

For Sale By Owner



Is It an Option For You?





- Why FSBO?..... 3
- FSBO or an agent?..... 6
- Pitfalls of a FSBO..... 8
- Patience Is Power.....14
- Hosting an Open House.....19
- Common Home Inspections 21
- As Offers Arrive.....23
- Paperwork and Closing.....25
- FAQ.....30
- What Others Are Saying.....31
- Useful Links.....32
- Author Credits.....33



Why FSBO?

“For Sale by Owner” is an attractive selling strategy worth your consideration as the time approaches for your next relocation. Although a FSBO may appear to be intimidating, MilitaryByOwner is an exceptional resource to gather information for researching your best home-selling options. This guide, in addition to the **MilitaryByOwner** website filled with home-selling tools and advice, will demystify the FSBO process and strengthen your confidence to manage the sale process yourself. The following points are just a few of the many reasons a FSBO might be the best selling choice.



Personal Investment. No one is more invested in selling your home at its best price than you! An owner showing the home offers a personal connection with potential buyers, allowing them to see the nuances and amenities of the home that can be overlooked by a real estate agent who has to memorize several other homes’ best characteristics in addition to yours. While conducting a FSBO, as the owner, you may have the luxury of leaving the house on the market weeks or months longer, waiting for the best offer to arrive. An agent, on the other hand, will more than likely hope to sell the home to what she perceives to be the best offer of the moment.





Savings. Home sellers typically consider a FSBO initially because of the potential savings opportunities. Realizing that the listing and buying agents share a 5-to-6 percent commission on a home sale, sellers see this as an opportunity to save this money for other needs, whether it's investing in their next home purchase funding retirement plans. Savings are also found by

customizing marketing techniques specific to your property instead of catch-all methods used to fit the traditional sale.

Flexibility. In addition to thousands in savings, there are other benefits within the FSBO process that appeal to home sellers. Flexibility is a factor we're all looking for more of and military families in particular may be more suited to a FSBO due to their unpredictable moving schedule. It is not uncommon for a family to receive orders, prepare to leave and then be told they are remaining on station. A FSBO allows showings, phone calls, emails and other inquiries to be attended to when it's convenient for the seller. It is also important to note that a signed contract with an agent may be difficult to negotiate if life circumstances change dramatically.

Marketing. A FSBO's marketing and advertising budget is set strictly by the owner. A hot neighborhood during prime selling season probably won't need as much exposure as a wooded retreat in the countryside during the winter. FSBO sellers dictate how much money is invested into advertising materials. The seller determines if less is more in the beginning of the selling process. Word of mouth is a powerful tool with a For Sale by Owner sign in the front yard.

If these FSBO qualities seem attractive to you, read on! Then take a look at [MilitaryByOwner Resources](#) page to become more educated in the process and its possibilities to earn thousands of dollars.



FOR SALE BY OWNER

A Home Selling Journey!
militarybyowner.com

Make the Big Decision!

- Schedule a "preparation" meeting with a real estate professional
- Adapt a business-like approach to maintain clarity.
- Don't take anything personally.
- Maintain a sense of humor and treat everyone with respect. You never know who will bring your asking price!

Prepare Your Home

- Deep clean your home inside and out!
- Remove clutter and depersonalize.
- Highlight your entry.
- Consider a neutral paint job.
- Make necessary repairs.

Attend to Curb Appeal

- A little landscaping goes a long way!
- Put garbage cans out of sight.
- Give your front door a facelift.
- A clean and orderly garage will pay dividends!
- Powerwash exterior and driveway.
- Repaint house numbers.
- Replace mailbox if necessary.

Get Photos!

- Absolutely as many as you can!
- Crisp, clear, and uncluttered!
- Inside and out!
- At different times of the day.

Market Your Home

- Be honest and open.
- Host an Open House.
- Use Social Media.
- Consider listing with the MLS.
- Create a flyer and a Virtual Tour.
- Put an ad in the newspaper.
- Use advertising sites such as MilitaryByOwner.com.

Determine Value

- Use online sites for house price comparisons!
- Use MilitaryByOwner.com to look for pricing of similar homes in your zip code.
- Research the County Records to view recently sold homes.
- Consider an appraisal.

Show Your Home

- Be reachable and accommodating
- Be open-minded.
- Return calls, texts, and emails.
- Keep the status of the availability of your property up to date.
- Set out a notebook for honest feedback - use it to improve your chances.

Prepare for an Offer

- Have state specific legal documents on hand.
- Ask for a Pre-Approval Letter from buyer.
- Carefully consider offers and counter offers. If hung up on pricing, be creative and negotiate with closing costs, repairs, etc.
- Employ a closing agent - your current lender can assist with this.

Congratulations!

- Hand over the keys to seal the deal!

FSBO or an Agent?

When selling your home, you have options! You can decide to sell the home yourself or hire a real estate agent to handle all or part of the sale for you.

When you hire a real estate agent, they'll help you sell your home in several ways.



- Evaluate and determine a list price for your home through market knowledge.
- Provide you with a to-do list in order to make your home more move-in ready for a homebuyer.
- Provide proper documentation and forms necessary to sell your home.
- Take photos and advertise your home on MLS (Multiple Listing Service).
- Coordinate showings of your home and open houses.
- Help you process offers for your home and determine which ones are worth considering.
- Act as your liaison to the potential buyer and deliver offers and counteroffers between both parties.
- Work with the buyers' agent to coordinate inspections and appraisals.
- Be present for closing on the house.

