REVOLUTION

FSBO (For Sale By Owner)

When a Buyer Mentions a FSBO

If your buyer client says they found a FSBO they want to see, act quickly.

Most agents assume FSBO means no commission, but many FSBOs are willing to pay a commission of 3.5% or less (you negotiate this) if you engage early before the buyer calls directly.

You do not need to ask for or sign an unlisted property commission agreement anymore. Commission can simply be added to the purchase agreement.

If the Buyer Likes the Home

Great—you just took a FSBO off the market. Follow these steps:

- 1. Write the offer.
- 2. Present the seller with our FSBO Processing Form.
 - o Offers the seller our \$1,295 processing service.
 - This helps them avoid hiring an attorney by allowing RE/MAX REVOLUTION to facilitate their transaction paperwork.
 - Note: We are not representing them—they are our customer, not our client.
- 3. Provide the seller with:
 - Fully executed Purchase Agreement
 - All required disclosures
- 4. Turn in the sale with these items:
 - Seller opt-in or opt-out of FSBO Processing Services Form (signed by seller)
 - First three pages of the Listing Form (no signatures required)
 - Fully executed Purchase Agreement (signed by both buyer and seller)
 - Fully executed FSBO Seller Disclosure (can be our form if we represent them)
 - Fully executed FSBO Lead-Based Paint Disclosure (for homes built in 1978 or earlier, signed by buyer, seller, and agent)
 - Fully executed addendums if applicable (signed by both parties)
 - Buyer's Showing Agreement with agency disclosure (signed by the buyers)
 - Sales Worksheet

If the Buyer Does NOT Like the Home

Also excellent—now you have a potential listing opportunity. Here's what to do:

- 1. Always be diplomatic and complimentary when speaking with the FSBO.
- 2. Give them honest and helpful feedback from your showing.
- 3. Offer assistance. Ask if they need:

(Always use State of Iowa versions not ours unless we rep them)

Seller Disclosures Lead-Based Paint Disclosure Remarks or help marketing the property

4. Stay in touch:

Friend them on Facebook

Try to bring a different buyer through.

Follow up and ask if they want your help.

5. Follow-up sequence:

One week later: Reach out and say you keep thinking about their house and will try to bring a buyer.

Ask if they've considered listing with a brokerage.

Offer a discounted listing if you want.

One week after that: Follow up again and ask how traffic has been.

Remember: follow-up is the most important part. You didn't have the listing anyway, so there's nothing to lose.

You might be amazed—even if your buyer didn't like the house, consistent follow-up may lead the FSBO to choose you. Especially if you explain the FSBO processing service and they realize how much they don't know how to do on their own.

Every Sale Needs Someone Representing the Seller

If you write an offer on a property that's not listed, that doesn't mean the transaction will move forward automatically. Someone needs to be working on the seller's behalf. That might be the seller directly, their attorney, or a licensed agent. But someone must take care of the legal and logistical steps to close the sale.

Seller-Side Requirements (Even in a FSBO or Off-Market Deal)

If you're involved in a transaction where the seller isn't listed with an agent, here's what still needs to be done—by someone. These are not optional:

- · Have the abstract updated
- Retain an attorney to prepare: Deed, Declaration of Value, Groundwater (if applicable)
- Obtain a mortgage payoff, including any second mortgages or HELOCs
- Clear any title objections, liens, or judgments
- Order a wood-destroying insect (termite) inspection and report
- Have the property tax proration calculated (usually by attorney or title company)
- Order a home warranty (if applicable) and obtain the invoice
- Report any seller-paid expenses to the closing company for the Closing Disclosure (CD)
- Estimate the seller's net proceeds, factoring in typical costs.

Typical Seller Expenses

Here's a general list of what a seller may owe at closing. Knowing this helps you talk knowledgeably with clients and prepare net sheets:

- Revenue stamps
- Property tax proration (based on the closing date)
- · Real estate commission
- Attorney fees for deed preparation and other legal docs
- Mortgage payoff, including interest, prepayment penalties, or HELOCs
- · Processing fees, if a settlement company is used
- · Termite inspection and possible treatment
- · Affidavits to resolve title issues or liens
- Abstracting fees
- Courier charges for delivering payoffs and documents

Another Option for Unrepresented Sellers

If no one is managing these things on the listing side, the deal can't (and shouldn't) close. If the seller is not versed in what to do you can offer RE/MAX to handle these things for \$1295. Please see the FSBO Processing Form in Dotloop.



