



Home Seller's Guide

Amie Chen

Broker Associate BRE #01413066

Cell: 626-806-5266

Fax: 626-371-9259

Amie@AmieChen.com

17843 Colima RD, City of Industry



Amie Chen

P: (626) 806-5266 F: (626) 371-9259 Amie@AmieChen.com • www.AmieChen.com





Terms You Should Know

Amendments

A change – either to alter, add to, or correct – part of an agreement without changing the principal idea or essence.

Appraisal

An estimate of real property resulting from analysis of facts about the real property; an opinion of value.

Assumption

Taking over another person's financial obligation; taking title to a parcel of real property with the Buyer assuming liability for paying an existing note secured by a deed of trust against the real property

Beneficiary

The recipient of benefits, often from a deed of trust; usually the lender

Close of Escrow

Generally the date the documents are recorded and title passes from Seller to Buyer. On this date, the Buyer becomes the legal owner, and title insurance becomes effective.

Comparable Sales

Sales that have similar characteristics as the subject real property, used for analysis in the appraisal. Commonly called "comps."

Deed, Grant Deed, or Warranty Deed

A real estate-oriented document used to convey fee title to real property from the grantor (usually the Seller) to the grantee (usually the Buyer).

Deed of Trust

An instrument used in many states in place of a mortgage.

Deed Restrictions

Limitations in the deed to parcel of real property that dictates certain uses that may or may not be made of the property

Earnest Money Deposit

Down payment made by a purchaser of real property as evidence of good faith; a deposit or partial payment.

Easement

A right, privilege or interest limited to a specific purpose that one party has in the land of another.

Lien

A form of encumbrance that usually makes a specific parcel of real property the security for the repayment of a debt or discharge of an obligation. For example, judgments, taxes, mortgages, deeds of trust.

Mortgage

The instrument by which real property is pledged as security for repayment of a loan

PITI

A payment that combines Principal, Interest, Taxes, and Insurance.

Power of Attorney

A written instrument whereby a principal gives authority to an agent. The agent acting under such a grant is sometimes called an "Attorney-in-Fact."

Purchase Agreement

The purchase contract between the Buyer and Seller. It is usually completed by the real estate agent and signed by the Buyer and Seller.

Quitclaim Deed

A deed operating as a release, intending to pass any title, interest, or claim which the grantor may have in the real property, but not containing any warranty of a valid interest or title by the grantor.

Recording

Filing documents affecting real property with the County Recorder as a matter of public record.



Amie Chen

P: (626) 806-5266 F: (626) 371-9259 Amie@AmieChen.com • www.AmieChen.com





Key Professionals involved in your transaction

Realtor

A Realtor is a licensed real estate agent and a member of the National Association of Realtor, a real estate trade association. Realtors also belong to their state and local Association of Realtors.

Real Estate Agent

A real estate agent is licensed by the state to represent parties in the transfer of real property. Every Realtor is a real estate agent, but not every real estate agent has the professional designation of a Realtor.

Listing Agent

A key role of the listing agent or broker is to form a legal relationship with the homeowner to sell the property and place the property in the Multiple Listing Service.

Buyer's Agent

A key role of the buyer's agent or broker is to work with the buyer to locate a suitable property and negotiate a successful home purchase.

Multiple Listing Service (MLS)

The MLS is a database of properties listed for sale by Realtors who are members of the local Association of Realtors. Information on an MLS property is available to thousands of Realtors.

Title Company

These are the people who carry out the title search and examination, work with you to eliminate the title exceptions you are not willing to take subject to, and provide the policy of title insurance regarding title to the real property.

Escrow Officer

An escrow officer leads the facilitation of your escrow, including escrow instructions preparation, document preparation, funds disbursement, and more.

Amie Chen

P: (626) 806-5266 F: (626) 371-9259 Amie@AmieChen.com • www.AmieChen.com





HOW TO SELL YOUR HOME

Q: Are there standard ways to determine how much a home is worth?

Yes. A ***comparative market analysis*** (CMA) and an appraisal are the two most common and reliable ways to determine a home's value.

Your real estate agent can provide a comparative market analysis, an informal estimate of value based on the recent selling price of similar neighborhood properties. Reviewing comparable homes that have sold within the past year along with the listing, or asking, price on current homes for sale should prevent you from overpricing your home or underestimating its value.

