REAL ESTATE ASSISTANT CERTIFICATION

REA University
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About Your Instructor

Pam Ivey

Pam Ivey, Virtual Business Manager, author speaker and trainer is owner of the Pam Ivey Group of Companies (www.pamivey.com), which encompasses My Creative Assistant (www.mycreativeassistant.com), Visual Persuasions Canada (www.visualpersuasions.ca), the Canadian Virtual Assistant Network (www.canadianva.net), REA University (www.reauniversity.com) and the VA Training Academy. A virtual assistant since 2001, Pam has partnered with top producing real estate professionals since 2003, providing marketing and branding, listing coordination, lead generation and contact management solutions.

Pam holds several designations including Certified Marketing Professional (CMP), Certified in Small Business Management (Cert SBM), Certified Professional Real Estate Assistant (CPREA), Certified Real Estate Support Specialist (CRESS), and Professional Real Estate Virtual Assistant (PREVA)

She has been featured in such publications as Michael Russer’s ePower News and Pennsylvania Realtor Magazine, as well as local publications, and participated as a supporting VA for Michael Russer’s Internet Bootcamp in Chicago. In 2006, Pam became a co-founder of the International Real Estate Assistants Association (IREAA), and led the Canadian division. After a dissolution of IREAA, Pam and Anna Baron co-founded REVA Institute (www.revainstitute.com).

Pam is co-author of the paperback: The Business of Being Virtual: Successful Industry Leaders Reveal Their Virtual Assistant Business Secrets, as well as a busy speaker, who leads seminars and talks about VA and business related topics across North America at various industry and other business events, such as the 2008 and 2009 Forum on Virtual Assistance (FoVA), the 2009 IVAA Live Summit in Montreal, as well as the Coaching Super Summit in Baltimore. Pam’s high-level goal is to help to increase the awareness of the virtual assistant industry with business leaders and influencers in North America and around the world.

Pam is creator of the Professional Real Estate Assistant Certification Program and the Virtual Assistant Business Success Blueprint. She is co-author of The Business of Being Virtual, an instructor at Georgian College, and co-founder of REVA Institute and the Coaches, Authors, Speakers Professional Assistants Association (CASPAA).
Preface

Why the Real Estate Assistant Certification Program Has Been Created

Real estate is an ideal industry for support professionals. Besides listing and selling homes, there are a myriad of details “behind the scenes” that need to be performed for a successful real estate business.

The life of a successful real estate professional is filled with activities and obligations that makes it difficult for them to create time for prospecting and ultimately obtaining more clients.

List of major activities the real estate professional performs a regular basis:

- Lead generation
- Listing homes
- Showing property to buyers
- Desk/office duty
- MLS and office tours
- Regular office meetings (usually weekly)
- Open houses
- Attending home inspections
- Attending member meetings, events and other social and business functions to keep their name “out there”

So, you can see, a successful real estate professional is often busy getting in front of clients and prospects, it leaves them little time to complete necessary “back office” functions and even have a personal life. This is where you can step in and take some of these activities off their plates, creating more time for them to get more business...and have a life too.
What You Will Learn

Section I  Introduction – Briefly introduces the student to the issues involved in coordinating transactions.

Section II  Terms – Extensively reviews the terminology typically used in real estate transactions.

Section III  Agent’s Need for Transaction Coordination – Explains why agents need transaction coordinators, what they’re for, how they help, etc.

Section IV  The Process – Outlines the real estate transaction process, which must be learned in order to coordinate transactions.

Section V  Documents – Teaches the student about the relevant documents used to complete real-estate transactions.

Section VI  Inspections – Relays the relevant requirements for home inspection during a transaction.

Section VII  Working with Other Parties – Teaches the student how to work with other parties to the particular transaction he/she is part of coordinating.

Section VIII  Transaction Management – Informs the student about how to specifically manage a transaction, rather than merely coordinating it.

Section IX  Sample Action Plans
Section I: Introduction

The transaction coordination activities are very time consuming, following up with a variety of companies and individuals, ensuring paperwork is completed properly and executed where necessary, arranging inspections and other appointments and coordinating the final closing meeting can all exhaust real estate professional’s precious prospecting time.

