of the contact information that you possibly can for both agents so that the contract is as complete as possible. The license # for San Jacinto Properties is 0456989. Be sure that you enter YOUR NAME as the buyer's agent or as the listing associate and be sure to SIGN ON THE LINE above your name. Although it is not required, it is a good idea to fill in the option fee receipt information and also the earnest money receipt information as shown on the SAMPLE CONTRACT on our website.

Finally, go back and proofread the contract once you have finished it for spelling errors, unchecked boxes, accounting errors, etc. It is easy to make a mistake when writing a contract. If you are still unsure of yourself, ask your broker or an experienced fellow agent in our office to proofread your contract. **BE SURE THAT THE CLIENT HAS INITIALED THE BOTTOM OF PAGES 1-7 AND SIGNS PAGE 9.**

5

Third Party Financing Addendum (TAR 1901)

Make sure the correct address and city are entered at the top of the form.

The majority of closings will involve **Conventional Financing** so be sure to check box "A". Assuming that there is only one loan, you will only need to fill in the loan amount, the term (usually 30 years), the interest rate, the lock in rate (if it is an ARM it will not be 30 years as shown on the SAMPLE CONTRACT on our webpage), and the origination fees (usually 1%). You can get all of this information from the lender or hopefully it is on the pre-qual letter that you received from the lender.

*Note-----Be sure to keep the interest rate on the contract as close as possible to that quoted by the lender at the beginning. This will prevent the lender from making big increases in the interest rate at the last minute. Also, make sure that you and your client get a copy of the Good Faith Estimate from the lender as soon as possible so that you and your client are aware what terms the lender has quoted.

If the loan is **NOT** a conventional loan but is a Texas Veterans, FHA or VA you will need to check the appropriate box and fill in the blanks. *Note----- Most FHA loans will be a section 203(b), however there are other types sections of FHA loans. If your buyer is using an FHA loan, consult the lender to see if it is a 203(b) or if it is something else because it DOES make a difference.

Be sure to check the box in Paragraph 2 that says the Buyer must obtain loan approval with "X" days. In the blank for # days to get financing it is always best to make this number as high as possible if you represent the buyer. 21 days is fairly common here on a normal 30 day closing. There is no rule about how many days you can or cannot put, but a good rule of thumb would be 2/3 of the time between the execution date and the closing date. More than 21 days will put the seller at a disadvantage, less than 15 days puts the buyer at a disadvantage.

If the loan is a FHA or VA loan you **MUST** enter the sales price in Paragraph 4

Finally, make sure all required signatures are obtained on the bottom of page 2 and that the client has initialed the bottom of page 1

6

Lead Based Paint Addendum (TAR 1906)

Enter the property address and city at the top of the form

If you are the LISTING AGENT you can fill out Paragraph B ahead of time by checking the appropriate boxes. 99% of the time you will check box B1b and box B2b indicating that the seller has no reports and no knowledge of lead based paint on the property. If there are reports and the seller is aware of lead based paint, then check box B1a and B2a

If you are the BUYER'S AGENT you should only fill out Paragraphs C and D.

In Paragraph C you will check either box 1 or box 2. If the buyer has no plans to have the home inspected for lead based paint, ask them to check box 1. If they want to have the home inspected for lead based paint, check box 2. (Note.....Home Inspectors DO NOT check for lead based paint in their normal home inspections. Your buyer would have to hire an pay for a specially certified lead based paint inspector).

In Paragraph D you will only check box 1 of the seller provided inspection reports on lead based paint. Box 2 must ALWAYS be checked, indicating that the buyer has received the pamphlet on lead based paint required under federal law. This pamphlet can be downloaded off our company web site by looking on the "agents only" page or by typing this URL in directly <http://www.SanJacintoProperties.com/leadbasedpaint.pdf>

On the bottom of the form be sure to get ALL signatures INCLUDING YOURS.

7

Residential Listing Agreements (TAR 1101)

Paragraph 1: Fill in as much information as possible. Try to get the seller's email and cell number too. Fill out the broker information as San Jacinto Properties, 3222 Somerford, La Porte, TX, 77571 Paragraph 2: Fill in the LEGAL DESCRIPTION. You can get this off of the tax sheet in Matrix M.L.S. Fill in the address and zip code too. On line D write in any exclusions that the seller is removing from the property that would normally stay (see the list on lines B and C). Basically, if the item is attached to the house, it is supposed to stay unless it is listed on the exclusions list.

Paragraph 3: Fill in the listing price here. It is acceptable to leave this blank if you are filling out the contract ahead of time and have not discussed the listing price with the sellers yet. You can write it in by hand at the home when you are taking the listing.