A FSBO can save money you'd otherwise pay for an agent's commission. You also know your house better than anyone and have a vested interest in selling it for the right price. With patience and resources on your side, a FSBO can be a viable option. Whoever is doing the work EARNs the commission. As a FSBO, you earn the commission. With a real estate agent, they earn the commission.



The process of a home sale stays the same whether it's a real estate agent selling your home or yourself. The difference between a FSBO and a real estate agent sale is who does the work. You will notice the FSBO list to selling your home looks similar to the one listed above.

- The first step to a FSBO is to leave your emotions at the door. You will naturally see your home as the place where your child lost their first tooth, but buyers are not interested in the emotions attached to your home. Treat selling your house as a business transaction.
- Do your research. Look up houses for sale near your home and see what they're selling for. **Take into account** features that those homes do or don't have and vary the asking price from there.
- Look objectively at your house. Take a photo and study it—it's often easier to see flaws in a photo! Also make use of our handy **checklist**.
- Selling a house requires **legal documentation**, so you'll need to employ the services of a closing agent. Authorized closing agents vary from state to state, so contact your current mortgage lender for assistance in choosing the appropriate options.
- Spread the word that your home is for sale, as you never know where your buyer might come from! MilitaryByOwner offers **ad packages** and help in listing your home. Advertise online, through social media, and also note that you may want to pay a flat fee to advertise in the MLS if you're going to pay a buyer's agent.
- You'll be responsible for your own showings. This can be an advantage for FSBO simply because you know the house better and can schedule them on your own timetable. Have a policy in place for your safety to have someone else present at the time of showing. Also decide ahead of time how you'll handle someone who comes to your door without an appointment.
- Getting the offer. It's exciting to get the **first offer** on your house! If you've been waiting a long time for this moment, it's tempting to accept. However, it may be beneficial to seek counsel before getting attached to an offer. Make counter offers. Negotiate until there is an agreement both parties can be happy with.
- Contact your closing agent. After you agree on a sale, the final inspections and appraisals of your home need to be conducted.
- Have your lawyer or closing agent look over the contract for final discrepancies that need fixed and then sign!

If you're looking to list your home, then it's time for you to **decide** which method is a better fit for you. As a homeowner, you have options for selling your home and only you can decide what is best for your situation.



Pitfalls of a FSBO

Homes that sold as For Sale by Owner accounted for nine percent of all home sales in 2013. Though representing less than one in ten of all sales, FSBO actually comprises a much greater portion of the market as an estimated 88 percent of all homes that start as FSBO wind up under the care of a real estate agent, according to the [National Association of Realtors](#) (NAR).

There are four main reasons why so many choose the FSBO route. Let's take a look at those reasons to figure out the pitfalls that only allow a plucky 20 percent of these homes to make it through to the sale.

1. You want to save money.

By selling your home yourself, you've estimated that you'd save a substantial amount of money on commission. Before we applaud your post-recession thriftiness, though, let's make sure we've truly analyzed whether a FSBO can actually save you money.



The NAR's annual Profile of Home Buyers and Sellers showed that the average FSBO sales price was \$174,900 in 2013. In that same year, they showed that homes sold by a real estate agent sold for \$215,000. They determined that the sale price discrepancy of \$40,000 means that **houses sold with an agent sell for more**. Before you rush off to hire an agent, consider what the statistic doesn't reveal: higher end homes that sell in the millions of dollars

generally use a real estate agent, and these home sale prices skew the overall numbers in favor of agent-sold properties.

Everyone wants to save money, however if steps are neglected or forgotten a FSBO may end up costing more.



Make sure you don't skimp on the following, as they have high potential for pitfalls:

- **Appraiser:** Spend about \$300 to have someone accurately appraise the value of your home. Ask for a full report and use that to price your home accordingly. This will help prepare you if you have buyers with VA or FHA loans (the two loans most commonly used by military families), as your property will be inspected and appraised as part of their loan process.
- **Real Estate Lawyer:** Hire the best you can afford! You don't want to save a few hundred dollars only to have to spend tens of thousands on legal fees and repairs for problems with the property down the road.

2. You want to sell your home faster.

You've calculated that by cutting out the real estate agent's commission, you can price your home lower than comparable properties in your market and thus yield a quicker sale. What this doesn't consider, though, is that if your home does not sell immediately -the average home stays on the market for 11 weeks- then you've put yourself in an awkward pricing situation.



You've already priced your property so far below market value that it would be challenging (not to mention unprofitable) to reduce your home price any further. Keep in mind that 47 percent of all home sellers reduced their asking price at least once in 2013, according to the NAR. Also, you need to keep in mind that only 21 percent of homes on the market receive their asking price or above; almost one-quarter of all homes sell for less than 90 percent of their asking price.

3. You want to avoid showing your home to people only interested in looking, or those who will spend their time peeping in your closets.

How do you know that the real estate agent showing your home won't step outside to take a phone call, leaving the nosy home shopper to his own devices? It's possible that someone touring your home has illicit intentions—while they may not pocket anything on this tour, they've had ample time to scope out the exact locations of your big ticket items. You've also let them test out your windows to see how easily they open, too.

Worried yet?



Don't think that selling your home FSBO will eliminate those with nefarious interests. You can avoid this major pitfall of home selling -both with an agent and without- by requiring documented proof that the prospective home buyer is pre-approved for a mortgage for the amount required to purchase your home. Make sure that you understand the difference between a pre-qualified and a pre-approved buyer first!