Assistants can be invaluable to their agents if they can coordinate transactions. This course will help prepare you to offer transaction coordination services to assist agents in this area.

relay transaction management
http://www.zipform.com/relay/index.asp

SettlementRoom

SureClose
http://www.sureclose.com/

GURU SOLUTIONS
http://www.gurunet.net/
Section II: Terms

You need to know many key terms to understand this course. Please go over these terms and their meanings and refer back throughout the course when you need to do so.

Most Common Terms

Transaction Coordination
The process of monitoring the sale of real estate from the signing of the purchase contract to day the property “closes”, or is transferred to the new owner.

Transaction Coordinator
The person who monitors the transaction. (also referred to as TC)

Online Transaction Coordination
The process of monitoring the sale of real estate from the signing of the purchase contract to day the property closes using an online software system. (also referred to as OTC)

Other Terms Used Often in Transaction Management

Appraisal
A written justification of the price paid for a property, primarily based on an analysis of comparable sales of similar homes nearby.

Appraised value
An opinion of a property's fair market value, based on an appraiser's knowledge, experience, and analysis of the property. Since an appraisal is based primarily on comparable sales, and the most recent sale is the one on the property in question, the appraisal usually comes out at the purchase price.

Appraiser
An individual qualified by education, training, and experience to estimate the value of real property and personal property. Although some appraisers work directly for mortgage lenders, most are independent.

Chain of title
An analysis of the transfers of title to a piece of property over the years.

Clear title
A title that is free of liens or legal questions as to ownership of the property.

Closing
This has different meanings in different states and provinces. In some states a real estate transaction is not consider "closed" until the documents record at the local recorders office. In
others, the "closing" is a meeting where all of the documents are signed and money changes hands.

**Closing costs**
Closing costs are separated into what are called "non-recurring closing costs" and "pre-paid items." Non-recurring closing costs are any items which are paid just once as a result of buying the property or obtaining a loan. "Pre-paids" are items which recur over time, such as property taxes and homeowners insurance. A lender makes an attempt to estimate the amount of non-recurring closing costs and prepaid items on the Good Faith Estimate which they must issue to the borrower within three days of receiving a home loan application.

**Closing statement**
See Settlement Statement.

**Cloud on title**
Any conditions revealed by a title search that adversely affects the title to real estate. Usually clouds on title cannot be removed except by deed, release, or court action.

**Commission**
Most salespeople earn commissions for the work that they do and there are many sales professionals involved in each transaction, including Realtors, loan officers, title representatives, attorneys, escrow representative, and representatives for pest companies, home warranty companies, home inspection companies, insurance agents, and more. The commissions are paid out of the charges paid by the seller or buyer in the purchase transaction. Realtors generally earn the largest commissions, followed by lenders, then the others.

**Contingency**
A condition that must be met before a contract is legally binding. For example, home purchasers often include a contingency that specifies that the contract is not binding until the purchaser obtains a satisfactory home inspection report from a qualified home inspector.

**Contract**
An oral or written agreement to do or not to do a certain thing.

**Deed**
The legal document conveying title to a property.

**Deed of trust**
Some states, like California, do not record mortgages. Instead, they record a deed of trust which is essentially the same thing.

**Deposit**
A sum of money given in advance of a larger amount being expected in the future. Often called in real estate as an "earnest money deposit."

**Disclosures**
Most states require certain disclosures be completed by the sellers and to be provided to any
interested buyers upon request. These disclosures are standard forms, although these forms vary from state to state.

**Earnest Money Deposit**
A deposit (of money) made by the potential home buyer to show that he or she is serious about buying the house.

**Escrow**
An item of value, money, or documents deposited with a third party to be delivered upon the fulfillment of a condition. For example, the earnest money deposit is put into escrow until delivered to the seller when the transaction is closed.

**Examination of title**
The report on the title of a property from the public records or an abstract of the title.

**Home Inspection**
A written report of the results of an inspection of a given property by a professional home inspector. This report will show problems and potential problems with the property not always visible to an average purchaser (ie a deteriorating roof, an ancient furnace, wood rot, basement seepage, etc). Many purchasers make their offer to purchase conditional upon obtaining a satisfactory Home Inspection report.

**Homeowner's Warranty**
A type of insurance often purchased by homebuyers that will cover repairs to certain items, such as heating or air conditioning, should they break down within the coverage period. The buyer often requests the seller to pay for this coverage as a condition of the sale, but either party can pay.

