



Writing and Presenting The Purchase Agreement

CE.3476000 – 3 hrs. Contracts

Presented by Jim Dague ABR®, C.R.S., G.R.I., SRES

Course Objectives:

As a result of this session:

- 1) Participants will review NRS 645 and NAC 645 codes in regards to Offers and Acceptance**
- 2) The “Code of Ethics” and MLS Rules will be reviewed and reinforced**
- 3) Participants will fill out a Purchase Agreement using a ‘case study’**
- 4) Participants will ‘role play’ an actual Offer Presentation**
- 5) Counter Offers will be discussed and reviewed**

Writing and Presenting the Purchase Agreement

Student Outline

1) Legal and Ethical Standards

NRS 645

May be referenced at <http://www.red.state.nv.us/>

NRS 645.254 Additional duties of licensee entering into brokerage agreement to represent client in real estate transaction. A licensee who has entered into a brokerage agreement to represent a client in a real estate transaction:

1. Shall exercise reasonable skill and care to carry out the terms of the brokerage agreement and to carry out his duties pursuant to the terms of the brokerage agreement;

2. Shall not disclose confidential information relating to a client for 1 year after the revocation or termination of the brokerage agreement, unless he is required to do so pursuant to an order of a court of competent jurisdiction or he is given written permission to do so by the client; and

3. Shall promote the interests of his client by:

(a) Seeking a sale, lease or property at the price and terms stated in the brokerage agreement or at a price acceptable to the client.

(b) Presenting all offers made to or by the client as soon as is practicable.

(c) Disclosing to the client material facts of which the licensee has knowledge concerning the transaction.

(d) Advising the client to obtain advice from an expert relating to matters which are beyond the expertise of the licensee.

(e) Accounting for all money and property he receives in which the client may have an interest as soon as is practicable.

(Added to NRS by 1995, 2073)

NAC 645

NAC 645.630 Prompt tender of offers. ([NRS 645.050](#), [645.190](#)) A licensee shall promptly deliver:

1. To the seller, every bona fide offer, complete with all terms and conditions of purchase, which he obtains.

2. To the purchaser and seller, copies of each acceptance of an offer or counteroffer.

[Real Estate Adv. Comm'n, § VII, subsecs. 4 & 6, eff. 10-31-75]

NAC 645.632 Notification of rejection of offer or counteroffer. ([NRS 645.050, 645.190](#))

1. If a licensee represents a seller in a transaction, and if the seller does not accept an offer within a reasonable time after an offer has been presented to the seller, the licensee shall provide to the buyer or the representative of the buyer written notice signed by the seller which informs the buyer that the offer has not been accepted by the seller.

2. If a licensee represents a buyer in a transaction, and if the buyer does not accept a counteroffer within a reasonable time after a counteroffer has been presented to the buyer, the licensee shall provide to the seller or the representative of the seller written notice signed by the buyer which informs the seller that the counteroffer has not been accepted by the buyer.

(Added to NAC by Real Estate Adv. Comm'n, eff. 8-21-81; A by Real Estate Comm'n by R186-99, 1-21-2000)

Code of Ethics – May be referenced at www.lasvegasrealtor.com

- Standard of Practice 1-6

REALTORS® shall submit offers and counter-offers objectively and as quickly as possible. (Adopted 1/93, Amended 1/95)

- Standard of Practice 1-7

When acting as listing brokers, REALTORS® shall continue to submit to the seller/landlord all offers and counter-offers **until closing** or execution of a lease unless the seller/landlord has waived this obligation in writing. REALTORS® shall not be obligated to continue to market the property after an offer has been accepted by the seller/landlord. REALTORS® shall recommend that sellers/landlords obtain the advice of legal counsel prior to acceptance of a subsequent offer except where the acceptance is contingent on the termination of the pre-existing purchase contract or lease. (Amended 1/93)

- Standard of Practice 1-15

REALTORS®, in response to inquiries from buyers or cooperating brokers shall, **with the sellers' approval**, disclose the existence of offers on the property. Where disclosure is authorized, REALTORS® shall also disclose whether offers were obtained by the listing licensee, another licensee in the listing firm, or by a cooperating broker. (Adopted 1/03, Amended 1/06))

- Standard of Practice 3-6

REALTORS® shall disclose the existence of **accepted** offers, including offers with unresolved contingencies, to any broker seeking cooperation. (Adopted 5/86, Amended 1/04)

MLS Rules and Regulations
May be referenced at www.lasvegasrealtor.com

SECTION 2
SELLING AND LEASING PROCEDURES

Section 2.0 Showings and Negotiations:

Appointments for showings and negotiations with the Seller(s) for the purchase of listed property filed with the Multiple Listing Service shall be conducted through the listing broker except under the following circumstances:

- (a) The listing broker gives the cooperating broker specific authority to show and/or negotiate directly, or
- (b) After reasonable effort, the cooperating broker cannot contact the listing broker or his representative. However, the listing broker, at his option, may preclude such direct negotiations by cooperating brokers.

Section 2.1 Presentation of Offers:

The listing broker must make arrangements to present the offer as soon as possible, or give the cooperating broker a satisfactory reason for not doing so.

Section 2.2 Submission of Written Offers:

All written offers received by the listing office, whether from another broker or through the listing office, shall be time stamped by the listing office, with the date and time received. All offers must be presented to the Seller(s) in their chronological order. The listing broker shall submit to the Seller(s) all written offers until closing unless precluded by law, government rule, regulation or agreed otherwise in writing between the Seller(s) and the listing broker. Unless the subsequent offer is contingent upon the termination of an existing contract, the listing broker shall recommend that the Seller(s) obtain the advice of legal counsel prior to acceptance of the subsequent offer.