- **Pre-Qualified Buyer:** This person has self-verified income and debts to a mortgage lender in a process that probably took about 20 minutes in a phone interview.
- **Pre-Approved Buyer:** This person submitted documents to verify income and debts to a mortgage lender. The lender then used the verified amounts to determine a pre-approval amount.

As a FSBO home seller, you absolutely can require that anyone who tours your home first show you the letter they have received from their mortgage lender showing that they are a pre- approved buyer. If they are unwilling to do so, then move on; serious buyers will have a pre-approval.

4. You don't see a need for a real estate agent in the home sale process.

You've reviewed the steps in the selling process, and you've come to the following conclusions:

- You have the emotional distance to see your home as a house and therefore a property to be sold as a business transaction. If someone critiques your wall colorings or choice of tile, you recognize that they aren't criticizing you, they are merely trying to fit the right fit for their family.
- It's so easy to list your home online. A **Home Tour Plus Ad** on MilitaryByOwner allows you to post a home tour video and 40 photos for less than \$80. You'll also receive a yard sign and a street pointer sign with that package, too!
- You're well organized and can keep up with phone calls, home showings, and paper work.
- You're a good negotiator. You either thrive on the bargaining process or you sell for a living. Why would you need someone to negotiate for you, you ask?

Provided you have the above requisite skills, you should avoid most pitfalls in the process of a FSBO. However, it's vital to educate yourself on the legalities of selling. Litigious pitfalls abound in the marketing and selling of properties, so make sure to read about and abide by the **Fair Housing Act**. You'll find more ways to avoid the legal pitfalls of a FSBO when we discuss paperwork and closing later in this ebook!



Residential Sales Contract

This document is the bread and butter of your transaction and covers all terms of the sale: price, date of completion, date of possession, terms and dates for inspections, and conditions for which the sale agreement can be terminated.

A signed contract is legally binding. Be absolutely certain to use documentation that conforms to the laws in your State.



Offer and Counter Offer Form

To formalize a verbal offer, ask the buyer to fill out and sign an offer form. You can then accept the offer or propose a counter-offer. If the parties are in agreement, a Sales Contract can be filled out.

The counter-offer form may be used for price changes, date and time updates, and removal or addition of a clause. The form saves writing up a new Sales Contract, and serves as an addendum to the Original.



Residential Property Disclosure

The seller must present to the buyer a signed disclosure form listing all known property defects, mechanical and/or structural. It is incumbent upon the seller to fill out the form as completely and honestly as possible. Most sale terminations or lawsuits stem from incomplete or dishonest disclosure forms.



Lead-Based Paint Addendum

The federal government requires a lead-based paint addendum for any home built before 1978.

Regardless of when the home was built, sellers must supply buyers with a pamphlet explaining the dangers of lead in the home and how to safeguard against lead-based paint hazards.



Third Party Financing Addendum

If the buyer's offer is contingent upon approval of a loan, a Third-Party Financing Addendum may be needed. This document provides for termination of the sales contract if the buyer does not obtain financing within a specified period of time.

If the buyer is unable to obtain financing and neglects to inform the seller within the specified time frame, they waive the right to exit the contract without penalty.



Homeowners Association

Selling a property requiring membership in an HOA requires two additional documents: The Resale Certificate - paid for by the seller, comes from the HOA and provides information about the association, including fees, rules and governing documents.

The Mandatory Association Membership Addendum - specifies association fees responsibility during the sale. You must provide the buyer with HOA information or the contract can be terminated.



Title Documents

Get a Title Company involved at the outset to help guide you through the process of selling your home. The title company will handle the title search and process the change of title documents, which are numerous. They will also arrange for the sale closing and handle the transfer of funds.

If you're wondering where you can find the documents you need to sell your home, We highly recommend USLegalForms.com, Inc. They have both Sale and Lease packages that have been reviewed to ensure that each document complies with the laws of your state - very important!



USLegalForms.com, Inc.

The Real Estate Home Sales Package from USLegalForms.com, Inc comes with necessary state specific documents including:

- Offer to Purchase Real Estate
- Lead Paint Disclosure
- Real Estate Sales Contract
- Seller's Disclosure Statement
- EPA-Require Lead Paint Pamphlet

||| If you are thinking of selling your home, research the process and equip yourself with the necessary documents ahead of time. It is our hope that you will achieve a seamless and profitable sale! |||

Sources :
<http://blog.militarybyowner.com/topic/selling>
<http://budgeting.thenest.com/documents-needed-sell-own-home-agent-22423.html>
http://www.homefinder.com/content/Buying-Guide:Closing_Basics_Documents_and_Costs

www.militarybyowner.com



Patience Is Power



*“Patience is power. Patience is not an absence of action; rather it is “timing” it waits on the right time to act, for the right principles and in the right way.”
-Fulton J. Sheen*

Having a healthy dose of patience is a helpful personality trait, especially when it comes to major changes in life, like the decision to sell your home.

With real estate, it is all about timing, and your gift of patience plays a big part. If you need to sell your home in a hurry, you may need to price your home lower than expected to meet the haste of your move. If timing is not an issue, your patience will pay off as you wait for the best offer out there. The more flexible you are with timing, the better chance you have at listing your home for the price that you prefer.

The following is a helpful timeline of tips before listing your property as a “FSBO” (For Sale by Owner).