A certified appraiser can provide an appraisal of a home. After visiting the home to check such things as the number of rooms, improvements, size and square footage, construction quality, and the condition of the neighborhood, the appraiser then reviews recent comparable sales to determine the estimated value of the home.

You also can check recent sales in public records, through private firms, and on the Internet to help you determine a home's potential worth.

Q: How do you determine how much a home is worth?

The short answer: a home is ultimately worth what is paid for it. Everything else is really an estimate of value. Take, for example, a hot seller's market when demand for housing is high but the inventory of available homes for sale is low. During this time, homes can sell above and beyond the asking price as buyers bid up the price. The fair market value, or worth, is established when "a meeting of the minds" between you and the buyer takes place.

Amie Chen

P: (626) 806-5266 F: (626) 371-9259 Amie@AmieChen.com • www.AmieChen.com





HOW TO SELL YOUR HOME

Q: What about appraised value and market value?

A certified appraiser who is trained to provide the estimated value of a home determines its appraised value. The appraised value is based on comparable sales, the condition of the property, and several other factors.

Market value is the price the house will bring at a given point in time, once you and the buyer establish a “meeting of the minds” on price.

Q: What is the difference between list price and sale price?

The list price is your advertised price, or asking price, for a home. It is a rough estimate of what you want to complete a home sale. A good way to determine if the list price is a fair one is to look at the sale prices of similar homes that have recently sold in the area.

The sale price is the actual amount the home sells for.

Q: Are agents responsible for disclosing material facts?

They can certainly be held accountable, particularly if they had prior knowledge of a material fact or should have known about it.

For example, if the seller has to use pans to collect water after a heavy rain, it is the agent’s responsibility to question the seller about the integrity of the roof, and then relay this information to potential buyers. However, if the seller deliberately hides a defect from the agent for which the agent had no prior knowledge, then the agent is not accountable.

Experts say agents are not home inspectors, but they are expected to use their best judgment when something appears suspicious.

Q: Do I have to disclose information about my home?

Disclosure could protect you from a lawsuit. Today, home sellers in most states must now fill out a form disclosing material facts about their homes. Material facts are details about the home’s condition or legal status, as well as the age of various components. If your state does not require a written disclosure, the real estate laws probably require sellers to disclose any known problems with the home they are selling.

Amie Chen

P: (626) 806-5266 F: (626) 371-9259 Amie@AmieChen.com • www.AmieChen.com





HOW TO SELL YOUR HOME

Q: What kinds of things are considered material facts?

The following examples include details that would qualify as material facts that must be revealed by sellers about their homes:

- Damage from wood boring insects
- Mold or mildew in the home
- Leaks in the roof or foundation walls
- Amount of property taxes paid annually
- Problems with sewer or septic systems
- Age of shingles and other roof components
- A buried oil tank
- Details about any individual who claims to have an interest in the property
- Information about a structure on the property that overlaps an adjacent property

Q: What are the benefits of seller financing?

Seller financing is a viable option when the seller does not immediately need the entire cash equity they have accumulated in the home.

In return for providing financial assistance to the buyer, the seller receives tax benefits, attracts a larger pool of potential buyers, generally completes the sale sooner, and gets good interest earnings.

As for the buyer, seller financing offers less rigid qualification requirements and cost savings by eliminating nearly all loan fees.

Fear of default often makes many sellers reluctant to take back a second note or finance the entire purchase. A thorough credit check should help to dispel many of these fears, although the mortgage also allows the seller to foreclose on the property in case of default.

A seller may also require the buyer to carry hazard insurance on the property and include a due-on-sale clause, a provision in the mortgage note that allows the seller to demand full repayment if the borrower sells the property. Other financing, disclosure and repayment-term requirements also will need to be met.

It is a good idea to consult an attorney when putting together this kind of transaction.

Amie Chen

P: (626) 806-5266 F: (626) 371-9259 Amie@AmieChen.com • www.AmieChen.com





HOW TO SELL YOUR HOME

Q: Are there tips for selling a vacant home?