FSBO Processing Services Form

Property Address		
Sellers Names		

You have entered into an agreement with our company to pay our firm the agreed upon commission for selling your property. The buyer is represented by the appointed agent within our firm. You are a self-represented seller. You will need to take certain actions to complete this sale.

- You will need to have your abstract updated
- You will need to retain an attorney to have a deed, declaration of value, and groundwater hazard statement drawn up
- You will need to obtain a pay-off for any outstanding notes
- You need to clear any title objections.
- You need to have a wood destroying insect inspection performed and report prepared
- You will need a property tax proration calculated
- You will need to order a warranty (if applicable) and receive an invoice
- You will need to report any expenses for the CD (closing disclosure) to the lender or settlement company
- You will be responsible to estimate your sales proceeds. Below is a list of typical expenses associated with selling to aid you.
 - Revenue stamps
 - ✓ Tax Proration (calculated based of date of closing)

 - Attorney's fees for Deed Package (Deed, Declaration of Value, and Groundwater Hazard Statement)
 - Mortgage loan payoff including all interest, prepayment penalties, and HELOC (Must be closed upon sale)
 - Processing fees if professional settlement or processing services retained
 - ✓ Termite Inspection (and treatment if necessary)
 - Affidavits to clear title objections & judgements against you or liens against your home
 - Abstracting charges
 - Courier fees (for payoffs sent etc.)

These are your responsibilities as the seller along with anything else required to transfer title. We represent the buyer ONLY in this transaction, but our firm can process the required items listed above for a FSBO seller for a \$1295 fee charged on the settlement statement. This includes the cost of the deed package prepared by our attorney.

PLEASE INDICATE BELOW whether you will be handling these items yourself or if you would like our assistance. The fee of \$1295 for processing the seller side responsibilities is in addition to the agreed upon buyer's agent commission.

I will retain an attorney for the required items and I will perform the above listed items myself to process this sale.
I request RE/MAX REVOLUTION to help me process this sale for \$1295. This will include these services:
Calculating tax proration

- Attorney's fees for Deed, Declaration of Value, and Groundwater Hazard Statement
- Ordering mortgage payoff
- Ordering and coordinating termite Inspection (and treatment if necessary)
- Ordering abstracting (actual abstracting expenses are sellers expense)
- Assisting in clearing title objections or liens against your home
- Preparing an estimate of proceeds
- Notary services for required documents (Deed, Composite Mortgage Affidavits, etc)

Seller	Date	Seller	Date

Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards

Lead Warning Statement

lead-based paint hazards; or

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure (a) Presence of lead-based paint and/or lead-based paint hazards (initial (i) or (ii) below): (i) _____ Known lead-based paint and/or lead-based paint hazards are present in the housing. Describe what is known: (ii) Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing. (b) Records and reports available to the seller (initial (i) or (ii) below): (i) _____ Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing. List documents below: (ii) _____ Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing. Purchaser's Acknowledgment (c) Purchaser has (initial (i) or (ii) below): (i) received copies of all records and reports pertaining to lead-based paint and/ or lead-based paint hazards in the housing listed above. (ii) _____ not received any records and reports regarding lead-based paint and/ or lead-based paint hazards in the housing. (d) _____ Purchaser has received the pamphlet *Protect Your Family from Lead in* Your Home (initial). (e) Purchaser has (initial (i) or (ii) below): (i) _____ received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or

(ii) waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.					
Agent's Acknowledgment (initial or enter N/A if not applicable) (f) Seller's Agent has informed the seller of the seller's obligations under 42 U.S.C 4852d and is aware of his/her responsibility to ensure compliance. (g) Purchaser's Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance. 1					
Certification of Accuracy The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.					
Seller	Date	Purchaser	Date		
Seller	Date	Purchaser	Date		

Paperwork Reduction Act

Seller's Agent

This collection of information is approved by OMB under the Paperwork Reduction Act, 44 U.S.C. 3501 et seq. (OMB Control No. 2070-0151). Responses to this collection of information are mandatory (40 CFR 745). An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. The public reporting and recordkeeping burden for this collection of information is estimated to be 0.12 hours per response. Send comments on the Agency's need for this information, the accuracy of the provided burden estimates and any suggested methods for minimizing respondent burden to the Regulatory Support Division Director, U.S. Environmental Protection Agency (2821T), 1200 Pennsylvania Ave., NW, Washington, D.C. 20460. Include the OMB control number in any correspondence. Do not send the completed form to this address."