Two Months Ahead:

- **Crunch the numbers.** Take a good look at your budget and finances. Are you able to cover the expenses of selling your home, making a move, and purchasing a new home?
- **Take stock of what you have and what may come up.** Consider the remaining equity in your property and factor in any unexpected expenses that may occur.
- **Get organized.** Gather together your important documents, including mortgage, title, and insurance paperwork.
- **Finish off that chore list.** Determine what needs to be improved, in and around your property. Complete your “fix-it” chore list in order to celebrate with a successful home sale!



Follow this handy home improvement checklist to ensure your property will show like a dream:

1. **Basic repairs.** Estimate the costs of repairing the following items or budget for the expense of hiring professionals to complete projects on the following:
 - o **Flooring:** Refinish hardwood floors or replace carpeting.
 - o **Painting:** Paint rooms, trim, and high traffic areas with neutral colors.
 - o **Lighting:** Out of date? Change out light fixtures to shine the best light on your home.
 - o **Windows:** Tattered and torn window screens need to be replaced. Ensure window seals are airtight. Showcase natural light with attractive blinds or shutters.
 - o **Curb Appeal:** Make a great first impression with updates to the front entry and landscape.
2. **Potential upgrades.** With a focus on strategic repair or potential replacement of the following items, a buyer will feel more at ease when purchasing your property:
 - o **Roof**
 - o **Electrical**
 - o **Plumbing**
 - o **Heater/Air Conditioner** o **Appliances**
3. **Items to disclose.** The following are items a seller cannot change, and items a buyer needs to be aware of:
 - o **Mold**
 - o **Drainage**
 - o **Foundation**
 - o **Neighbors/Neighborhood** o **Noise**
 - o **School District**
 - o **Local Traffic**



Presentation is everything!

To make your home appeal to a buyer, have it scrubbed clean, show off how spacious it is, and make it such an attractive offer, they just can't pass it up.



Shine a beautiful light on your home. Consider light tones of neutral colors when painting. Hang mirrors to reflect light. Add lamps to create warm light. Arrange lamps to help smaller rooms seem larger and large rooms more intimate. When showing your home, leave window treatments open to allow optimum natural light.

Make it love at first sight. Consider how your property looks by doing a drive-by. Does it welcome you? Does it seem like a place you would be happy to come home to?

Create a pleasing sense of curb appeal. Mow the lawn. Sweep the front porch and sidewalk. Clean up flowerbeds of any weeds or dead plants. Plant new plants if the season allows. Trim the shrubs. Prune back any large tree branches. Consider any needed repairs to the front entry, fence, and deck. Do whatever is needed to ensure your property makes a good first impression.

Show that your home has been loved. Consider what a buyer is looking for when they tour your home, such as anything that may lead to further costs. Put the buyer at ease by showcasing that your home has been well cared for.

Out with the old; in with the new. Consider updates to the kitchen and to bathrooms for the best return on your investment. For more ideas on home improvements that offer the most bang for your buck, check out this [post](#).

One Month Ahead:

- **Do your homework.** What are homes selling for in your area? Check prices on comparable properties. Familiarize yourself with the local market.
- **Set your price tag.** What will your asking price be? At what point will you agree to lower the price? By how much? Creating a pricing plan will help keep you on track, as the calendar rolls along.

Follow this handy checklist when establishing fair market value (FMV) for your property:

Look at Comparable Listings and Sales. Take a look at similar homes listed in your neighborhood over the last 6 months and ask these questions:

- What has sold? What was the original price? What was the final price?
- What hasn't sold? Try to scout out reasons why properties haven't sold.
- Check out your competition. From curb appeal to square footage, how does your home compare?
- Calculate the "cost per square foot" of your home compared to the sale prices in your neighborhood. Divide listing price by square footage of livable space.
- What is the market doing? Set your price according to the current market trend in your area. If you set the price at 5% -10% above the market price, you may reel in an offer closer to the true value of your home.
- Set your price just under a whole number, such as \$199,900 instead of \$200,000. To ensure the most accurate price for your property, hire a home appraiser.

Do a price check.

- Get a sense of what is on the market, and how your home compares.
- What do the public records say about comparable homes in your area?
- What is the average cost per square foot?
- How would your home stack up to new construction?
- Are there any foreclosures near your property?

Do a rate check.

- Keep an eye on the latest mortgage rates to help negotiate with a potential buyer.

Schedule an appraisal.

- Validate your asking price by having an on-site appraisal done. This will highlight the amenities of your property. This may also pinpoint any items in need of repair/ replacement prior to listing.
- Begin the search for a real estate appraiser with the MilitaryByOwner [Business Directory listings](#).
- Tally your expenses. Choosing to sell your home yourself may save you from the commission of an agent. But be aware of other expenses, such as marketing, legal and tax fees.

Two or Three Weeks Ahead:

- **Make a clean sweep.** Sort those drawers! Organize those closets! Tidy up those storage spaces, both inside and out. The less clutter, the better. Clean your house like your particular Aunt Martha is coming over! Make it “inspection ready” and your home-keeping efforts will delight a potential buyer.
- **At this stage, “stage it”!** Think of each room of your home as a stage, and your furniture as set props. Lavish the bedrooms and bathrooms with fine linens and plush towels. Indulge in fragrant candles or air fresheners to give each room a pleasant scent. Accentuate the positive and unique features of your home.
- **Continue to cut the clutter.** Rent a storage unit for the bulk of your items. Arrange your remaining furniture in an eye-catching manner. By minimizing your furnishings, a potential buyer can picture their items in your home.

