



AGENT TRAINING

*The Keys to a Smooth Closing.
Working with Clients, other
Agents, Lenders and Title
Companies*

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The Relationship with the Client

Information is crucial in preparing your client for the closing

Take the time to sit down and explain the step by step process of contract to closing with your client. Give them a timeline of what to expect, fees to prepare for, worst case scenarios, who does what, etc. Tell them things that they should and should not do during the contract phase leading to closing.



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Typical 30 Day Closing Calendar

<u>BUYER</u>	<u>DAY</u>	<u>SELLER</u>
Loan approval letter acquired	Previous	Prepare for showings
Make offer on Property	1	Review offer & accept/counter
Earnest \$ & Option \$ delivered	2	Title opened, option fee received
Hire home/termite inspector	3	Prepare for inspections
Inspections take place	5	Inspections take place
Inspection report in	6	Waiting for results of inspections
Negotiate any repairs/Amendment	7	Negotiate any repairs/Amendment
Title Commitment arrives	10	Title Commitment arrives
Check with title & lender on status	12	Make sure title has lender/payoff info.
Prepare for closing and move	13-29	Prepare for closing and move
Check with title & lender on status	20	Check with title & lender on status
Set closing date and time with title co.	23	Set closing date and time with title co.
Review CD and get cashiers check	29	Review CD and finish packing/cleaning
CLOSING DAY	30	CLOSING DAY
<small>Bring Drivers License, Cashiers Check</small>		<small>Bring Drivers License, Keys, Garage Door Opener, etc</small>

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Buyer information for purchasing and closing on a home



1. Before you look at any homes, obtain a loan pre-approval letter from a lender
2. Your agent will prepare your offer on an approved Texas Real Estate contract and present it to the sellers
3. Your agent will negotiate with the sellers or their agent on your behalf. It is not proper or wise for you to speak to the sellers directly.
4. Once the contract terms have been agreed upon by you and the seller, the contract will be executed. You will need to write an earnest money check to the title company (usually \$1000 - \$2000) and another check for the option fee (usually \$100) made out to the sellers.
5. You will need to hire a home/termite inspector and have the inspections done ASAP. This will usually cost around \$500.

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6. If there are major repairs that are needed in order for you to proceed with the deal, your agent will prepare an amendment for the sellers to sign. If they agree, the contract proceeds as scheduled. If they refuse, you may terminate the contract before the option period expires and you only lose the cost of the inspections (usually \$500) plus the option fee (usually \$100). You will get the earnest money back if the contract is terminated during the option period.
7. Once the inspections are completed and repairs agreed upon, you are now in the "PENDING SALE" status of the transaction. You need to stay in touch with your loan officer, your real estate agent and the title company on a frequent basis in the days leading up to the closing
8. You SHOULD NOT go out and purchase any major items like a new car, furniture, etc at this time because it could cause your credit and loan ratios to change and the lender could deny your loan before the closing.
9. You SHOULD start preparing for the closing in by packing, making arrangements with movers, calling utility companies to terminate service at your current residence and start new service at the new home
10. The day of the closing you need to be sure to bring your driver's license and a cashiers check for you closing fees (this amount will be on the Closing Disclosure and your agent will go over it with you). Title companies will not accept personal checks at the closing table.

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Seller information for closing on a home



1. Prepare the home for selling and showing. Paint, steam clean carpets, fix broken or non functioning items, de-clutter, etc.
2. Price the home properly. Listen to your agent and look at the competition to come up with a price that is attractive to buyers.
3. Keep the home clean and ready to show at all times. Don't turn down showings to potential buyers.
4. Find as much of the original documentation on the home as possible (survey, floorplan, deed restrictions, foundation warranty, service records on roof or A/C, termite treatment records, etc.)
5. Be flexible and realistic with your timeline and your profit expectations. Listen to the advice of your agent as to incoming offers, counter-offers, price reductions, additional repairs, etc.