**HUD-1 settlement statement**
A document that provides an itemized listing of the funds that were paid at closing. Items that appear on the statement include real estate commissions, loan fees, points, and initial escrow (impound) amounts. Each type of expense goes on a specific numbered line on the sheet. The totals at the bottom of the HUD-1 statement define the seller's net proceeds and the buyer's net payment at closing. It is called a HUD1 because the form is printed by the Department of Housing and Urban Development (HUD). The HUD1 statement is also known as the "closing statement" or "settlement sheet."

**Loan Officer**
Also referred to by a variety of other terms, such as lender, loan representative, loan "rep," account executive, and others. The loan officer serves several functions and has various responsibilities: they solicit loans, they are the representative of the lending institution, and they represent the borrower to the lending institution.

**Mold Inspection**
A complete evaluation of both the interior and exterior of the property for evidence of mold using a variety of mold testing methodologies and forensic lab analysis on samples taken.
Mortgage Banker
A mortgage banker is generally assumed to originate and fund their own loans, which are then sold on the secondary market, usually to Fannie Mae, Freddie Mac, or Ginnie Mae. However, firms rather loosely apply this term to themselves, whether they are true mortgage bankers or simply mortgage brokers or correspondents.

Mortgage Broker
A mortgage company that originates loans, then places those loans with a variety of other lending institutions with whom they usually have pre-established relationships.

Mortgagee
The lender in a mortgage agreement.

Pre-Approval
A loosely used term which is generally taken to mean that a borrower has completed a loan application and provided debt, income, and savings documentation which an underwriter has reviewed and approved. A pre-approval is usually done at a certain loan amount and making assumptions about what the interest rate will actually be at the time the loan is actually made, as well as estimates for the amount that will be paid for property taxes, insurance and others. A pre-approval applies only to the borrower. Once a property is chosen, it must also meet the underwriting guidelines of the lender.

Purchase Agreement
A written contract signed by the buyer and seller stating the terms and conditions under which a property will be sold.

Radon Inspection
Radon is an odorless, colorless gas that enters a property through the foundation cracks, sump pump hole etc. and can be hazardous to a family’s health if they are exposed over an extended period of time. When a radon test is ordered all doors and windows to the property must be sealed at least 24 to 48 hours prior to the test. The testing period normally lasts 48 hours and all doors and windows must have remained closed during the test. If the radon level exceeds 4.0 pico curies per liter, it is considered an unacceptable amount according to the Environmental Protection Agency. The report is presented to the seller and they are normally asked to "mitigate" or install a system which will release the radon.

Reissue Rate
A reduced rate of title insurance premium applicable in cases where the owner of the land has been previously insured in an owner's policy by the insurer within a certain time.

Survey
A drawing or map showing the precise legal boundaries of a property, the location of improvements, easements, rights of way, encroachments, and other physical features.

Termite Inspection
As a protective measure, many banks and lending institutions require that homes be inspected for damage from termites or other wood-destroying insects before closing the sale of the home.
The termite inspection should be performed fairly close to the closing date. Ask your agent for the specific time period in his or her area.

**Title**
A legal document evidencing a person's right to or ownership of a property.

**Title Company**
A company that specializes in examining and insuring titles to real estate.

**Title Insurance**
Insurance that protects the lender (lender's policy) or the buyer (owner's policy) against loss arising from disputes over ownership of a property.

**Title Search**
A check of the title records to ensure that the seller is the legal owner of the property and that there are no liens or other claims outstanding.
Section III. The Agent’s Need for Transaction Coordination

Why Does An Agent Need A Transaction Coordinator?

When agents sell homes, the transaction coordinator (TC) begins her job. The TC will move the transaction contract from ratification (execution) to closing. The TC follows every step of the process when they should and ensures that everything progresses smoothly with the deal.

There are many tasks to be done and the length of time it takes to do the work varies. A recent paper argues that the average work on a transaction is twelve and a half hours, but again, this can vary. The TC allows the real estate professional to spend more time marketing and selling house and properties.
Section IV: The Process

We can't cover every scenario a TC will face. We want instead to prepare you for those scenarios you might encounter in general and how we can handle most transactions.

When agents land contracts, steps must be followed to move them to a successful close. Before you are given your first contract, you and your agent must design an “action plan” which specifies lists of tasks that must be finished to complete the transaction. Action plans are essential because it solidifies the role you play throughout the transaction and will help structure your schedule. Have two action plans: one for your agent’s sellers and another for your agent’s buyers.