One Week Ahead:

- **Create your ad.** Write an ad for your home with dynamic descriptions. Be thorough, yet to the point. Provide critical facts that will stand out to a buyer who is quickly scanning ads. Have a snappy headline, such as “Like New” or “Best Schools,” etc. Promote the measurements/dimensions of the rooms. Take photos from appealing viewpoints. Ensure that your ad will showcase the unique features of your home. Encourage a potential buyer to feel like this home is the one “can’t miss” opportunity on the market--the property they’ve been hoping for!
- **Contact the experts.** Contact www.MilitaryByOwner.com for help listing your property. From templates for flyers to yard signs for advertising, MilitaryByOwner has anything and everything you may need to place your home For Sale by Owner.
- **Check out** this [post](#) for a helpful perspective on your Open House ahead.

*“Patience is power.
Patience is not an absence of action;
rather it is “timing”
it waits on the right time to act,
for the right principles
and in the right way.”
-Fulton J. Sheen*



Hosting an Open House

Hosting an Open House takes time, preparation, and patience. You’ll want to ensure everything is set up picture perfect to allow potential buyers to picture this property as their own home. Channel your patience when simply waiting for visitors to drop by. It will be worth your time if you may connect with a prospective buyer or two.



Consider the following when planning your Open House

- Plan your Open House in the early afternoon on weekends.
- Schedule your Open House at the same time as other neighborhood Open House events. Find a high traffic area to place your Open House yard sign.
- When visitors arrive, offer a friendly welcome greeting. Limit further conversation to simply answering any questions they may have before they leave.
- Allow visitors the chance to move through your home at their own pace.

Showtime!

Make the most of each Open House! Show off your fantastic property! This is where all of your hard work and preparation pays off.



3 Tips for Showing a House

1. Make it comfortably quiet.

- Minimize the distractions for prospective buyers to have an enjoyable visit.
- Plan to have your pets out of the home. Remove any pet supplies such as litter boxes, feeding dishes, etc.
- Play classical, jazz, or soft rock music at a low volume.
- If possible, silence your phone during showings.

2. Make it feel like home.

- Allow a buyer to picture themselves and their family living in your home.
- Create a pleasant aroma by baking cookies or bread or warming the oven with a pan of cornmeal or vanilla.
- Place vases of fresh flowers in the main rooms.
- Have the heat or air conditioner set at comfortable levels.
- Light a cozy and warm fire in the fireplace when showing on a wintery day.

3. Make it organized.

- Even if a buyer doesn't study them, having records available can make it clear you are conscientious and have nothing to hide.
- Have copies of your gas, electric, and water bill from the last 12 months available.
- Be ready to show all home improvement and repair bills.

Keep your home ready to show! You'll never know when a motivated buyer may want to schedule an appointment, and you'll want to meet them as soon as possible. Having your property ready to show will increase your chance of a successful sale. It will also indicate to the buyer that they may move in quickly and easily.



Common Home Inspections

While the type of inspections your home may undergo will vary based on where you live, general home inspectors look for defects. If they spot something unusual, they will suggest a more specialized inspection. Here are some examples of the types of inspections you might need:

Common Home Inspections

- Roof & Attic
- Chimney
- Appliances
- Plumbing
- Systems & Components
- Electrical
- Garage
- Landscape
- Structure & Foundation
- Water & Septic

Additional Inspections

- Asbestos
- Radon
- Mold
- Lead
- Rodents
- Wood Destroying Pests

Home inspections can vary dramatically from state to state, as well as across counties and cities.

militarybyowner.com



For Sale By Owner

www.MilitaryByOwner.com

Important Inspections for your Home Sale



Lead —

The federal government banned the use of lead-based paint in 1978, but homes newer than 1978 can still contain lead-based paint. To be safe, hire an expert to inspect your home for lead, especially if you have young children.



Radon —

Radon testing and radon mitigation are a common issue during real estate transactions. Many Home Inspectors offer radon testing as an option during the home inspection process. If Radon is present, a mitigation contractor can recommend ways to remove it.



Pests —

Signs of pests can be difficult to spot, especially if they are in the walls. A Pest Inspector will inspect building structures to determine damage or possibility of such, from insects, bugs, termites or dry rot conditions.



Mold —

Mold can trigger health problems even in healthy individuals. You can test for mold in the home by testing air quality. Your home inspector might not perform mold tests, but can probably help you find someone who does.



Asbestos —

Asbestos is generally found in older homes, in the siding, linoleum or wrapped around ductwork. Generally, material in good condition will not release asbestos. The danger comes from asbestos material that is damaged. If a suspicious area is found, a professional will be needed.



Well and Septic —

If the home depends on a well and/or has a septic system, both should be inspected.

As Offers Arrive!



You may have a mixture of happiness and possible frustration. You may be asking...

- How do I choose?
- What if I choose the wrong offer?
- Do I have everything done to go to closing?

Review what is on the table. With multiple offers, compare:

- Proposed offer price
- Amount of earnest money
- Any contingencies
- Proposed closing date

Ask a lawyer. Hiring a real estate attorney may help with the following:

- Protects your interests and provides peace of mind
- Evaluates offers, especially any that include clauses/conditions
- Ensures proper negotiations with the buyer
- Acts as an escrow agent, to hold the down payment
- Reviews contracts
- Covers what legally must be disclosed to a buyer
- Sorts through complex mortgage documents
- Assists with closing paperwork

Do a double-check. Confirm that your buyer is financially qualified to purchase your home. Request, from the buyer, a copy of their letter of pre-approval from their lender. This is based on their actual income, debt and credit history. As the seller, you want to be a confident that your buyer will be able to obtain financing.



