CHAPTER NINE

A. informed decision
subjective feelings,
Buyer’s agent
dual agent
prior
termite reports
reports
repair estimates
TDS
mandatory disclosures
market conditions
multiple offers
price
terms
sample contract
relationship
comfortable
decision-makers
review
ANSWER: winning
protects
buyers
fiduciary
single
dual
legally
best
buyer

B. various contracts
competent
explain

C. buyer’s market
seller’s market
1. residential purchase agreement
2. receipt for deposit
3. joint escrow instructions
licensees
not
legal and tax advice,
attorney or CPA
practicing law!
Paragraph 1. all
Paragraph 2. add up
purchase

ANSWER: contractually
Paragraph 3. buyer’s
tenant
before
ANSWER: occupancy agreement
Paragraph 4. negotiable
customarily
Paragraph 5. timing

Paragraph 6. Specific disclosures
common interest development CID
Paragraph 7. present physical
condition
no seller warranties
Buyers
notice
inspections
Paragraph 8. personal and real
property.
without
Paragraph 9. array

Paragraph 10. seller’s obligations
Paragraph 11. responsibilities
buyer
inspectors
Paragraph 12. Preliminary Title
Report

- The Real Estate Transfer Disclosure Statement
- third party vender geologist
Natural Hazard Disclosure

Paragraph 14.
- industrial
- military
- Mello-Roos

Paragraph 9. array

Paragraph 10. seller’s obligations
Paragraph 11. responsibilities
buyer
inspectors
Paragraph 12. Preliminary Title
Report

carefully read
title
legal
tax
refer
attorney and/or accountant.
Paragraph 14. Days vary
sufficient time must
ANSWER: selling extension in writing
seller option active or passive
removal of contingencies
cancellation on deposits
Paragraph 15. walk-through not
Paragraph 16. amount non-breaching not legal
Paragraph 17. legal not pros and/or cons arbitration
Paragraph 18. special assessments reassessment supplemental tax bill
Paragraph 20. authority
Paragraph 21. anti-discrimination
Paragraph 22. Prevailing Pg 99
Paragraph 23. select Paragraph 24. changes writing buyer seller
Paragraph 25. attached supplements
Paragraph 27. Confirms Pg 99 agency
Paragraph 28. open signed
Paragraph 29. Buyer/Broker Agreement Paragraph 30. initials no counter offer accept ratified
Paragraph 31 time notification confirms
Paragraph 32. seller
Paragraph 33. acknowledge signed acceptance compensation clarify commission escrow holder seller
D. Buyer’s Inspection Advisory addendum carefully review prior writing the offer obligations buyer
F. special additional
G. SHORT dangers hurdles review buyer lender reject selling complete listing resource
H. REAL ESTATE OWNED Pg 101 before cautions amendments lender
Paragraph 2. Responding advise real estate review problems pitfalls without before attorney CPA
CHAPTER TEN
A. format
- presentation
- present
- buyer agent
- selling agent
- different
- circumstances
- players
- seller’s market
- prepared
- homework
- motivations,
- condition
- current
- multiple
- all
- information
- after
- obligated
- buyer
- before
- rewrite
- new
- time
- time
- offer
- listing
- opportunity
- competition
- buyer
- before
- 1. written
- planning
- 2. names
- 3. own
- offer
- before
- 2. rent-back
- 3. excluded
- 4. disclosure packet
- 5. pertinent
- Disclosures

B. seller
- advised
- listing agent
- little
- neutral
- listing agent
- questions
- break the ice;
- rapport
- highly competent
- well-qualified buyers
- dual agency capacity
- Q. seller’s
- A: buyer
- dual
- confirmation
- filled out
- - bring the buyer to life;
- financially qualified
praapproval letter
powerful selling tool
letter
buyer to seller
beginning
presentation
the offer;
not
entire
highlights
all
addressed
Pg 107

discussion
effect
Pg 109
electing
not
mandated

D. review
carefully
measuring
subjective
fair housing laws
undesirable
Pg 109-110

no

C. no

single agent
both
two agents
same
dual
fiduciary
both
third-party duty
honest
fair
presentation
Pg 108

Q: lawful
superior
not

A: No,
obligated
best
client
advise
seller
lower the commission
disclose
immediately,
Pg 109
dual
handles
1. seller
2. licensee
3. first
4. refer
fiduciary
overstep
boundaries
Prudent

Pg 110-111

MONEY
TERMS OF OWNER FINANCING
PERSONAL PROPERTY ITEMS
OCCUPANCY
TIME
CLOSING COSTS OF CREDITS
TO BUYER
REPAIR REQUIREMENTS
CONTIGENCIES

