



NO

**THERE IS
NO SUCH
THING AS
A STUPID
QUESTION**

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A Washington State Approved Real Estate School for Clock Hour Education under R.C.W.18.85.

**Clockhours**
by Angie

CORRESPONDENCE CLOCKHOURS

INSTRUCTIONS:

1. Print out the class.
2. Read the class material.
3. At the end of the material there is a quiz (all the answers are in the material that you have read).
4. Answer the questions.
5. Return to me the Quiz, evaluation and a check for the class payable to **CLOCKHOURS BY ANGIE**, or complete your credit/debit card information on the sheet provided
6. Upon receipt, I will email you a certificate.

OR LIVE CLASS

Disclaimer: I try very hard to have the latest known information on a subject in these classes, but, the real estate industry is forever changing with new updates all the time. The class materials are not to be used for legal advice. In our State, some items are handled different in the different regions. If you have any concerns, please do not hesitate to contact me at 509-216-3220 or at clockhoursbyangie@gmail.com

COURSE OBJECTIVE:

The broker will have a better understanding of the license renewal process and hours required by DOL or NAR (SAR)

Brokers will know how to compute a “net sheet” for their sellers and what to expect.

With a better knowledge of vesting’s, Broker will know how to guide their purchasers to seek legal advice from an attorney.

Brokers will have a better understanding of the sale of a mobile with land or in a park.

Funding requirements must be known to brokers regarding cashier’s check or wire.

Possession should not be a problem with a better understanding of funding and wires to sellers for their proceeds.

The boiler plate language in the purchase and sale agreement “MUST” be understood by the agents for them to guide their sellers regarding the “Oil in Tank”.

Once again, funding requirements understandings regarding commission disbursement.

CURRICULUM

Session/Hours	Topics	Method of instruction
20 minutes	License renewal guidelines and Hours required	Read material/discussion
20 minutes	Net sheet to sellers – agents will Understand how to do them	Read material/discussion
30 minutes	Vesting problems	Read material/discussion
20 minutes	Differences in mobile home sales – on land or in a park	Read material/discussion
20 minutes	Cashier’s check or wire	Read material/discussion
30 minutes	Possession problems	Read material/discussion
20 minutes	Oil in tank – boiler plat language on NWMLS Form 21	Read material/discussion.
20 minutes	Commission issues	Read material/discussion

Question regarding license renewal:

An agent called me and asked when her license renewal was. I asked her if she had a copy of her license and she said she had lost it. I questioned her about this. I didn't want to insult her (as I try to be so careful on this) and asked her if her original license was on display at her office. She said she didn't think so, as she never hung it on the wall.

I told her to stop at her office and ask the front-end person where the licenses were hung as the Department of Licensing requires the office to always display these.

She told me that she was sure it was not there but took my advice and stopped at the office.

She called me shortly after that and said that her license was not lost, it was hanging on the wall at the office with all the other agents in her office. She was so glad she didn't contact DOL to get a replacement license.

I then asked her if she looked at her license to see when the renewal was due by and she said no, she forgot and would stop back at the office and look.

DO YOU KNOW WHEN YOUR RENEWAL DATE IS?

DO YOU KNOW WHERE YOUR ORIGINAL LICENSE IS HANGING IN YOUR OFFICE?

And, I must admit, that WAS a stupid question.

I keep a spreadsheet of agent's names, offices, emails, and renewal date – I don't have them all but am constantly revising as I usually send a reminder email to agents 60 days before their renewal to be sure they have their 30 hours.

Another thing to understand is the Department of Licensing requires 30 hours for your renewal with CORE and FAIR HOUSING required as part of the 30 hours. So, if you want to email me your renewal date, I'll add it to my spreadsheet and will remind you 60 days before renewal.

Remember you just blink, and two years has passed!

NAR/ SAR requires:

1. Code of Ethics every three years
2. Purchase and Sales agreement every four years.

Continuing education requirements

When you renew, you must certify online that you have completed all the required continuing education:

Renewal type	Required continuing education
Real estate brokers First active renewal (WAC 308-124A-785)	<ul style="list-style-type: none"> • At least 90 hours, including: <ul style="list-style-type: none"> ○ 30-hour Advanced Practices Course ○ 30-hour Real Estate Law Course ○ 3-hour Current Issues in Washington Residential Real Estate Course ○ At least 27 hours other approved continuing education • The hours must be started after the date of first licensure
Real estate brokers Subsequent active renewals (WAC 308-124A-790)	<ul style="list-style-type: none"> • At least 30 hours, including: <ul style="list-style-type: none"> ○ 3-hour Current Issues in Washington Residential Real Estate Course ○ At least 27 hours other approved continuing education • At least 15 hours must be completed within 24 months of your renewal date • You may also use up to 15 hours of unused continuing education completed within 48 months of your renewal date
Managing brokers All active renewals (WAC 308-124A-790)	<ul style="list-style-type: none"> • At least 30 hours, including: <ul style="list-style-type: none"> ○ 3-hour Current Issues in Washington Residential Real Estate Course ○ At least 27 hours other approved continuing education • At least 15 hours must be completed within 24 months of your renewal date • You may also use up to 15 hours of unused continuing education completed within 48 months of your renewal date • The hours must be started after the date of first licensure as a managing broker

Active renewals

Renewal type	Required continuing education
Brokers or managing brokers	<ul style="list-style-type: none"> • No continuing education required to renew an inactive license. • To activate your license, you may have to meet the education requirements for an active license. Email realestate@dol.wa.gov to find out if you need to complete education before applying to activate your license.

Inactive renewals

Visit the [course search](#) for a list of approved continuing education courses.

Questions? Need help?

- Email us: realestate@dol.wa.gov
- Call us: [360.664.6500](tel:360.664.6500)

- [Real estate](#)
- [Brokers](#)
 - [How to take the brokers exam](#)
 - [How to get your license](#)
 - [How to get licensed in WA by reciprocity](#)
 - [How to renew your license](#)
 - [How to reinstate your license](#)
 - [How to manage your license](#)
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NET SHEETS TO SELLERS:

- **I was at a signing appointment recently and my seller was very upset about the bottom line of his proceeds he was going to receive. The closer said to him (and looked at me) and said is this amount close to the “net sheet” your agent gave to you at the listing appointment? The seller said I never got a “net sheet” from my agent. No one said anything more about this and we proceeded with the signing. The agent said he asked his managing broker, and he said I was not required to give the seller a “net sheet” but the closer implied that I should have so I looked bad in front of my clients. WHAT DO YOU THINK?**

I don't know if RCW 18.45 requires listing agents to do a NET SHEET, but most of the sellers I sign seem to be very aware of approximately what they will be netting in the sale, so I imagine most listing agents review this with them ahead of time. I think a seller would need to know this, especially if he is going to be buying another home with the funds.

Typically, when the seller is at the signing appointment and questions the proceeds, the first thing I look at is the payoff balance and 95% of the time that is the problem with the proceeds amount. And this is what could have happened:

1. The seller verbally gave the listing agent an approximate balance of what he owed. The agent should ask for a copy of the last statement and then add one month's interest to it. Remember when you bought your home and the first payment was not due for 30 days, well that will now be due with your payoff.
2. The seller was short of some money for the month and decided NOT TO make the payments so at closing he was delinquent 2 months! Some sellers even tell me at the signing appointment that their listing agent told them that they did not have to make those payments as it would be computed in their payoff by the closer (but now there is a late charge, and it will affect their credit!)

And if that doesn't help the seller feel he is getting close to what his net sheet was I also mention the reserve account the lender is holding and tell him he will be receiving a refund from his lender in 4-6 weeks.

I feel all agents (and closers) should know how to do a net sheet. I know all the title companies have net sheets on their websites and you can even do one through the MLS, but why not memorize what needs to be there so you can do it anytime, anywhere?

Here is how I learned (before computers!) And if you memorize the items in the same order each time you will be better prepared to review the Closing Disclosure the closer sends to you ahead of time to review (and approve).

1. Excise tax (there are 4 rate points – see below)
2. Owners' Title policy (off a schedule the title company will provide)
3. ½ closing fee (off a schedule the title company will provide)
4. RE Commission
5. Utility holdback (most holdback \$600)
6. Payoff (get copy of last statement and add one month's interest)
7. Reconveyance fee – I always plug in \$300, as they average \$250 - \$300.

Most agents will then tell their clients that they did not include the pro-rated taxes, but you sure could include them if you knew what the taxes are and the closing date.

*Excise rates:

- **State portion of**
- **1.28 Will change as follows:**
- **1.1% for sales below \$525,000**
- **1.28% for sales between \$525,000 to \$1,525,000.00**
- **2.75% for sales between \$1,525,000 to \$3,025,000**
- **3% for sales over \$3,025,000**
- **(And these are calculated as tiers up to)**

And remember that is just the State's portion, now we will add to that the .25% or .50% the municipalities elect, so in our area below \$525,000 would be 1.1, 1.36 or 1.6.