In the Weeks Before Closing:

- **Make yourself available.** Schedule dates with the home inspector and appraiser of the lender.
- **Pass on the paperwork.** Provide all legal documents to the buyer and professionals working with the buyer. Include all city and state disclosures, property records and permits, insurance documents, and important receipts.
- **Ask an agent.** Consider working with a title agent for proper procedure with closing.
- **Contact your lender.** Gather mortgage papers, any loan or lien documents, and discuss mortgage payoff.
- **Get moving.** Complete your search for the transportation company that will provide the best fit for your moving needs.



As you prepare to sign the documents to close on your home, be thankful for your gift of patience. Your patience has paid off with a successful transaction with a home For Sale by Owner!



Paperwork and Closing

How to Get to the Closing Table

If you're now scheduling closing—otherwise known as settlement—then **congratulations!** You've made it through the most challenging parts of selling a home. While the closing process may seem somewhat intimidating, a little bit of education on the process and paperwork should help you feel much more comfortable by the time you sit down at the closing table.

We can't guarantee how comfortable you'll be during that two- to three-hour period of document signing, though. We do suggest dressing in layers and bringing coffee, perhaps a snack, and a pen that you enjoy writing with! There's nothing worse than having to sign your name at least fifty times on some of the most important documents of your life with the cheap pen you found lying discarded on the table. You can comfort yourself in knowing that the buyer has to sign many more documents than you do, though!

But...before you head to the closing table, there are a few key things you need to make sure happen.



Simplify the Process

MilitaryByOwner's partner, US Legal Forms, has created an easy-to-use and state-specific residential real estate homes **sales package** that helps walk you through the process and paperwork to successfully close your real estate sale. For less than \$50, you can download the paperwork that is specific to your state. For your peace of mind, you can hire a real

estate lawyer for a few hundred dollars to review the paperwork for you. Remember, this is one of the biggest transactions you'll ever complete, so it's important to make sure the paperwork is in order.



• The Escrow Account

The escrow account is set up to hold the earnest money submitted by the buyer with his initial offer. The escrow acts as an objective third party in the real estate transaction, and serves to ensure a secure transaction of the title of the property. You can usually set one up with your settlement company.

• The Appraisal

The appraisal is ordered by the buyer's lender, and the appraiser will contact you or your real estate agent to make arrangements to tour the property. Make sure you're present for the appraisal. During the years of high appreciation of properties, many sellers would allow the real estate agent to manage the appraisal. These aren't those days. You'll want to make sure to have documentation of improvements made to the property to help the appraiser better understand the value of your home, and particularly any added value that may be necessary to prove a higher than average price per square foot. If the appraiser doesn't agree with your contract price, then the deal doesn't move forward.

• The Inspection

In the case of a sale in a high demand market, the buyer will waive his right to an inspection; however, in most cases, the buyer will make an inspection a contingency of the sale contract. The inspection is ordered by the buyer, and he pays for it. You are welcome to be present at the inspection. The inspector will be looking for both housing code violations and visual problems with the property, particularly the systems of the house to include plumbing and electricity. He'll also inspect the roof and the foundation, as well as any crawl space that exists. The inspection report will then begin another round of negotiations; these may delay the initial closing date if significant repairs are required. You have the right to refuse to make repairs; however, the buyer also has the right to use the inspection report to get out of the contract as well as a full refund of his escrow payment.

• The Move

If all went well with both the appraisal and the inspection, then it's time to schedule your move! Your house will need to be completely vacated and swept clean prior to the final walk-through, which will usually take place 24-48 hours prior to closing.

• Closing Eve

The day before closing is a busy day! The final 24 hours generally involve both the final walk-through and the receipt of the final settlement financials from the lender. This document is known as the HUD-1, which is discussed below. The settlement agent also receives the final closing instructions from the lender.



WooHoo! You've Made it to Closing!

When you do finally arrive at the settlement, prepare for a couple of hours of passing paperwork back and forth between you and the attorney. Here's what else you can expect:

• Closing versus Closing Day

If you're at settlement on the East Coast, then it's Closing Day! If you're at settlement on the West Coast, then closing occurs when the documents are actually recorded, which may not occur until Monday if the settlement takes place on Friday evening.

• It's a Party!

Don't be surprised if all interested parties in the transaction show up for the closing. These may include you, your real estate agent, the other party (seller or buyer) and their real estate agent, your attorney, their attorney, a closing agent as a representative for the lender, and a title company representative. In western states, such as California and Washington, a real estate attorney is not required to be present for closing. In southeastern states, such as Alabama and Georgia, as well as some northern states, such as New York, an attorney is required to be present. It's important to check the requirement for your state.

• Escrow

The escrow officer has been working hard on both yours and the buyer's behalf! The escrow officer who has been holding the earnest money since the price was agreed upon has also been ensuring that all paperwork made it to the settlement. He also insured that all contingencies—the appraisal, the inspection, and so on, as discussed below—were met, and that all funds to include the down payment for the property are submitted and held securely. The escrow officer will also handle the mortgage pay-off on the property and will transfer the title from the seller to the buyer. If the buyer has a mortgage, then the title will be transferred to the lender.



Close the Deal and Sign!



