

**FOR SALE BY OWNER
(FSBO)
TRANSACTION GUIDE**



For Sale By Owner—Steps to Selling your Home

PREPARE YOUR HOME FOR SALE

Once you decide it is the right time to sell your home, you'll want to be sure the house is in good shape to hit the market. Your home should be clean and personal items such as photos or collections should be minimized so that prospective buyers can picture themselves in the home. Pay attention to curb appeal as well as odors inside the home. Make any needed repairs or touchups with the overall goal of making the house spacious and inviting.

Finally, have friends walk your home as a buyer would and get their opinions on how the home shows.

PRICE YOUR HOME—APPRAISAL

The best way to price your home is to contact a professional appraiser. You can also talk to sellers and buyers in your neighborhood and watch real estate listings in the newspaper and online to get a feel for market conditions in your area. Your timeframe for moving as well as your equity in the home may also impact your final asking price.

PROFESSIONAL GUIDANCE

Contacting a real estate lawyer to protect your interests as you negotiate and counter on offers is a good idea. While not required, real estate transactions are complicated, and a real estate lawyer can prove a good investment. Real estate agents are also experts on real estate transactions and are a good alternative to selling your own home.

You'll want to run a title search on your home as well, as buyers will want to know that the property is free and clear of any encumbrances. Contact a local title agency to receive a title search on your property

MARKET YOUR HOME

Marketing your home starts with signage in the yard of the property providing contact information—local sign shops can provide these signs at a low cost. From there, the sky is the limit. With internet search engines, listing sites and social media outlets, marketing your home online is accessible and often affordable or even free. Word of mouth is a great tool as well. Use your creativity and remember the oldest marketing rule in the book—the more people that know your home is for sale, the greater the likelihood that it will sell.

NEGOTIATE OFFERS, ACCEPT A CONTRACT

When you receive an offer, you'll need to review it quickly and respond. This stage is where a real estate lawyer can be an asset. The state of Colorado has many required forms, which you can access on the Colorado Department of Regulatory Agencies' website: <http://www.dora.state.co.us/real-estate/contracts/contracts.htm>

Ask yourself the following when evaluating offers: Is the offer near your asking price? Have discounts or seller costs been buried within the clauses and contract additions of the offer? Do you have enough time to wait for another offer?

HOME INSPECTIONS

All real estate contracts give prospective buyers a right to have the property inspected, so be prepared for any required repairs or upgrades an inspector might find. Some sellers prefer to contact an inspector early in the process to avoid any unexpected surprises.

BUYER APPRAISAL

Once you accept a contract, the buyer's lender will order another appraisal to make sure the property is valued at the selling price. This step is why it is so important to be sure early on that your home is properly priced.

PREPARE FOR CLOSING

Closings generally occur 30-45 days after the contract acceptance. During this waiting period, you will want to contact your lender to let them know to accept a payoff, and you should also contact your utility providers to notify them that you are leaving.

Fees Incurred During the Settlement Process

The contract will determine who is responsible for the fees involved in the transaction. Following is a list that the seller is typically responsible to cover:

- Payment of any outstanding liens against the property (mortgages, tax liens, judgments, mechanics liens, etc.)
- A prorated portion of the current year taxes as well as any tax amount due to the county for any prior years or delinquent taxes or any outstanding tax assessments.
- A prorated portion of Stormwater Enterprise (City of Colorado Springs)
- Title insurance premium for the new Owner's policy based on the purchase price.
- Homeowner Association Dues prorated and any special assessments collected. (if applicable)
- Any statement fees associated with obtaining HOA information (if applicable)
- Colorado State withholding tax (may be applicable if you are an out of state seller) call for further information on this.

Resources

- **DORA**—The Consumer Corner at the Colorado Department of Regulatory Agencies' (DORA) is full of helpful information as well as needed forms and contract documents.
Access the Consumer Corner by visiting: <http://www.dora.state.co.us/real-estate/>
- **Websites**—Other websites created for people selling their own homes provide paid listing opportunities and some educational information as well. A sampling of these sites includes:
www.ForSaleByOwner.com
www.Owners.com
www.FSBO.com
- **HomeClosing101**—is a good resource for educating yourself on title insurance, real estate terms, closing costs and the closing process and more.
Access this site at www.HomeClosing101.org
- **Real Estate Agents**—As professionals, real estate agents' primary job is to keep track of current legislation, contract guidelines and general market conditions. If you find selling a home on your own is too difficult, a real estate agent may be the right choice. CB Title works with many top-notch agents and would be happy to make a referral.

Why do you need a title company?

Once you have accepted a contract on your home, you'll need a title company for several key parts of the selling process. The standard contract requires the seller to provide evidence of title at their own expense and a current commitment for owner's title insurance. The title insurance is issued based on the amount of the sales price and an initial commitment is issued to provide information as to the search of the recorded documents; list the requirements to transfer title and any applicable exceptions.

The title company will provide transaction copies of said recorded documents to all parties for review.

During the contract process the title company will coordinate obtaining the requirements as set forth in the title commitment. They will order & obtain any outstanding payoffs and coordinate the closing requirements and documents with the new buyers' lender.

The title company will act as the closing agent by preparing the settlement statement in accordance with the contract agreement and new lender instructions. The title company will prepare the warranty deed and other contract documents as instructed through the agreement. Generally, the title company will also be the agent presenting all loan documents, etc. for the new lender.



TITLE COMPANY INFORMATION SHEET
(complete and submit with the executed contract)

Name of Owner(s) _____

SS# _____ SS# _____

Mailing Address: _____

Home Phone: _____ Work Phone: _____

Cell: _____

E-mail address: _____

Name of Mortgage Lender (1st): _____ Loan #: _____

Name of Lender (2nd, if applicable): _____ Loan #: _____

Buyer's Name(s): _____

SS# _____ SS# _____

Mailing Address: _____

Home Phone: _____ Work Phone: _____

Cell: _____

E-mail address: _____

Name of Buyer's Lender: _____

Name of Loan Officer: _____ Phone #: _____



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