Date

Purchaser's Agent¹

Date

¹ Only required if the purchaser's agent receives compensation from the seller.



STATE OF IOWA

TERRY E. BRANSTAD GOVERNOR KIM REYNOLDS LT. GOVERNOR IOWA DEPARTMENT OF COMMERCE PROFESSIONAL LICENSING & REGULATION

Seller Property Condition Disclosure

Effective July 1, 1994, lowa law requires **SELLERS** of residential real estate property to deliver to the **BUYER** a written disclosure statement to reveal the condition of various important aspects of the property characteristics and structure(s). This disclosure is required regardless of whether or not the transaction is done with the assistance of a real estate **LICENSEE**, **IF** (1) the property consists of at least one but not more than four dwelling units, and **UNLESS** (2) the type of property transfer is not specifically exempted from the requirement by the law. **NOTE**: Exemptions are listed with this information.

lowa real estate **LICENSEES** and the **PUBLIC** should be aware of lowa Code section 558A.2 which requires that the disclosure statement **MUST** be delivered to the **BUYER** either (1) prior to the **SELLER** accepting a written offer from the **BUYER**, or (2) prior to the **BUYER** accepting a written offer from the **SELLER** for the sale, exchange, or lease with option to buy real estate. **SPECIAL NOTE:** If the disclosure statement is **NOT** delivered prior to the acceptance of the offer as required, the BUYER may withdraw the offer or cancel the contract, **WITH** or **WITHOUT** reason, **WITHOUT** liability, if done (1) within three days following personal delivery of the statement or (2) within five days following delivery by mail.

There is **NOT** a required form to be used for the disclosure. To assist the public and others, the Iowa Real Estate Commission has prepared the enclosed sample language for the Residential Property Condition Disclosure Statement, which contains the minimum items that **MUST** be included in the disclosure. You may use the sample language as it is, or you may use the statement language of your choice.

While the Commission is responsible for determining the minimum important characteristics required to be included in the disclosure, it does **NOT** have the authority for enforcing this law. Violations of lowa Code sections 558A.1 - 558A.7 are handled through the appropriate court or by other legal remedies. If you need advice and guidance to determine what legal or civil options may be available to you, you will have to consult your privately retained attorney.

QUESTIONS and PROBLEMS regarding the lowa Residential Property Disclosure Law and the requirements should be directed to your privately retained attorney. The Commission and staff are prohibited by lowa law from providing legal advice.

IOWA RESIDENTIAL PROPERTY DISCLOSURE

lowa Code section 558A.1(4) Definitions. The disclosure is only required on the transfer of residential property, and only if the property includes at least one but not more than four dwelling units. The following transfers are specifically excluded from the disclosure requirements of lowa law:

- 1. Transfers pursuant to court order including, but not limited to transfers under chapter 633, the execution of judgment, foreclosure of real estate mortgage pursuant to chapter 654, transfer by a trustee in bankruptcy, transfers by eminent domain, and transfers resulting from a decree for specific performance.
- 2. A transfer to a mortgagee by a mortgagor or successor in interest who is in default, or a transfer by a mortgagee who has acquired the real property at a sale conducted pursuant to a foreclosure sale, chapter 654, a transfer back to a mortgagor exercising a right of first refusal pursuant to section 654.16A, a nonjudicial voluntary foreclosure procedure under section 654.18 or a deed in lieu of foreclosure under section 654.19.
- 3. Transfer by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust.
- 4. Transfer between joint tenants or tenants in common.
- 5. Transfers made to a spouse, or to a person or persons in the lineal line of consanguinity of the person making the transfer.
- 6. Transfer between spouses resulting from a decree of dissolution of marriage, a decree of legal separation, or a property settlement which is incidental to the decree, including a decree ordered pursuant to chapter 598.
- 7. A transfer to or from the state, a political subdivision of the state, another state, or the United States.
- 8. A transfer by quitclaim deed.