Paperwork Signing

Beyond the legal documents that ask you to verify such important items as your identity and that you have the right to actually sell the property, the document that buyers and sellers lose the most sleep over is the HUD-1, which is otherwise known as the Settlement Form. There's no need to stress over this or any other document in the closing process, though! Let's break down this key document so that you feel comfortable enough in your understanding of it to ask informed questions of your settlement agent.

HUD-1

- This is a standard 3-page document from the U.S. Department of Housing and Urban Development, also known as the Settlement Statement.
- The form itemizes all charges for both buyers and sellers.
- Buyers are identified as "borrowers" on the form, even if they are making a cash purchase for the house.
- The form outlines the type of loan that the buyer is using—FHA, VA, Rural Housing Services (RHS), and Conventional—as well as the loan amount for the property.
- The most important section for you, the seller, to check through is on Page 1, Section K, "Summary of Seller's Transactions." In this section, you'll want to make sure the numbers are contract on the agreed upon sales price as well as the sales price for any additional item that is sold with the house, for instance, a living room set or a washer-dryer set. You'll also need to make sure that the numbers for all adjustments are correct. These adjustments include the amounts for tax payments that need to be made as well as the big number, the mortgage pay-off.
- The transfer fees and taxes that appear on the HUD-1 will differ considerably by state. In states such as North Dakota and Montana, there are no transfer fees; in Oregon and Oklahoma, you'll find the buyers and sellers must split these fees; in Texas all fees can be negotiated; and in Tennessee, the fees are taxes differ by local laws.
- Page 2, Section L, details some of the costs that you shoulder as part of the transaction, including title insurance and settlement fees.
- The remainder of the document is primarily the domain of the buyer, as much of it pertains to the mortgage.



The Rest of the Paperwork

• Statement of Information

This document is also known as a Name Affidavit. By signing, you are just affirming that you are who you say you are. You'll need to bring photo identification for this, too.

• Loan Pay-Off

This document simply outlines the amount required to pay off your mortgage. The escrow officer will handle the pay-off, but it's a good idea to call your mortgage company in advance to let them know of your intended sale.

• The Certificate of Title

The Warranty Deed is used in many states to confirm to the buyer that you, the seller, have the legal right to sell the property.

• The Deed

The Warranty Deed is used by many states to transfer the title of the property from the seller to the buyer. Other states, such as Connecticut, Maine, and Massachusetts use a Quit Claim Deed; meanwhile, Louisiana and Kentucky use a Bargain-and-Sale Deed. Regardless of the deed selected, the function and purpose is the same.

• The Mechanic's Lien

This document asks you to verify that no outstanding debts are owed on the property to any repairmen or otherwise.



FAQ

Why should I sell my home by For Sale by Owner (FSBO)?

By doing a FSBO, you'll be able to save the cost of a commission normally paid to a real estate agent. Aside from that, you'll have complete control over the sale of your home. No one knows your home as well as you!

How do I decide on a listing price?

Pay attention to comparable listings and sales in your area, original list prices vs. final sale prices, whether it's a buyer's or seller's market, square footage, and even homes that aren't selling. Also be sure to make use of MBO's freebies like this ebook and the extensive resource [articles](#) on our site.

Do I need to hire an attorney for my FSBO?

While a title company can handle most aspects of closing on a home, check the legal requirements in your state, as six states require the presence of an attorney at closing and several others require an attorney to be involved in some aspect of the sale. You may also choose to use an attorney even if not required by law, though you'll want to be sure to find one specializing in real estate.

Why should I use MilitaryByOwner for help with my FSBO?

MilitaryByOwner can help you with each step of your FSBO, including listing your home, signs for your yard, online marketing, and help with closing documents and legal forms. We've been serving the military community for over 10 years and understand the market, because we ARE the market!

I'm interested in setting up my own FSBO with help from MBO, but I'd like to talk to someone first without obligation.

No problem! You can reach us by phone, email, and live chat! Our office hours are Monday through Friday, 9am-5pm EST. Our toll free number: 1-866-604-9126. Go to MBO's [website](#) to contact us by live chat or email.

I'm looking to rent or buy a home; can you help with that?

Absolutely! You can search by [military installation](#) or region on our site.

I'm a real estate agent. Can I list a home with you?

Yes! As long as the home you're listing is near a military installation. There's a spot on our forms to indicate that you're an agent.

Where can I find legal forms and documents?

You can find state specific [legal forms](#) at USLegalForms.com, Inc. They have both Sale and Lease packages that have been reviewed to ensure that each document complies with the laws of your state.

I'd like to list my home for sell or rent with MBO. What sort of advertising packages do you offer?

Check out our advertising package details and prices [here](#).

Is MBO associated with the Multiple Listing Service (MLS)?

No, we are not. However, if you do have an MLS number, you are welcome to notate it in the description area of your advertisement.

What Others Are Saying...