I've had some listing agents tell me they do not do "net sheets" but just estimate 10% of sales price if the commission is 6%.

There is even an agent out there that uses the percentage 9.8% of the sales price.

DISCUSSION: WHAT DO YOU DO?

Here is a sample of what Paragon does for you:

Seller Net Proceeds
calculators.paragonrels.com

Your net proceeds from the sale of your \$500,000.00 home is \$221,800.44.

Please remember that this is an estimate, the actual fees, expenses and final mortgage balances may change depending on a variety of factors including the actual closing date. Below is a summary of the inputs and calculations used to create this estimate.

Proceeds From Sale of \$500,000 Home

Net Proceeds Summary

Estimated closing date	8/1/2023
Sale price	+ \$500,000.00
Outstanding mortgages	- \$241,300.00
Refund of escrow	+ -\$510.56
Real estate fees	- \$30,000.00
Miscellaneous fees	- \$6,389.00
Net proceeds to seller	= \$221,800.44

Net proceeds details

Mortgage One

Mortgage one balance	\$241,300.00
Mortgage one interest rate	5%
Day payment is due	1
Prepayment penalty	\$0.00
Accrued interest	\$0.00
Total mortgage one	\$241,300.00

Mortgage Two

Mortgage two balance	\$0.00
Mortgage two interest rate	4.5%
Day payment is due	1
Prepayment penalty	\$0.00
Accrued interest	\$0.00
Total mortgage two	\$0.00

Escrow

Annual property tax	\$4,661.00
Property taxes paid through	6/30/2023
Property tax	-\$408.64
Annual homeowner's insurance	\$1,200.00
Insurance paid through	7/1/2023
Total refund of escrow	-\$510.56

Homeowner's insurance	-	\$101.92
Total refund of escrow	-	\$510.56
Real Estate Fees		
Selling broker commission	\$15,000.00	(3%)
Buying broker commission	\$15,000.00	(3%)
Transfer tax	\$0.00	(0%)
Total real estate fees	\$30,000.00	
Miscellaneous Fees		
Closing fees	\$700.00	
Revenue stamps	\$3,952.00	
Title policy	\$1,087.00	
Attorney fees	\$0.00	
Recording fees	\$250.00	
Repair allowance	\$0.00	
Home warranty	\$0.00	
Survey fee	\$0.00	
Appraisal fee	\$0.00	
Termite inspection	\$0.00	
Other fee	\$400.00	
Other fee	\$0.00	
Other fee	\$0.00	
Total miscellaneous fees	\$6,389.00	

Information and interactive calculators are made available to you only as self-help tools for your independent use and are not intended to provide investment or tax advice. We cannot and do not guarantee their applicability or accuracy in regards to your individual circumstances. All examples are hypothetical and are for illustrative purposes. We encourage you to seek personalized advice from qualified professionals regarding all personal finance issues.

VESTING PROBLEMS:

- **No one was there to guide grandma years ago.**

An agent called me about 7:30 on a Monday evening and said “can I ask you a stupid question? I told you there are no such things as a stupid question, we all learn from the one way or the other. So, let me hear it and I can guarantee it is not a stupid question BUT, an amazing learning moment!

She felt better after I said that and hesitated, then said. Okay, here is my story:

I’m going to be getting a listing this week as the home has become too much for this young couple. They are a few months behind in their payments and the lender is threatening foreclosure.

About 8 years ago, Grandma helped her grandson buy a home and they both went on title, no special vesting, just each owed one half interest in the home.

Grandson’s girlfriend moved in 7 years ago and they got married this past year. Things are not going so well, so they will be getting a divorce and she feels she would get 50 of proceeds after all expenses. Do I need to have the girlfriend/wife sign the listing documents and the closing documents and will she get 50% of the proceeds? (I think that was the “stupid question”).

I asked the agent if she opened a listing preliminary on this one yet and she said she did and would send it to me to look at.

I got a copy of the preliminary title, and it showed the grandson vested as a single person, but his mother was also vested as a single person and so was his uncle. Grandma must have quit claimed off and granted her interest to the two remaining siblings in a last-ditch effort to settle her estate before she passed.

Now the mom and the uncle have not talked to the son and nephew for over 6 years, and he really did not feel they would just deed it to him, even though he has been making all the payments since day one, and the entire down payment at closing.

Would he have to break it to his wife that she would only get 50% of his 1/3 interest? The agent didn’t want to be at that meeting!

The soon to be ex-wife was furious! We could see no other way to handle this one, unless someone would contact the mother and Uncle and explain that Grandma really wanted the grandson to have this property. The grandson did not see that happening.