Resources

Visit the Student Resource Centre for sample buyer and seller action plans.
Section V: Documents

You will need to familiarize yourself with several types of documents. The first one you must know is the sales/purchase contract. The style of this document is different in different states and provinces, and sometimes within regions. Additional documents are included with the sales/purchase contract; these will primarily be disclosures, say, for lead paint, property damages, etc. You should speak to your agent to know which documents you should be on the lookout for when you get a sales contract since states and provinces have laws requiring disclosures that vary.

When you know what documents are required in this first step, you must review them for the right signatures and initials. You should be able to tell whether important information has been left out (e.g. financing contingency date, termite inspection, etc.). Advise your real estate professional promptly about any apparent discrepancies. You can save your agent legal trouble!

Remember It’s not your job to change the contract. Only licensed real estate professionals can alter them.

Contracts will typically have contingencies that must be satisfied by the end of the transactions. Some contingencies might include:

- Date financing is secured;
- Date home inspection should be completed;
- Appraisal Value;
- Date termite inspection should be completed;
- Closing of Buyer’s current home;
- Certificate of Occupancy

Once the contingencies are satisfied, the contract is binding. It is very important that the TC follows the contingency dates carefully. You need to record them on whatever tracking system you use.

TCs should follow-up with relevant parties to discover whether contingencies have been met. Follow up early and timely; you can lose a contract over missed deadlines, costing your agent thousands of dollars in commissions. Once you’ve gone through several transactions, you’ll learn how much to expect of third-parties in setting deadlines. But in any event, be aware of contingency deadlines and always follow up in a timely manner.

Section VI: Inspections
TCs must be able to follow inspections. Contracts will often require inspections as requested by buyers. Common inspections include:

- Home inspection;
- Termite inspection;
- Radon inspection;
- Mold inspection;

TCs often schedule these inspections, letting the right people know, and always, always, always follow-up afterward. Sometimes, agents set up inspections for their clients with her standard inspectors. But in many states and provinces this practice is seen as unethical. In these cases, agents must give clients at least three inspectors to choose from (of course, they can always go with someone else). TCs must learn the inspector selection process in your agent’s area. Figure this out before your first transaction, ideally when you create your action plan.

Inspections must occur in a specified period of time. Most home inspections, for example, must be scheduled immediately, although termite inspections might be performed closer to a close. Radon inspections require preparation time, as the equipment must be active in the house for a few days to collect data and then sent to a lab. You must know the timeline for this test as a result. Work with your agent to grasp the timeline properly, if this is the case.

**Section VII: Working With Other Parties**

The transactions you deal with include mortgage lenders, title companies, and sometimes attorneys or a combination of all three. TCs have the job of coordinating these parties to produce a completed contract. You will often have to give additional information to these groups. Prepare yourself to ask your agent what information you will need to send each group. Knowing what is needed beforehand can save you and other parties' time and energy. Additionally, parties often have someone who handles these details, just as a TC functions for a realtor. You will usually speak with these individuals and they will become invaluable resources to you.
Section VIII: Transaction Management

TCs have many methods at their disposal to manage transaction details. Three types of systems are typically used:

Online Transaction Management Systems

Online Transaction Management Systems Built Within Database Systems

Desktop Checklists

Note ~ All systems will work and your agent will determine which she prefers. (Note: agents purchase the systems. You will only need your computer, an internet connection and a phone.)

Working for multiple agents may require that you use all three systems in one day. You’ll be at an advantage therefore if you understand each system. Plus, you’ll also be able to help your agent decide which system to use if she doesn’t currently use one.

Let’s consider the benefits of all three systems:

An Online Transaction Management (OTC) system enables all parties to add all the relevant information about the transactions that they have, including relevant documentation. It also allows other parties to view that same information. The system will inform everyone of what is going on and will keep you all to a schedule. OTCs are secure and wonderful for managing transaction details. Here are a few OTC systems:

- Settlement Room (http://www.SettlementRoom.com)
- eFrogg (http://www.eFrogg.com)
- SureClose (http://www.SureClose.com)

The next platform for TCs can be accessed online but does not possess the same management functionality as the OTC system. Many Database Management Systems include Transactions Management functionality, but they have limits. First, you can’t store documents with these programs and second, only you and your agent have data access. Here are two such systems:

- Top Producer 8i
- Agent 2000
Your agent will need to know the local lenders, title companies, etc. and whether they use OTC systems. In some cases, they won’t want to spend the money for an OTC system. If money is tight, this system works well.