"Loved using MilitaryByOwner.com! We were moving from overseas, and the website was so user-friendly. It was so easy to sort, then pick our home from so far away. It was easy to see the pictures and envision our stuff in that home. I have suggested the site many times and would use it over and over again." **JoAnn**

"MilitaryByOwner is the best way to go to get your property sold or rented. In less than 45 days, our home

received over 600 hits from service members and government employees looking to rent or buy. I have recommended this site to everyone that I know of that's looking to get exposure to their home. If you meet the requirements to advertise on this site, you should not waste your time researching other sites to advertise. If you have extra money to just spend due to it taking up so much room in your pockets or your bank account, then get a realtor. Setting up your account and posting photos is truly user friendly." **James, GA**

"We used MBO when we PSC'd last time and sold in 16 days. We will use it again when we move this year." **Amanda, AR**

"We sold our home in 8 days in a depressed market for more than our asking price to an MBO buyer. We advertised on other FSBO sites and had zero hits from them. Conversely, we had 299 hits on MBO, several families in our home, several scheduled, and ultimately sold our home to a MBO buyer. UR my hero!" **Bob, VA**

"THANK YOU for your excellent service. We had wonderful results with both emails and replies by telephone from all over the USA and overseas. This is an ideal place to find a home to buy or rent; I will definitely refer militarybyowner.com to those I know who need to buy, sell, or rent housing." **Lela Ann, Oceana NAS**



Useful FSBO Links and Information

Demystifying "For Sale by Owner"

Get Ready to Sell Your House!

Should You Have an Open House?

10 Quick Tips on Creating a Virtual Tour of Your Home

Top 10 Tips on Preparing for an Open House

For Sale by Owner Home Selling Tips

How Do I Set the Price?

Save Big on Home Sale Price

Use Social Media to Sell Your Home

How Do I Estimate My Home's Value?

Why Isn't My Home Selling?

MilitaryByOwner's Advertising Products and Services

Legal Forms

Contact Us!

The Option of Using a Real Estate Agent

"We were sad to not be able to return to Fort Drum after a short tour, but MilitaryByOwner helped us sell our house in Watertown. We loved the area so much." **Shannon, NY**

"I wanted to express my continued thanks to you and your staff for this great service provided to veterans like myself who desire to give back to our military personnel serving our country. I have used your service now for many years." **Ralph, FL**

"Great experience! Good response from the website, sold our home in 2 weeks!" **Gary, VA**

"We sold our house in 2 weeks on **MilitaryByOwner.com!**" **TJ, NC**

"Thanks to militarybyowner.com we had several good prospects look at our house and one turned into a buyer. Our house was only on the market for 3 weeks and I credit this site with getting the info on our house out to the public and ultimately allowing us to make the sale. Best package I have ever seen." **Alvin, VA**

"I'm a former Honorably Discharged Army Veteran, who just bought my first home using my VA Home loan. My wife owned a home when we first met, and we decided to try to rent it on our own. We tried Craig's List, I ran advertise-

ments in the local paper spending over \$199, and even hired a management company. My wife's co-workers, who have had success with www.militarybyowner.com and are military veterans, shared your company's website. I decided to create a profile. It was easy! It made us more confident, and I had no trouble deciding to use the \$79 option. I received qualified emails and phone calls from local families in the military who were serious about renting. The shared experience of the military made me feel even more secure with my prospective tenants. I showed the home twice on the SAME weekend I posted it, and we now have a signed lease! I will continue to recommend www.militarybyowner.com. I'm going to be sharing your webpage with all my managers and customers." **John, VA**



Author Credits



Jen McDonald

Jen McDonald is the Content Editor for MilitaryByOwner Advertising, as well as an experienced editor and writer who's been published in numerous national publications and several books. She's also a coffee addict, wine lover, insomniac, and homeschool mom. She and her amazing Air Force husband have lived all over the world and have four kids—three grown and one in high school. Look for her upcoming devotional book for military spouses!



Karina Gafford

Originally from Ireland, Karina has been a proud U.S. citizen since 2010. She and her husband Charlie have lived together in Florida, South Carolina, and Virginia. Karina runs Tutors By Base and is an active board member on the Air Force Annual Charity Ball Committee. She has been a board member of both the Air Force Officers' Spouses' Club and the Quantico Officers' Spouses' Organization. She has also lead a book club and a hiking club for military spouses. Karina enjoys writing about military and military family related issues, education, current events, and the real estate and mortgage industries.



Dawn Smith

Dawn Smith is a mom to one daughter and has been married to her husband and the Army for 16 years. Not surprisingly, she has a recurring case of wanderlust and is known to report on her travels frequently. She is a writer during the day with a serious habit of HGTV/House Hunters viewing at night. Dawn is pleased to share her experiences with Military By Owner and other military spouse outlets hoping to help simplify other family's journeys.



Author Credits



Danielle Keech

Danielle Keech has been married to her Marine for 2 years. During her short time of involvement with the military, she's learned the importance of flexibility, like most military spouses! With dinners spoiled due to late arrivals, watching weekend plans dissolve into nothing, and struggling to decide a career path, she's just like you. Danielle enjoys writing about military spouse and family issues. She hopes to help other spouses in similar situations while creating a dialogue so that she can learn from you, as well.



Mary Ann Eckberg

Mary Ann Eckberg is a Nebraska football fan living wherever the Air Force sends her and her Active Duty husband. Nick-named "Crazy Dog Lady," her animal rescue efforts bring in 4-legged friends at each assignment. Active in local military spouses' groups, Mary Ann compiles blog articles with shared experiences that most every military spouse has had. Find more of Mary's writing on MilitaryByOwner <http://blog.militarybyowner.com/>



Christy Shields

A long time Army spouse, Christy Shields has been with MilitaryByOwner since 2009 and works mainly in Customer Service and Content Management. Christy also occasionally writes for the MilitaryByOwner blog and creates supporting Infographics for various MilitaryByOwner publications and social media. Christy enjoys singing and playing the piano, reading fantasy and science fiction books, growing herbs, and hiking in the great outdoors