So, the agent bit the bullet and called the mother and brother and told them what was happening, and both agreed to sign off on this property and deed it to the grandson, just like grandma would have wanted it to be.

So now, the only thing hanging in the air is the ex-wife of one year, is expecting 50% of the total proceeds and there is probably no court in our state that would say it would be any different.

I told the agent because this is a community property state and she has been living in this house 7 years prior and the one year they married, and filed joint tax returns she would have to sign all the closing documents, including the listing agreement and would receive 50% of the proceeds.

Well, what could have been done differently.

DISCUSSION:

When Grandma was trying to clean up her estate, she could have done a quit claim deed to her grandson and herself, **as joint tenants with rights of survivorship (SEE NEXT PAGE FOR DESCRIPTION)** Then when she passes away the grandson would have had to produce the death certificate and her part would automatically go into the grandson's name -with no pro-bate, or involving her children.

Or Grandma could have done a **TRANSFER ON DEATH DEED, (SEE NEXT PAGE FOR DESCRIPTION)**, which grandma would have had prepared and recorded PRIOR to her death. Then upon her death, the grandson would record a copy of her death certificate and title would have passes from Grandma to Grandson at the time of death.

- **I just attended a class and learned about different types of vesting's- do you think I should call my past clients that bought as single people. I'm nervous I will be creating problems for them.**

That is a GREAT question. I have made it a habit of talking about vesting at the end of all the LIVE classes I do. I recently updated a MILLENNIALS class and if you took that class from me, you know the facts tell us that they have changed so much of the ways of life. This new group does things a little differently. Many of them delay getting married for many years. Some will buy a home with a single person and live like a married couple. They each pay ½ of closing and they share in the monthly payment. Many times, they will even have children.

I really worry about this group.

- Typically, when they buy, the agent will use the drop down and pick "single people".
- Then the purchasers apply with their lender using the PSA that was prepared by agent that says single.
- Lender orders title from title company and continues with the "single" vesting. Loan is approved. Lender sends docs to closer and close MUST match vesting on Deed of trust.
- Closer prepares Warranty deed and continues with "single."

NO ONE HAS BROUGHT UP THE FACT THAT THESE SINGLE PEOPLE COULD HAVE CHOSEN ANOTHER WAY TO TAKE TITLE.

As an agent, you don't want to put your "attorney hat" on, because you would be practicing law which you NEVER want to be accused of. And I've checked with NWMLS to see if they would ever have various options on the drop downs and they prefer an agent who does not get involved in this but instructs their clients to check with legal counsel.

So, how do you do this without practicing law. I have attached a flyer on vesting to this class. Check with your managing broker to see if it is okay for you to give these "single buyers" a copy of the vesting sheet and tell them to review it then contact their attorney to have them have the attorney give them advice. If they decide they do not want to take the title as "single", tell them to contact their closer and explain to the closer how they want to take title. The closer will note this and advise the lender so that the deed of trust and the warranty deed match.

The following is a list of "drop downs" on the PSA under vesting:

- Limited Liability partnership
- Limited Liability company
- A government partnership
- A limited partnership

- A corporation
- An unmarried person
- Unmarried persons
- Married as separate property.
- A married couple
- A domestic partner

Let's review vestings:

DIFFERENCES IN VESTING

FEE SIMPLE:

A fee simple absolute lasts forever and is the greatest possible estate in land. The owner has the right to occupy the land, to use it as he pleases, and to prohibit others from coming onto the land, subject only to the rights of others which have been previously reserved or granted, such as easements or mineral rights. It is the most common form of land ownership.

COMMUNITY PROPERTY & SEPARATE PROPERTY:

In this state, property owned by a married person may be “community property”, owned equally by both spouses, or “separate property” which is solely owned by the husband or the wife. The character of an individual item is determined at the time it is acquired and will not change unless both spouses agree to the change in writing, the marriage is dissolved, or separate property becomes so “co-mingled” with community property that it can no longer be traced to its separate source.

“Separate property” includes any property owned before marriage, acquired by one spouse during the marriage by gift or inheritance.

“Community property” includes all property acquired during marriage by the husband, wife, or both, except that which is classified as separate property.

LIFE ESTATE:

A “life estate” is created by a deed or other conveyance which specifies that the estate will continue only during the life of some specified person, who may be the grantee, the grantor or someone else. The estate that will ripen into possession upon the termination of a life estate may be a “reversion” or a “remainder”.

A “reversion” is created when the land will return “revert” to the grantor or his heirs upon the end of the life estate.