Paragraph 4: This is where you write the beginning and ending date of the listing term (usually 180 days). There is no rule on how long or short a listing term is, but the norm is 180 days.

Paragraph 5: Here is where the commission agreement is entered in writing. Most listings are 6% and can easily be entered by checking the box on line 1 and entering 6% in the blank. If the listing is 5% then enter 5% in the blank. If you have a listing that has a dual or variable rate you must enter it on line 2 and explain the rate (see the SAMPLE CONTRACT on our website). Dual rate or variable rate means that the commission paid by the seller is different, depending on who sells the house. San Jacinto Properties does not charge Transaction Fees to clients. If you want to enter an Early Termination Fee of \$99 you may also put that on line 3 (see SAMPLE CONTRACT on our web site). On line E it is customary to enter "30" days. On line F enter the county in which the house is located.

Paragraph 6: You will almost always check box A indicating that the listing will go on M.L.S. If, for some reason you are listing a non-M.L.S. listing, contact your office manager or broker first to get approval.

Paragraph 7: On line "B" you should write in "ShowingTime Inc." San Jacinto Properties requires all listings to be handled by ShowingTime. If you feel that your listing is an exception, you MUST clear it with the broker first. On line C1 you need to check the appropriate box (almost always the first box). If your seller will not allow you to place a lockbox on the property, consult the broker before taking the listing.

8

Residential Listing Agreements (TAR 1101) CONTINUED

Paragraph 8: Type in the co-op commission being offered. **San Jacinto Properties does not allow its agents to discount the co-op commission on a sale.** If you take a 5% commission, you must still offer a full 3% to the co-op agent. You are not required to offer any payment to subagents, but you may. If you choose not to offer payment to subagents, put "-0-" on lines A2 and B2. The zero can be entered by pressing the space bar and then pressing the dash, zero and dash keys. You can also type "N/A" in the right hand columns next to the dollar sign.

Paragraph 9: Check box A for intermediary permitted unless a client specifically asks you to check box B.

Paragraph 10: N/A

Paragraph 11: N/A

Paragraph 12: Usually left blank unless line H needs to be filled in (very rare).

Paragraph 13: N/A

Paragraph 14: N/A

Paragraph 15: Usually left blank, but it is permissible to add a statement such as the one on the SAMPLE CONTRACT found on our website. Be careful what you write here and do not write in things that there are TAR forms or addenda already promulgated for. If you are not sure about what you should or should not put here, ask your office manager or the broker.

Paragraph 16: N/A

Paragraph 17: N/A

Paragraph 18: N/A

Paragraph 19: Check the boxes for the appropriate addenda required for that listing

Paragraph 20: N/A

Paragraph 21: Print "San Jacinto Properties" as the Broker's Printed Name. The license # is 0469898. Put YOUR NAME as the broker's associate and sign above it. Type in the name of the sellers and have them sign above their names. **Be sure that you and the sellers also initial the bottom of pages 1-7 too.**

9

Request for Mortgage Information (TAR 1413)

This form is important to help make the transaction close smoothly. This information is vital to the title company and should be included with the earnest money contract when delivered to the title company

At the top of the form, fill in as much information as you know and leave the rest blank so that the seller to fill in. **BE SURE THAT THE LOAN NUMBER IS PROVIDED ON THE FORM IN THE CORRECT SPACE.**

At the bottom of the form you should fill in the company information as noted on the **SAMPLE CONTRACT** found on our web site. It is permissible to leave this part blank so that the Title Company can fill in their information here, however most title companies use their own forms so it is **BEST** to go ahead and put our company contact information here (which can also be found on the company web site).

Make sure the seller's sign the bottom of the form

13

Seller's Temporary Lease (TAR 1910)

Line 1: Enter the names of the Landlord and Tenant. Remember that on this form the landlord will be the BUYER and the tenant will be the SELLER

Line 2: Enter the property address

Line 3: Enter the date that the lease TERMINATES

Line 4: Enter the amount of daily rental. This is usually done by calculating the NEW MONTHLY MORTGAGE of the buyer and dividing it by 30. For example if the mortgage is \$1,400 per month, \$1,400 divided by 30 = \$46.67 per day.

Line 5: If the seller is paying a security deposit (not required and often waived), the amount should be entered here

Line 6: If the LANDLORD is paying any of the utilities, they should be entered here.