Section 2.3 Right of Cooperating Broker in Presentation of Offers:

The cooperating broker or his representative has the right to participate in the presentation to the Seller(s) or Lessor(s) of any offer he secures to purchase or lease. He does not have the right to be present at any discussion or evaluation of that offer by the Seller(s) or Lessor(s) and the listing broker. However, if the Seller(s) or Lessor(s) gives written instructions to the listing broker that the cooperating broker not be present when an offer the cooperating broker secured is presented, the cooperating broker has the right to a copy of the Seller(s) written instructions. None of the foregoing diminishes the listing broker's right to control the establishment of appointments for such presentations. The listing office must present all offers as soon as possible, after all signatures are obtained.

Section 2.4 Right of Listing Broker in Presentation of Counter-Offer:

The listing broker or his representative has the right to participate in the presentation of any counter-offer made by the Seller(s) or Lessor(s). He does not have the right to be present at any discussion or evaluation of a counter-offer by the purchaser or lessee. However, if the purchaser or lessee gives written instructions to the cooperating broker that the listing broker not be present when a counter-offer is presented, the listing broker has the right to a copy of the purchaser's or lessee's written instructions.

Case Study

Use the attached Case Study and completely fill out the Residential Purchase Agreement – keep in mind that a Judge might look over your work at ANY time.

Make sure your offer is clear and complete

Questions and Answers?

Presenting the Purchase Agreement

Now that the offer is complete – how do we present it to a Seller?

5 Keys to *effectively* present the contract

1) Prepare for the _____.

What might I need to have to help the Seller make a good decision?

What if the Seller has *never seen* a Net Sheet?

Has the other agent updated the comps lately?

Possible Visual Aids...

2) Join forces with them. Use the _____ word.

Do *not* say _____ buyer.

3) Choose your ground.

If possible, present in either your office or the cooperating agents office – which ever is more convenient for the Seller.

Do your best to sit *next to* the Sellers – NOT across from them.

4) Keep ‘em hoping!

There’s a phrase...

Keep your _____

You haven’t _____ ANYTHING _____.

There might be 4 other buyers out there right now considering this property – we just don’t know.

5) Get your *BEST* offer first.

Cashiers Check for e.m.d. –

Only the personal property listed as staying –

Flexible on the move-in date (not the closing date) –

Pre-Approval letter WITH (if you have their written permission) the buyers credit report –

7 Steps

1) Small talk _____.

e.g. The rotten market –

The buyers qualifications and similarities to the Seller

Interest rates...Inventory

2) Explain _____ job.

Present the facts – make sure the offer is clear.

Present the “Duties Owed Form” and get a signature.

3) Explain _____ job.

In every state – ANY change to the offer is a rejection!

4) Hit ‘em between the ears with the _____.

The NET

The TIMING

The RISK

5) Cover the Net Sheet – the expenses.

Show the Buyers AND Sellers side so both parties are aware of the others fees.

Have the *Buyers* new p.i.t.i. figured as well as total cash to close so the *Seller* can see it.

6) Read the _____ contract.

YES EVERY SINGLE LINE!!!

7) Close – “Any Questions?” - “I’ll need your approval right here.”

Now that you know how – Let’s practice!

Counter Offers

****Key Point:** Prepare the Buyer for a *Counter* when you write the offer!

Switch Cost?

Find out where the Buyer will be in case there are Multiple offers or Multiple counter offers – sometimes the first one wins.

****Key Point #2:** Prepare the Buyer for *buyers remorse* before you leave them! Everyone gets it!

If the Counter is only one or two small points –
e.g. The Price and the Possession date –
or, The title company and personal property –
USE THE ORIGINAL Purchase Agreement –
Just have the Seller make the changes – initial them and sign the contract.

It is much more palatable (psychologically) to a Buyer then a COUNTER OFFER!

When you go back to the Buyer – let them know you worked hard to get the offer accepted as written AND YOU DID except for two small points – it they can live with these

Remember – as an Agent – there is NO DEAL until *Delivery!*
Calling the Buyer and telling them they bought a house does NOT consummate the sale. If there is a Counter – you don't have a sale until everyone has signed copies of the entire transaction in their possession!
Until that time ANYONE can rescind.

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Case Study: 1

Donald and Daisy Pato have found their dream home at 456 Epcot drive.

The asking price is \$355,000.

Daisy tells you they can move in anytime and they have a Pre-Approval from their lender at \$370,000. They are putting down 20% and will pay their own closing costs.

They tried to buy another home – but while they were negotiating back and forth (they said the agent they were using was Goofy), someone else came in and bought it out from under them – so they tell you not to Mickey Mouse around - offer FULL PRICE.

In the listing it says the Seller is leaving the appliances, including the sub-zero fridge.

Case Study: 2

Mickey and Minnie Souree have their home at 456 Epcot in escrow. The buyers look very qualified.

M & M want you to write an offer on 777 Main Street.

The property is listed at \$580,000. Mickey and Minnie want to put 5% down and offer \$525,000 with the Seller paying all Buyers closing costs.

They want to close at the same time as their home closes.

They want the Seller to leave ALL appliances, pool equipment, dining room rug and pool table.

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Student Outline

Additional Thoughts...

If two attorneys were arguing a case, one showed up and one *faxed* in their argument – which would win?

If, *for some reason*, the offer was NOT accepted by the Seller and the Buyer asked you why the Seller rejected it – what the Seller said – and you weren't there – how would you respond?

Remember – Both the Buyer and the Seller hired an Agent for “Advice, Guidance & Counsel”

N.L.P. – Are you paying attention?

Visual

Auditory

Kinesthetic

Digital

What Generation are they? Why does it matter?

What about *birth order*?

Meta Programs...

Nickel - Dime - Quarter

The *Five* Love Languages by Gary Chapman