A “remainder” is created when the land will pass to someone other than the grantor or his heirs upon the termination of a life estate.

TENANTS IN COMMON:

Multiple owners are “tenants in common” unless the land is held as community property in a joint tenancy by partnership, or by a personal representative or trustee. Although all the owners’ interests are undivided, they need not be equal, and each tenant in common may sell or convey his interest or pass it along to his heirs without the consent of the other owners (examples: husband and wife who are divorced, two couples, two corporations).

JOINT TENANCY WITH RIGHT OF SURVIORSHIP:

Occasionally, multiple owners will want their individual interest in a parcel of land to automatically pass to the survivors upon death. This form of ownership is called “joint tenancy with the right of survivorship,” and must be created by a written instrument that expressly declares that the interest is a joint tenancy. Also, the interest of all joint tenants must be equal in four respects:

Time: All of the interest must be created simultaneously, in the same document.

Title: The legal title to the property must be held in the names of all the joint tenants.

Right to Possession: All of the tenants must have equal rights to possession of the land.

Ownership: The percentage of ownership of each joint tenant must be equal.

It is important that this consent be disclosed by the public records on the deed over the signature of the grantees as follows:

“The grantees by signing the acceptance below, evidence their intention to acquire said premises as joint tenants with the right of survivorship and not as community property or tenants in common.”

TRANSFER ON DEATH DEED

- **Effective 6/12/14 in Washington State**
- **Deed needs to be granted while grantor is alive.**
- **The basic premise is that a real property owner of property in Washington may execute a deed to someone, or several some ones jointly, which is not effective until the actual date of death of the grantor. Recording the death certificate perfects title, but the transfer happens on the date of death.**
- **One benefit of this new legislation is the ability to avoid pro-bate by allowing the transfer of real property at death directly to intended beneficiaries. Prior to this law, real property could only be transferred at death without a probate is very limited circumstances.**
- **One major drawback to the act is a provision giving DSHS the right to file liens against a “transfer on death” property for us to 24 months after death of a descendant for long term care services he or she received. Currently, if a Special Notice to Creditors is given in the manner prescribed in RCW 11.42.020 or RCW 11.40.020 the agent or executor of an estate can limit the filing of creditor’s claims to a 4-month window. If a creditor fails to file a claim within this period, their claim is forever barred. This “transfer on death” deed legislation does not reference this limited creditor’s claim period. This leaves open for interpretation whether DSHS can still file a lien again a “transfer on death” property past the four months bar when notice to creditors is property given.**

- **There are provisions for revocation by the grantor (prior to death) and provisions for rejection by the grantee (beneficiary) if they don't want the property. There is no requirement provision to the grantee (yes, it can be a surprise).**
- **There is no set form except that the deed must contain the essential elements of a property recordable into vivo deed, must state that the transfer is to occur at the transferor's death and must be recorded prior to transferor's death in the county where the property is located.**
- **Excise Tax – DOR filed Emergency Rules on 6/10/14 stating the REET affidavit is not needed for the recording of a transfer on death deed since title does not pass and the deed is revocable. But the REET affidavit is required when title passes upon death of a grantor. It is to accompany the recording of a certified copy of the grantor's death certificate to enable the county to recognize that title has passed.**
- **It is important to know that some transfer on death deeds will be taxable at the time of death if the transfer isn't a simple inheritance, but instead is the result of a contractual obligation between grantor and grantee.**

HOW DO I ELIMINATE TITLE?

An agent called and said she had a new listing in a park. She had called me previously when she was getting ready to list and I went over a few things with her and checked on the mobile home.

She gave me the address and the owner's name and information about the mobile home. I checked with the Department of Licensing, and all was in order. I told her next she needed to check with the management company to make sure they did not have a clause on their lease that gave them a first right of refusal on the sale of this mobile home.

One week later she called and said she had just got an offer in and was terribly confused. The buyer broker used form 22MH and checked that he wanted the mobile home title eliminated!

I proceeded to tell her you could not eliminate the title as the sellers did not own the land, it was on a rented lot. She said she told him that and he told her she was wrong. She mentioned my name and the conversation we had, and he said he checked with his managing broker and she and I were both wrong!

She said it was a fair offer and her seller wanted to take it. I told her I understood but her seller could not perform based on the terms of the document.

I gave her my normal "I'm not an attorney and cannot give legal advice" and she understood. I told her to contact a real estate attorney.

She contacted me the next day and said she contacted a real estate attorney who told her that ALL mobile homes could be eliminated!

I told her then her best bet would be to send the closing to that attorney if the other party agreed and I wished her luck.