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Choosing The Title Company

All Title Companies, by law, charge the same Title Policy Fee so there is no real financial advantage of one title company over another. Basically the choice comes down to a few factors

- 1)Location – who is the closest
- 2)Service – will they pick up the contract and earnest money from the office? Do they answer your calls and emails promptly?
- 3)Accuracy and Reliability – Do they often make mistakes and errors? Do they overbook closings and run late? Will they stay late or come in early to make the deal work?
- 4)Convenience – Do they have mobile notaries if necessary? Do they have online file access? Can you open title online or via email?

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Preparing For The Closing

As an agent you need to stay on top of things once the title company is chosen and the contract is executed.

- 1)Make sure that you, the other agent, the seller, the buyer, the office file and the title company all have a copy of the executed contract
- 2)You or the cooperating agent need to bring the earnest money and contract to the title company and get a receipt and GF #
- 3)When the title commitment comes in, check it to see if there are any liens on the property that could infringe on the closing. If so, consult with the title company to see what the status is and if there will be delays.
- 4)Check with the title company about 10 days prior to the closing and get a status report. Ask if there is anything that they need from you, the other agent, the buyer, the seller or the lender such as the survey or payoff info.
- 5)Make sure that your client is preparing for the closing properly (packing, arranging for utilities on/off, all information provided to title company, etc.

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6. Make sure that the buyer is not "buying new furniture or cars" at this time if they are your client. This could alter their credit ratio at the last minute and cause the lender to deny the loan.
7. Make sure the seller is not taking items that should stay with the home such as stove, dishwasher, ceiling fans, chandelier, etc.
8. Call about 3-7 days ahead of time to schedule the closing. Remember that the buyer and seller rarely close at the same time, so that is not a factor. Also, avoid closing after 3:30pm, especially on a Friday, to avoid the possibility of the loan not funding the same day as the closing. No funding means no keys to the buyer.
9. Make sure your client brings their driver's license to the closing since all documents must be notarized. Also, remind the buyer that all closing funds must be paid with a cashier's check (certified funds), no personal checks. Remind the seller to bring keys, garage door openers, etc.
10. Check the Closing Disclosure ahead of time (preferably the day before the closing) to make sure that all fees are correct and in the correct column. If you are not sure about a fee or charge, call the closer and ask ahead of time to avoid embarrassment at the closing table.
11. Make sure you notify the title company of what the commission disbursement is and any transaction fees that are to be added.

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The Closing

1. Bring your client file with copies of ALL communications (email, fax, contracts, amendments, etc)
2. Show up early to make sure everything is going as scheduled and to greet your clients. Make sure you know where the title company is.
3. Dress appropriately. This is a big business transaction and you need to be professional.
4. You are there as a representative, not as a participant. Don't interrupt the closer and distract your clients by talking and pointing out things in the closing documents (unless they ask). The closer will explain every document and where to sign. Remember, if they don't sign all of the documents, they don't get the house. If you feel something is wrong THEN speak up.
5. Bring a blank amendment on a blank copy of the company letterhead with you in case something needs to be changed at the last minute. Call Dave Turnquist if you feel something is seriously wrong!!!!!!

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Post Closing

1. Funding USUALLY takes place about 30 minutes after the last person signs. If you can, you should stay around to make sure that the file funds. If the title company says it will be a while and they will call when its ready, that is OK too.
2. Once the file funds the buyer can be issued the keys and checks will be cut to the seller and the agencies. The commission checks will be made out to the brokerage (San Jacinto Properties), unless you have a Commission Disbursement Agreement (CDA) signed by the broker allowing you to be paid at closing.
3. It is customary for agents to give their clients a closing gift. We usually give out a \$50 gift card to Pappas or some other restaurant. Home Depot or Bed Bath and Beyond would be nice too. This is totally your decision.
4. Make sure that Dave gets a copy of the final Closing Disclosure so that it can be filed in the "closed transactions" file, in case we are audited or need it for legal reasons.

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5. Return any company signs that you may have borrowed. You will not receive your commission check until everything belonging to the company has been returned and is in good working order.
6. Be sure to make any changes in MLS as to status "closed" within 24 hours (if you are the listing agent)
7. In January, send a HCAD Homestead Exemption form to every home you sold during the previous year and remind the owners to file their Homestead Exemption form.
8. Keep in touch with the clients at least once a year (if they are still in the area). You never know if they are buying or selling again or if they have friends or relatives looking.



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