Yes. Once furniture is removed from the home, you will notice all kinds of imperfections you never paid attention to before – rips in the carpet, holes in the walls, and dinginess. In an empty house, everything stands out. What you see is what potential buyers will also see. So you may need to paint, tear up old carpet, and replace the kitchen floor.

To get rid of the “empty house” feeling, leave a few pieces of furniture behind – simple things like a lamp, chairs, and a table will do.

Pay special attention to maintenance. Someone will need to dust and vacuum, leaves will need to be raked, and the grass cut.

In the winter, consider having the heating system shut down and drained to save money. But keep the electricity running because lights will be needed to show the house. Watch out for that musty smell, particularly during the summer months, that settles in from having the windows sealed and locked. And beware of pests such as mice, squirrels, ants and bats.

Q: How can I get a quick sale, particularly in a slow market?

One of the most important things to consider is price. You may want to reduce the price of your home or, at the very beginning, set it at a low price that will generate more buyer interest.

Cash is often an incentive, both for the buyer as well as the agent. You could offer the buyer a \$1,000 to \$2,000 decorating rebate upon closing the deal. It is also not uncommon to offer the selling agent a \$500 bonus. However, some brokers – who supervise agents and run real estate offices – may prohibit such incentives, as do some Realtor boards. Check to find out.

Other common incentives: paying for the property inspection and warranty policy and getting your home preliminarily approved for FHA and VA loans, thereby making it more attractive to a larger number of buyers. Contact a lender who writes FHA-insured and VA-guaranteed loans.

Amie Chen

P: (626) 806-5266 F: (626) 371-9259 Amie@AmieChen.com • www.AmieChen.com





HOW TO SELL YOUR HOME

Q: What are some costs associated with selling my home?

Besides the costs related to making repairs and improving the overall appearance of the home, as the seller you will also need to pay the following:

- A real estate commission, if you use an agency to sell.
- Advertising costs, marketing materials, and other fees if you sell the home yourself.
- Attorney, closing, or other professional fees.
- Title insurance
- Excise tax for the sale.
- Prorated costs for your share of annual expenses, such as property taxes, homeowner association fees, and fuel tank rentals.
- Any other fees normally paid by sellers in your area, including points, survey, and appraisal fees.

To get a better handle on all costs, ask a real estate agent. Agents deal with this information daily and can give you a pretty good estimate of the closing costs you can expect to pay.

Q: What should I do to prepare my home for sale?

Start by finding out its worth. Contact a real estate agent for a comparative market analysis, an informal estimate of value based on the recent selling price of similar neighborhood properties. Or get a certified appraiser to provide an appraisal.

Next, get busy working on the home's appearance. You want to make sure it is in the best condition possible for showing to prospective buyers so that you can get top dollar. This means fixing or sprucing up any trouble spots that could deter a buyer, such as squeaky doors, a leaky roof, dirty carpet and walls, and broken windows.

The "curb appeal" of your home is extremely important. In fact, it is the first impression that buyers form of your property as they drive or walk up. So make sure the lawn is pristine – the grass cut, debris removed, garden beds free of weeds, and hedges trimmed.

The trick is not to overspend on pre-sale repairs and fix-ups, especially if there are few homes on the market but many buyers competing for them. On the other hand, making such repairs may be the only way to sell your home in a down market.

Amie Chen

P: (626) 806-5266 F: (626) 371-9259 Amie@AmieChen.com • www.AmieChen.com





About Amie Chen

Amie Chen is your premier property specialist. With over 10 years of experience serving buyers and sellers in Walnut, Diamond Bar, Rowland Heights, Chino Hills, Phillips Ranch, Chino, and West Covina, Amie Chen's team offers you unparalleled expertise at any time.

Amie Chen's team provides award-winning VIP service to all of its clients, from first-time home buyers and sellers to savvy realty investors. Amie Chen's team of qualified Real Estate professionals & powerful Marketing Plans are ready to assist you with any of your Real Estate needs. Please feel free to give Amie a call or send Amie an email when you have some questions, or ready to schedule a free home selling consultation.



Amie Chen

Broker Associate BRE #01413066

Cell: 626-806-5266

Fax: 626-371-9259

Amie@AmieChen.com

17843 Colima RD, City of Industry

Amie Chen

P: (626) 806-5266 F: (626) 371-9259 Amie@AmieChen.com • www.AmieChen.com