CHAPTER ELEVEN

A. BINDING
Pg 114

1. listing
informed
after
Pg 115

Q: commission
rejects
A: depends
legal

may
commission
3. addendum Pg 115
   same
different
back-up
Q: commission
rejects
A: right
listing
selling
demand
terms
4. COUNTER OFFER Pg 115-116
   MULTIPLE COUNTER OFFERS;
   ADDENDUM
   CONGINGENCY
B. Counter Offer
   ramifications
   agents
   b. – sequentially Pg 117
c. - require
e. - risk
f. - checked
g. - not
   compromise
   reasonableness
   change
   void
   both
   writing.
minds
   binding.
C. agrees Pg 117-118
   offer,
   addendum,
   counter offer,
   modify
   after
   offer.
risk
   subject
   binding
Q: not
   A: obligated
   30
   addendum
not
D. contingency Pg 118
   must
   specified
   Time periods
   removal
   always
   writing
Q: non-performance
   A: revoked
   ratified
Buyer: mediation Pg 118-119
   specific performance
   require sale completion
Seller: declare sale void
   buyer’s
   A: not
   cancellation
   multiple offer
   properties
   never
   legal
   fiduciary
   fair
   honest
CHAPTER TWELVE
   grantor Pg 121
   performance
   escrow
   escrow officer,
   neutral
   stakeholder.”
   instructions
   earnest
   neutral
   title
   Pg 122
   beneficiary
   insurance policy
   settlement
   recording
B. OFFICER
   agents
   financial
   instructions
   confidentiality
REAL ESTATE PRACTICE
STUDENT STUDY GUIDE

- neutrality
Documents Pg 122
monies NOT Pg 123
amending mutual terms provisions legal tax real estate relationship certified Escrow
C. full performance mutual consent revocation impossibility
D. complete Pg 124
Q: “binding contract”
E. duties title insurance fee charged separately negotiated prior Pg 125
abstract insurance opens search identity Preliminary policy Q: cloud A: red flags Pg 126
G. CLTA ALTA residential
H. responsibility signature inspections insurance signature Pg 127 repairs clouds done!
I. FIRPTA

A: Foreign Investment in Real Property Tax Act Pg 128
Q: penalized A: buyer

CHAPTER THIRTEEN
I: sources Pg 130
1. bursting short sales foreclosures regulations laws licensing rates qualifying 2. Federal Finance a. Fannie Mae Freddie Mac b. mortgage Pg 131
B. A: conventional Pg 132
A: VET - Conventional loans, - ARM; 20%
- Graduated rate - VA (DVA); occupy no certificate of reasonable value CAL-VET land contract sales FHA homeowners A: Character Pg 133 Capacity Capital CHARACTER
REAL ESTATE PRACTICE
STUDENT STUDY GUIDE

CAPACITY Pg 133
CAPITAL - foreclosures Pg 137
risk - damage
greater - tax
lower H. Safeguards Pg 138
appraise qualified
lender approved
challenge

D. A: not
loan instruments Pg 134
qualified
“steer” APPLICATION
CREDIT REPORT
DEPOSIT(S)
EMPLOYMENT RATIFIED
APPRAISAL TITLE REPORT
UNDERWRITER

E. Q: RESPA
A: Regulation Z (Reg Z) Pg 135
CREDITOR FINANCED
ITEMIZATION FINANCE CHARGE
ANNUAL PERCENTAGE RATE
RATE SCHEDULE
BALOON PAYMENT LOANS amortized
PAYMENTS acceleration clause Pg 136.
SALE PRICE
PENALTIES CHARGE

F. Q: creative financing?
A: Seller carry-back trust deeds;
wraparound loans Pg 137
Land contract Options
A: Seller financing addendum &
disclosure
Usury Laws

CHAPTER FOURTEEN
A. BASIS Pg 140
GAIN CASH REALIZED

B. pro-ration Pg 141
- fiscal Pg 142
- recordation 13
- supplemental
- installments
- delinquent

C. A: 13
-60; Pg 143
-90;

D. A: homeowners
A: interest expense
property tax
capital gains
$250,000
$500,000
installment
exchanges

E. profit
“We are licensed in California to sell
real estate, not to give legal or tax
advice!”
legal
tax
current

CHAPTER FIFTEEN
A. Q: needs? Pg 146
A: Increasing net worth;
cash flow;
tax savings;
pride of ownership; Pg 147
leverage;

B. Q: APOD
- vacancy/ credit
- utilities;
repairs & maintenance; Pg 147
taxes & insurance
debt service

C. A: Capitalization rate on of investment
Internal rate of return
Gross rent multiplier
Net operating income (OE);

D. Depreciation
A: tax purposes
Physical
Functional
Economic

E. 1031
Q: “like kind”
Q: eliminate
A: defers
Q “Starker” Pg 151
Q: reverse
A: buy
“parked”
180

F. A: sales and leasing management,
home sales,

1. opportunities
   Bulk sales Pg 152
   Alcoholic Beverage Control equalization

3. Property Management

G. – appraisal
   - escrow
   - title insurance
   - right-of-way agent
   - development