Line 7: N/A

Line 8: If pets are permitted it must be indicated here. You can name the specific animals or use a generic statement such as "those currently on the property"

Line 9 & 10: N/A

Line 11: Like any Special Provisions section, this should be reserved for statements that there are no existing TAR forms that address the issue. Be careful what you put in here. You could add a statement such as "tenant to have carpet steam cleaned prior to vacating the property"

Line 12-18: N/A

Line 19: This is the amount the tenant pays if they stay in the house AFTER the temporary lease expires. This amount is typically higher than the normal daily rent since their lease time has expired and they are staying past the date they agreed to. It is not uncommon to "double" the daily lease rate here.

Line 20-24: N/A

At the bottom of the form be sure to fill in the contact information for the landlord and tenant and have both parties sign. Be sure that they have also initialed the bottom of page 1.

14

Notice of Termination of Contract (TAR 1902)

Fill in the name of the seller and the buyer

Fill in the date the original contract was executed

Fill in the property address

Have the buyer sign and date at the bottom

Email it ASAP to the other agent

15

Release of Earnest Money (TAR 1904)

Fill in the property address on the top of the form

In Section B, enter the name of the Title Company that has the earnest money. On the lines below, fill in the amount and the person that is to receive it.

In most cases you will write the full amount of the earnest money that was deposited and the name of the buyer as the person receiving it. However, there are exceptions in some cases. If there is a dispute between the seller and the buyer it is possible to split the earnest money 50/50 between the two. It is also possible that because the buyer has defaulted, the seller gets all of the money.

On the bottom of the form fill in the names of the seller and buyer and have both parties sign. You must also fill in the contact name for each of the real estate brokerages involved. **You must also sign the form**

16

ZipForms Tips and Tricks for Filling Out Contracts Online

1. Use the link on the company website to download the "ZipForms Most Used Forms" document. This has the names of the forms and their TAR # so that you can find them easily. It is a good idea to keep this form posted next to your computer.
2. When logging in to ZipForms online you must know your TREC license # and your TAR online password. If you don't know either of these you need to find out what they are and memorize them. The ZipForms Online can be accessed via the TAR web site at www.TexasRealEstate.com. Once you log on you can set up and customize your account with your contact information and email. It is possible to log on to ZipForms by using your email once you have registered your online ZipForms account. Remember that ZipForms is FREE and is included in your TAR membership. Your TAR membership is included in your HAR dues.
3. One of the most common problems in ZipForms is trying to type in information on a line but it won't let you. Often times you can override this by pushing the space bar on your keyboard and then type what you want.
4. It is best to SAVE your work often. Do not type for more than 10 minutes without SAVING your work. Sometimes the software locks up or the internet connection is interrupted and everything you typed is lost. So, SAVE as often as possible.
5. On your main page on ZipForms, in order to create a new client folder, click on the grey bar that says "Add (Create)"
6. Once you have created a client folder in ZipForms you do not need to write a new contract each time. You can just edit the fields that need to be altered. This is much faster than starting over from scratch on every contract.
7. If it is easier for you, you can hide the contract and just fill in the fields by clicking on the icon located on the top toolbar immediately to the right of the pencil icon.
8. If you want to email the contract to someone click on the icon that looks like an envelope
9. If you need to switch to a different form or contract click on the small black arrow pointing downward next to the white box that says "selected form". If you have the left margin view open you can also switch by clicking on the form you want under the grey shaded area labeled "My Transaction, Transaction Forms"
10. If you need to add a new form or contract to the file, click on the icon that looks like a page, located immediately to the right of the printer icon.

THESE ARE OTHER TIPS AND TRICKS YOU CAN ACCESS BY CLICKING ON THE ? ICON LOCATED AT THE TOP OF THE SCREEN

17



TEST 8/9 Correct Needed to Pass

Name _____

1. ZipForms can be accessed by logging in to your account at TAR located at www.TexasRealEstate.com TRUE FALSE
2. TAR 2501 "Information About Brokerage Services" is only required when working with buyers TRUE FALSE
3. TAR 1906 "Lead Based Paint Addendum" is required on all homes regardless of when they were built TRUE FALSE
4. If a buyer is paying cash for a house, TAR 1901 "Third Party Financing Addendum" is still required TRUE FALSE
5. During the "Option Period" the inspector finds an electrical problem that needs attention. You should address this by sending an amendment (TAR 1903) requesting the specific repair TRUE FALSE
6. ZipForms Online allows you to access your saved client forms from any computer with internet access TRUE FALSE
7. ZipForms Online allows you to email specific saved client docs to yourself or your client TRUE FALSE
8. The agent is required to sign on page 8 of TAR 1601 "1-4 Family Residential Contract" TRUE FALSE
9. If both agents agree to a change in the contract via email, there is no need to have a written amendment with the buyer and seller signatures TRUE FALSE

18