About 4 weeks went by and I got a call from an attorney who had some questions on a mobile home and was told that I was an expert. I told him, well, I'm not an expert, but I have done quite a few plus I teach classes on them.

He said he needed to eliminate the title on this mobile home and drew up all the documents, collected all the fees and it was rejected. Department of Licensing told him you cannot eliminate a title on a rented lot. This seemed very familiar, and I asked who the listing agent was, and he told me. I told him I had talked to the parties about 4 weeks ago and told them the same thing, but they found an attorney that could eliminate it for them. I am an LPO so I will never argue with an attorney, so I dropped it at that time.

He said, well, I was that “stupid” attorney who thought all mobile homes could be eliminated. He asked what he could do now.

I told him he should have the agents prepare a form 34 that states the title will not be eliminated, hopefully they will agree, then to prepare a DOL Vehicle Application for the purchaser to sign. I asked him if he had already prepared the release of interest and power of attorney for the seller to sign and he had.

The fee will be only \$50.50 to Department of licensing, so the purchaser can get a refund of the \$75.50 to DOL & \$216.50 to Auditor as those were the fees for the elimination and I told him good luck.

A couple of days later the listing agent called and thanked me for talking to the closing attorney – they got everything done, and it was not eliminated.

See what you must deal with out there! Don’t doubt yourself – ask questions – there is no such thing as a “stupid question”.

DISCUSSION.

What would have happened if the purchaser did not agree to not have it eliminated. The seller signed a legal form that said they would. Could they have sued the seller?

CASHIER'S CHECK OR WIRE?

- **I am so upset – I just attended my signing appointment and found out that because I told the purchasers to obtain a cashier's check rather than arranging a wire, the recording/funding date had to be extended to the next day. The purchasers are so mad at me! Can you explain to me what the difference is? The appointment was scheduled for 4:00 and it did not give the purchasers enough time to go to their bank, surrender the cashier's check so the money would be back in their account and then arrange a wire.**

When the purchasers make the appointment for their signing, they will be told how much money they will need to bring to closing for the final amount of their down and closing costs. This amount should not differ more than a few dollars from what the Lender told them previously. If it does, they need to say something to the closer so the closer can check again with the lender, or then can contact the lender directly to review.

The funds will need to be one of the following two:

1. **Wired funds – the closer will provide wiring instructions in advance – and will give you specific instructions to watch out for WIRE FRAUD. This is something I'm sure you as the buyer broker have talked to your purchasers about and even had them sign a disclosure of what to look out for.**

Wired funds are good funds, immediately.

2. **Cashier's check payable to the title company, attorney or closing company delivered to the company at least the day before funding to be deposited and cleared according to the Good Funds Act. You must understand that their cashier's check is being deposited into the trust account of which the balance is made up of many other clients. The cashier's check deposited for your sale MUST be cleared before the closer can disburse from that account.**

Local cashier checks usually clear in one day. Cashier checks from other States can take between 1-3 days, so be sure to find out if your client is getting a cashier's check it is a local bank, or you could have a longer delay.

POSSESSION PROBLEMS:

- It was 4:30 in the afternoon and all the funding/recordings were done for the day. A buyer broker called and said she was meeting the purchasers at the home and giving them the key. Purchasers showed up with their moving van and an assortment of other cars to help with the move.
The seller answered the door and said he would not allow them to have possession yet because he just checked his bank, and his proceeds were not deposited into his account. What should she do?

I pulled the closing file and saw that the lenders funds were wired into the trust account about 1:30; the closer then authorized recording and received information on the recording about 3:00 pm then she funded the loan, wiring out the seller's payoff and the sellers proceeds close to 3:15, which was apparently too late for the wire out.

I looked this file over a bit more and saw that I signed the seller. It is my practice when I am doing a signing for a seller, and we get to the form they complete on the wire instructions complete. I **ALWAYS** tell the seller that we cannot guarantee the funds will reach his account, there could be a delay due to the time frame, and he still insisted he wanted the funds wired. The wire out time used to be 2:00 pm but got extended to 3:15 which has helped so much. His wire was over \$200,000.00 and he needed to have access to it right away and knew if he got a trust account check the funds could be held until cleared, which could be 2-3 days to clear.

So, I called the seller and told him I was the person he met with for the signing. I reminded him of the conversation we had about wired funds, perhaps not making his bank account today, but maybe tomorrow and he remembered. I told him that I was still at the office, and I could cancel the wire and issue him a trust account check right now if he wanted it, but this sale was closed. He said that he did not want a trust account check and would just wait for his wire tomorrow and would let the purchasers have possession. He was not very happy.