The simplest system is that handy, old checklist used before computers and the internet. It is both the most cumbersome and mistake-prone but also the cheapest. You should try to use this system merely as a back-up. Online systems are great, but you may not want to risk inputting lots of irrelevant information and relying on a stable Internet connection. Often the simple checklist system is faster when you know your materials.

Now that we’ve explained the basics of transaction coordination to you, we will provide you with two simple action plans. These are both combinations of several simpler plans from different parts of the country, and will give you an overview.

**Remember**

Remember to go over any of your action plans with your agent and ask those questions you need to ask to get the job done.
Section IX: Sample Action Plans

In this section, we provide you with guidelines for a seller and a buyer action plan.

Seller Action Plan

☐ Review all relevant documents for signatures and/or initials;
☐ Mail or fax contract to sellers;
☐ Change MLS status of the property (or notify Listing Coordinator for the same);
☐ Change website status (or notify Listing Coordinator for the same);
☐ Send an introductory letter and/or email to all relevant parties (introducing the transaction coordinator);
☐ Schedule a Home Inspection (Buyers are sometimes responsible for this);
☐ Verify the Mortgage Application;
☐ Order Property/Home Deed;
☐ Request Certificate of Occupancy (not always applicable);
☐ Check Home Inspection;
☐ Order Appraisal;
☐ Check on Title Re-Issue;
☐ Check on Appraisal (Is it appraised for the purchased price?):
☐ Get Settlement Schedule from Buyer’s Agent;
☐ Order a Closing Gift for the seller;
☐ Remind Seller to Transfer Utilities;
☐ Order Termite Inspection;
☐ Order Water Reading;
☐ Order Home Warranty (if it applies);
☐ Verify that home repairs are completed;
☐ Arrange for Key Transfer;
☐ Get Prelim. HUD-1;
☐ Schedule Walk-Thru;
☐ Close;
☐ Order Sign-down (or have Listing Coordinator do the same);
☐ Send Our Client Service Survey;
☐ Send out thank-you notes to all parties;

[Add appointments with handymen, inspectors, etc. to your schedule when managing a transaction]
Please remember that this list is incomplete. It shouldn’t be used as a real action plan. It only covers matters specific to a few states and will not apply to everyone. Please use it as a guideline only.

### Buyer Action Plan

- Review all relevant documents for signatures and/or initials;
- Mail or fax contract to buyers;
- Send an introductory letter and/or email to all relevant parties (introducing the transaction coordinator);
- Schedule a Home Inspection (Sellers are sometimes responsible for this);
- Verify mortgage application made (send documents required to mortgage company);
- Order Title (send contract to Title company);
- Order Appraisal;
- Order Survey;
- Check on Title Re-Issue Rate;
- Check on home inspection repairs if applicable
- Check on Appraisal (Is it appraised for the purchased price?);
- Schedule Settlement, Notify all parties;
- Order Closing Gift
- Remind Buyer to Get Homeowners’ Insurance
- Remind Buyer to Transfer Utilities;
- Arrange for Key Transfer;
- Check on Termite Inspection;
- Get Prelim. HUD-1;
- Schedule Walk-Thru;
- Close;
- Send Our Client Service Survey;
- Send out thank-you notes to all parties;
- [Add appointments with handymen, inspectors, etc. to your schedule when managing a transaction]

Please remember that this list is incomplete. It shouldn’t be used as a real action plan. It only covers matters specific to a few states and will not apply to everyone. Please use it as a guideline only.
Please proceed to the Transaction Coordinator examination.
Other Modules that Constitute the Certified Professional Real Estate Assistant (CPREA) Program:

Introduction to Real Estate
Identity and Branding
Real Estate and Technology
Direct Marketing, FSBOs, Expireds and Farms
Social Media for Real Estate
Lead Management
Listing Coordination
Transaction Coordination

*All 9 modules must be successfully passed to use the CPREA designation.

To learn more about the program or enroll in the next module in the series, visit www.REAUniversity.com.