IOWA REAL ESTATE COMMISSION 200 E. GRAND, SUITE 350 DES MOINES, IA 50309 ADMINISTRATIVE RULES PROPERTY CONDITION DISCLOSURE

- **193E—14.1(543B) Property condition disclosure requirement.** The requirements of this chapter shall apply to transfers of real estate subject to lowa Code chapter 558A. For purposes of this chapter, "transfer" means the transfer or conveyance of real estate by sale, exchange, real estate contract, or any other method by which real estate and improvements are purchased, including rental or lease agreements which contain any option to purchase, if the property includes at least one but no more than four dwelling units unless the transfer is exempted by lowa Code section 558A.1(4).
- **14.1(1)** Additional disclosure. Nothing in this rule is intended to prevent any additional disclosure or to relieve the parties or agents in the transaction from making any disclosure otherwise required by law or contract.
- **14.1(2)** Licensee responsibilities to seller. At the time a licensee obtains a listing, the listing licensee shall obtain a completed disclosure signed and dated by each seller represented by the licensee.
- a. A licensee representing a seller shall deliver the executed statement to a potential buyer, a potential buyer's agent, or any other third party who may be representing a potential buyer, prior to the seller's making a written offer to sell or the seller's accepting a written offer to buy.
- b. The licensee representing a seller shall attempt to obtain the buyer's signature and date of signature on the statement and shall provide the seller and the buyer with fully executed copies of the disclosure and maintain a copy of the written acknowledgment in the transaction file. If the licensee is unable to obtain the buyer's signature, the licensee shall obtain other documentation establishing delivery of the disclosure and maintain the written documentation in the transaction file.
- c. If the transaction closes, the listing broker shall maintain the completed disclosure statement for a minimum of five years.
- d. The executed disclosure statement shall be delivered to the buyer(s) by either personal delivery or by certified or registered mail. If there is more than one buyer, any one buyer may accept delivery of the executed statement.
- **14.1(3)** Licensee responsibilities to buyer. A licensee representing a buyer in a transfer shall notify the buyer of the seller's obligation to deliver the property disclosure statement.
- a. If the disclosure statement is not delivered when required, the licensee shall notify the buyer that the buyer may revoke or withdraw the offer.
- b. If a buyer elects to revoke or withdraw the offer, the licensee shall obtain a written revocation or withdrawal from the buyer and shall deliver the revocation or withdrawal to the seller within three days following personal delivery or five days following delivery of the disclosure by mail to the buyer.
- c. Following revocation or withdrawal of the offer, any earnest money deposit shall be promptly returned without liability pursuant to Iowa Code chapter 558A and rule 193E— 13.4(543B).
- **14.1(4)** Inclusion of written reports. A written report or opinion prepared by a person qualified to render the report or opinion may be included in a disclosure statement. A report may be prepared by, but not limited to, the following persons provided that the content of the report or opinion is within the specified area of expertise of the provider: a land surveyor licensed pursuant to lowa Code chapter 542B; a geologist; a structural pest control operator licensed pursuant to lowa Code section 206.6; or a qualified building contractor.
 - a. The seller must identify the required disclosure items which are to be satisfied by the report.
- b. If the report is prepared for the specific purpose of satisfying the disclosure requirement, the preparer of the report shall specifically identify the items of the disclosure which the report is intended to satisfy.
- c. A licensee representing a seller shall provide the seller with information on the proper use of reports if reports are used as part of the disclosure statement.
- **14.1(5)** Amended disclosure statement. A licensee's obligations with respect to any amended disclosure statement are the same as the licensee's obligations with respect to the original disclosure statement. A disclosure statement must be amended if information disclosed is or becomes inaccurate or misleading or is supplemented unless one of the following exceptions applies:
- a. The information disclosed in conformance with Iowa Code chapter 558A is subsequently rendered inaccurate as a result of an act, occurrence, or agreement subsequent to the delivery of the disclosure statement.
- b. The information disclosed is based on information of a public agency, including the state, a political subdivision of the state, or the United States.
- **14.1(6)** Minimum disclosure statement contents for all transfers. All property disclosure statements, whether or not a licensee assists in the transaction, shall contain at a minimum the information required by the following sample statement. No particular language is required in the disclosure statement provided that the required disclosure items are included and the disclosure complies with lowa Code chapter 558A. To assist real estate licensees and the public, the commission recommends use of the following sample language:

RESIDENTIAL PROPERTY SELLER DISCLOSURE STATEMENT

Property address:	
PURPOSE: Use this statement to disclose information as required by lowal requires certain sellers of residential property that includes at least dwelling units to disclose information about the property to be some are made by the seller(s) and not by any agent acting on behalf of INSTRUCTIONS TO SELLER(S): 1. Seller(s) must complete this statement. Respond to all question by lowal Code section 558A.4(2); 2. Disclose all known conditions materially affecting this property; 3. If an item does not apply to this property, indicate that it is not an equired information. If the required information is unknown reasonable effort, use an approximation of the information, or in unknown (UNK). All approximations must be identified as apprenticular to the information of the information of the information, or in unknown (UNK). All approximations must be identified as apprenticular to the information of the information of the information, or in unknown (UNK). All approximations must be identified as apprenticular to the information of the information of the information, or in unknown (UNK). All approximations must be identified as apprenticular to the information of the information of the information, or incomplete this statement with your other important papers.	ast one and no more than founded. The following disclosures of the seller(s). ons, or attach reports allowed applicable (N/A); conable effort to ascertain the or is unavailable following a ndicate that the information is coximations (AP);
1. Basement/Foundation: Any known water or other problems?	Yes [] No []
2. Roof: Any known problems?	Yes [] No []
Any known repairs?	Yes [] No []
If yes, date of repairs/replacement://	
3. Well and Pump: Any known problems?	Yes [] No []
Any known repairs?	Yes [] No []
If yes, date of repairs/replacement://	
Any known water tests?	Yes [] No []
If yes, date of last report://	
and results:	
4. Septic Tanks/Drain Fields: Any known problems?	Yes [] No []
Location of tank:	
Date tank last cleaned://	
5. Sewer System: Any known problems?	Yes [] No []
Any known repairs?	Yes [1 No [1

If yes, date of repairs/replacement: ____/___/

6. Heating System(s): Any known problems?	Yes [] No []
Any known repairs?	Yes [] No []
If yes, date of repairs/replacement://	
7. Central Cooling System(s): Any known problems?	Yes [] No []
Any known repairs?	Yes [] No []
If yes, date of repairs/replacement://	
8. Plumbing System(s): Any known problems?	Yes [] No []
Any known repairs?	Yes [] No []
If yes, date of repairs/replacement://	
9. Electrical System(s): Any known problems?	Yes [] No []
Any known repairs?	Yes [] No []
If yes, date of repairs/replacement://	
10. Pest Infestation (e.g., termites, carpenter ants): Any known problems? If yes, date(s) of treatment://	Yes [] No []
Any known structural damage?	Yes [] No []
If yes, date(s) of repairs/replacement://	
11. Asbestos: Any known to be present in the structure?	Yes [] No []
If yes, explain:	
12. Radon: Any known tests for the presence of radon gas?	Yes [] No []
If yes, date of last report://	
and results:	
13. Lead-Based Paint: Any known to be present in the structure?	Yes [] No []
14. Flood Plain: Do you know if the property is located in a flood plain?	Yes [] No []
If yes, what is the flood plain designation?	
15. Zoning: Do you know the zoning classification of the property?	Yes [] No []
If yes, what is the zoning classification?	

16. Covenants: Is the property subject to restrictive of	covenants?	Yes [] No []
If yes, attach a copy or state where a true, cu	rrent copy of the covenants can be	obtained.
17. Shared or Co-Owned Features: Any features of tall adjoining landowners, such as walls, fences, roal responsibility may have an effect on the property	ds, and driveways whose use or m	
Any known "common areas" such as pools, tenni others, or a Homeowner's Association which has		
18. Physical Problems: Any known settling, flooding,	drainage or grading problems?	Yes [] No []
19. Structural Damage: Any known structural damag	je?	Yes [] No []
SELLER(S) DISCLOSURE: Seller(s) discloses the information regarding this pro available to the Seller(s). The Seller(s) has owned the property since/_signed this information is true and accurate to the beseller(s) acknowledge(s) requirement that Buyer(s) is and Seller Fact Sheet" prepared by the Iowa Departir	/ The Seller(s) certifies thatest of my/our knowledge.	t as of the date
Seller	Seller	_
Date/	Date//	
BUYER(S) ACKNOWLEDGMENT: Buyer(s) acknowledges receipt of a copy of this Reanot intended to be a warranty or to substitute for any Buyer(s) acknowledge(s) receipt of the "lowa Radon by the lowa Department of Public Health.	inspection the buyer(s) may wish t	o obtain.
Buyer	Buyer	_
Date/	Date//	