Line 74-76 of Form 21 "boiler plate" language says:

CLOSING MEANS THE DATE ON WHICH ALL DOCUMENTS ARE RECORDED AND THE SALE PROCEEDS ARE AVAILABLE TO THE SELLER

I mentioned to the seller that his funds were available to him, he just elected to have them wired. I wonder why they do not remember what they were told at time of signing.

END OF STORY

ANOTHER POSSESSION PROBLEM

At the signing appointment the purchasers asked the buyer broker when they would be able to get the key to the home. They asked me if the seller had signed yet and I told them they had. I explained that we would scan the purchasers' documents to the lender and the lender would call us in the morning to balance with us, then wire the loan proceeds and then we would authorize recording – should be done early in the afternoon tomorrow.

The agent said to the purchasers that he had access to the key and would meet them at the house around 6:00 tonight and give them the key. I didn't say anything as it was not my place.

I mentioned this to the other closer in my office who signed the seller, and she said the seller was asked by the listing agent if he would give early possession and he said he would not as he has been burned before.

So, we left this problem to the agents. The closing recorded and funded as planned the next day.

The following week I was contacted by the listing agent. He asked if I knew that the buyer broker had intended to give the purchasers possession ahead of time.

I told them I explained how the loan would close and fund the next day and was not involved in their discussion of possession. He said the seller had gone to an attorney and is pressing charges against the buyer broker.

I decided to "follow" this problem and found out that the buyer broker was reported to the grievance committee at the Spokane Association of Realtors and could have the following against him:

1. \$5,000 fine
2. Must take a 3-hour Ethics class.
3. May be 30 or 60 days off the MLS.

And that was just from the SAR, it did not include the lawsuit the seller was bringing against this agent.

DISCUSSION:

What do you think of early possession?

Any horror stories to share.

Does it ever go smoothly?

OTHER “BOILERPLATE” LANGUAGE TO REVIEW

Under f. Closing and Possession:

The buyer shall be entitled to possession at 9:00 pm on the Possession Date.

Under h. Closing costs:

- *Seller and buyer shall each pay one-half of the escrow fee, unless otherwise required or applicable by FHA or VA regulations. Taxes for the current year, rent, interest, and lienable homeowner’s association dues shall be pro-rated as of Closing.*
- *Buyer shall pay Buyer’s loan costs, including credit report, appraisal charge and lender’s title insurance, unless provided otherwise in this Agreement.*
- *Seller shall pay all utility “**and internet***” charges, including unbilled charges.*

***And internet was added to form NWMLS form 21 newly revised 7/11/23 and I check with some professional on what this is about:**

“There are some internet companies that will not start up new internet service for a new owner unless the old bill has been paid. This does not mean that it is a lienable utility that the closing agent will research and pay like water or sewer, but with this language inserted into the PSA, if the seller doesn’t pay it and the buyer must, they would have recourse to go get it from the seller in small claims court”.

- **No where in the NWMLS form 21 did I see where it says seller will pay excise tax so I did some search on this and found it in the “listing agreement”.**
- *Seller and buyer request the services of the Closing Agent in disbursing funds necessary to satisfy unpaid utility charges in accordance with RCW 60.80 and seller shall provide the names and addresses of all utilities providing service to the property and having lien rights (attach NWMLS Form 22K Identification of Utilities or equivalent).*

This does not say, attach a “BLANK” copy of Form 22K, it says seller shall provide names and addresses.....just saying.

OIL IN TANK

- **An agent called me and said that I really missed something big in her closing two weeks ago. I asked her what happened, and she said I did not pro-rate the oil in the tank and the seller is mad that this was missing and wants me to handle this as soon as possible for her. I told the agent I would need to review the file and I would get back to her right away. She said I better let my boss know as the amount is about \$900.00 and the seller wants it now! He better get out his check book! The seller said she will not wait for the purchaser to send her a check, she wants it today!**

I pulled the file and reviewed it and saw there was no debit/credit on the closing statement first. Then I reviewed all the purchase and sale documents, and I did not have anything that talked about the oil in the tank.

I called the listing agent back and said I had the file in front of me and was confused as there was nothing in the file that talked about the oil in the tank being pro-rated or a statement from the company the seller used for oil telling us how much was in the tank and the monetary value. The listing agent said that I never contacted the oil company to get a reading, so this was totally my fault. I told her that was not my job to get this done.

The purchase and sale agreement, boiler plate language (NWMLS form 21 page 4 of 6 under h) says:

“Buyer shall pay for the remaining fuel in the fuel tank if, prior to Closing, seller obtains a written statement from the supplier as to the quantity and current price and provide such statement to the Closing Agent.”

The listing agent then said to me, “Well, did you contact the seller and tell them to get this done?” I tried to be as nice as possible but was fuming at this time. I told the agent that this was not my job. As a closer I don’t know what the heating source is. The agent said “Well it said in the MLS that it was oil heat, how could you not know that?” I wanted to tell her that closers never see what is posted in the MLS, but she did not give me a chance and probably would not agree anyway. She demanded to talk to my boss and said I should not be doing closings because I don’t know what my job is.

At that point I gave the listing agent my boss’s direct phone number and his email address and told her his name and she was welcome to contact him. She said you will probably lose your job with this mistake!

I didn't lose my job and my boss told her this was not a function of closing and that she should know her purchase and sale agreement boiler plate language better and this never would have happened.

Never heard back from her again. I wish I knew whether she wrote a check to the seller for the oil in the tank!

WHAT DO YOU DO REGARDING OIL IN THE TANK?

HAVE YOU EVERY 'MISSED' GETTING IT READ AND CHARGED TO THE PURCHASER AT CLOSING?

WHAT WOULD YOU HAVE DONE?

COMMISSION:

I just got done signing the seller and the listing agent was present at the signing. It was scheduled to record and fund tomorrow. The listing agent asked if he could talk to me privately after the seller leaves.

The seller left and the agent said that she had a stupid question to ask me and was embarrassed. She was going out of town tomorrow and was overdrawn in her bank account and really needed her commission right away. Could I cut the check TODAY and give it to her, but she promises she won't cash it until tomorrow after I have called her to tell her it was recorded and funded.

I can't make this stuff up!

Of course, I told her that I could not do that. Her comment to me is well I know you cut the excise tax ahead of time and thought you could do that for me since I send you so much business. (This was the first closing I've ever done for her.)

YES, THIS WAS A STUPID QUESTION. And I thought what was she thinking – the check was going to be made payable to her office, not her... And what about ethical?

DISCUSSION:

What do you think?

Was it even ethical for her to ask?

What could of happened if the closer did this?

Quiz for “No, that’s not a stupid question.”

1	Your license is hanging at your real estate office.	True	False
2	A broker’s license has the renewal date on it.	True	False
3	A “net sheet” is required by RCW 18:45	True	False
4	Always ask seller for a copy of their last loan statement so you can compute.	True	False
5	All lenders give the seller a credit for their reserve account in the payoff.	True	False
6	Paragon has an easy net sheet to access and use.	True	False
7	Washington State has a “transfer on death deed” TODD.	True	False
8	PSA has a limited “drop down” to use for vesting.	True	False
9	If you advise you purchasers how to take title you are not practicing law.	True	False
10	You cannot eliminate title on a mobile on a rented lot.	True	False
11	Your buyer will either wire the funds to the closer or bring in a cashier’s check	True	False
12	A cashier’s check will NEVER delay the closing process	True	False
13	Closing means the date on which all docs are recorded and funds available.	True	False
14	Agents always give the buyer and seller the “fraud” notice on wiring.	True	False
15	It is the job of the listing agent to handle the oil in the tank.	True	False
16	Closer needs a copy of invoice from oil company in order to pro-rate.	True	False
17	Every agent should know what is in the “boiler plate” of their documents.	True	False
18	Commission is always 6%	True	False
19	The closer needs a CDA to charge commission accordingly.	True	False
20	The closer will confirm commission amounts in writing.	True	False

I hereby attest that I have read the material and answered the questions.

Signature

Date completed



Mandatory Evaluation for No, that's not a stupid question.

Please fill out the following form and return with your completed clock hour class quiz.

Name/ Company: _____

Address: _____

City, State, Zip: _____

Phone: (personal) _____ (work) _____

Email: _____

License Renewal Date: _____

Signature: _____ Date: _____

1. What are 3 things that you learned from this course?

1. _____
2. _____
3. _____

2. Do you feel the clock hour material was easy to follow? _____

3. Did the material give you information to help you in your profession? _____

4. Will the material help you with future transactions? _____

5. Why did you choose to take this course? Topic __ Time __ Cost __ Ease __ Other__

6. How long did this class take you to complete? _____ (a "clock hour" is 50 minute)

How will you pay for this correspondence class?

_____ cash _____ check _____ debit/credit information needed:

Card number _____ exp date _____

3 digits on back _____ zip code of where bill is mailed _____