

## Offer Perfection Procedures (REQUIRED)

Offer Perfection Procedures are designed not only as a service to all homeowners and listing agents, but also a requirement of working with Realty Cooperative. To ensure the best results for the seller, our Offer Perfection Team MUST ensure that the offer is written in compliance with best-practices guidelines, so the offer has the best chances of leading to a successful closing in all situations.

This document is perhaps the most important part of our system, so please be sure that you understand everything and feel free to ask any questions that you may have.

Only those tasks in **GREEN TEXT** are completed by the listing agent, **we do everything else**.

### 1. Listing Agent places the following required verbiage in the MLS:

#### **SHORT SALES ONLY:**

*Before submitting any offer, please go to [ssOffer.com](http://ssOffer.com) for detailed instructions and to download the REQUIRED Amendment. If any reduction of commission is required in order to close the sale, Buyer Agent's commission shall be reduced by 50% of the required reduction.*

#### **ALL OTHER LISTINGS:**

*Before submitting any offer, please go to [offerpilot.pro](http://offerpilot.pro) for detailed instructions and to download the REQUIRED Amendment.*

- Any buyer's agent who is interested in making an offer clicks the MLS link described above and is directed to Pilot, where they create a free account and request the documents needed for an offer. You are notified immediately, **You do not need to do anything at this time.**
- The buyer's agent prepares the offer as per the instructions and then uploads the offer to their Pilot account. You have immediate access, but **you do not need to do anything yet.**
- Our Offer Perfection Team audits the offer to ensure compliance with the Offer Acceptability Standards which are outlined on the following pages. If errors need to be corrected, our team will notify the buyer's agent. **You do not need to do anything yet.**
- Once the offer is error-free and approved by the Offer Perfection Team, you'll be notified that the audit has passed, and **once notified, just tap a button to approve the offer.** There's nothing else you need to do.
- Your approval above triggers an automatic notification to your clients from PilotSign®, informing them that you have recommended they e-sign the offer.
- After they sign, the ratified contract is conveyed to all parties by Pilot. **Listing Agents should never email signed contracts to a buyer's agent, this must always be handled automatically by Pilot... or else, chaos ensues!**

*For more information, please [GO HERE](#) to watch a brief Offer Perfection video at YouTube or just give us a call - we're here to help at your convenience!*

## OFFER ACCEPTABILITY STANDARDS

The following attorney-approved Offer Acceptability Standards are designed to create a real commitment from the buyer that will ensure the highest possible chances for a successful closing. Although these standards can be flexible, exceptions can only be made in rare cases where strict adherence may diminish the opportunity for success.

We understand that many of these policies may not be customary in your area, because these policies are rarely customary for ANY area. However, in many thousands of transactions these rules have been followed *everywhere* because they help to literally **double** closing success everywhere. Helping a seller make it to a successful closing is always what's most important, no matter what state in which the property is located.

To ensure we are able to achieve twice the success in half the time, **ALL OFFERS MUST MEET THE FOLLOWING ACCEPTABILITY STANDARDS** to be eligible for processing by The Lowell Firm, LLC, Short Sale Cooperative, and Realty Cooperative (cumulatively "The Cooperative"):

- 1. THE BUYER MUST MAKE A FINANCIAL COMMITMENT AT TIME OF CONTRACT.** A contract is about promises and to ensure that buyers keep their promises, the buyer must have something of value to lose if they do not. Otherwise, a contract is ineffective.

Depending upon the state in which the property is located, at the time of contract, the buyer must pay an amount of money as a good faith Binder, commonly known as an Earnest Money Deposit ("EMD") or Good-Faith Fee ("GFF") *Note: See the Purchase Agreement and/or its Addenda for additional details.*

Regardless of whether the Binder is in the form of EMD or GFF, the following applies to all Binder types:

- For Financed Offers: Minimum Binder amount must be at least one percent (1.00%) of the gross sales price of the property or \$1,500, whichever is greater. *Note: This may be reduced for buyers obtaining VA, USDA, or DPA loans.*
- For Cash Offers and Hard Money Financing: Minimum amount must be at least one percent (1.00%) of the gross sales price of the property or \$3,500, whichever is greater.
- For Multiple Offers: The amount may vary and should be increased, perhaps exponentially, to determine which of the buyers is most committed to purchasing the home. Increases are discussed on a case-by-case basis and, like everything, ultimately always the final decision of the seller.
- Within three (3) banking days of the execution of any purchase agreement, the Binder must be received as required by the contract. If it is not, the contract must be subject to unilateral and immediate termination by the seller, at seller's discretion. Don't trust buyers who delay paying their Binder!
- Should a buyer default on the terms of the contract, the Binder is forfeited and shall be retained by The Cooperative as compensation for processing the defaulting buyer's offer.

2. **BUYER'S DUE DILIGENCE IS 10 DAYS FROM THE DATE OF CONTRACT.** Typical contingencies providing the buyer with the ability to terminate for property inspections, legal reviews, and other misc. matters can be confusing and are often unfair to all homeowners, especially those experiencing financial distress. As a result, these contingencies are replaced by an all-inclusive Due Diligence period, which begins on the date of contract and lasts for 10 calendar days.
  - Only during the Due Diligence Period, the buyer may terminate for any reason or no reason at all. They may inspect the home, have the contract reviewed by an attorney, and make certain that they are qualified for financing.
  - After the expiration of this period, the buyer must close unless the seller is unable to comply with their responsibilities under the terms of the contract. For the seller's protection, there are very few exceptions to this rule. *Note: See the Purchase Agreement and/or its Addenda and Amendments for additional details.*
3. **THE BUYER MUST AGREE TO CLOSE WITHIN A REASONABLE TIME.** After purchase agreement ratification and other applicable transaction thresholds have been crossed, the buyer shall be given a maximum number of days to close the transaction. If they fail to close by the agreed-upon Settlement Date in the purchase agreement, they must pay a per-diem fee to The Cooperative. This is used to cover the extra costs of processing that are incurred due to their closing delay, but most importantly, it is to prevent late closings altogether which can be very dangerous to the seller.
4. **ALL CONTRACTS MUST BE LEGIBLE, COMPLETE & ACCURATE.** Any contract which cannot be clearly read, is missing addenda, or is improperly completed presents a potential liability to the sellers and everyone involved. Offers not in compliance cannot be considered seriously until these issues are corrected.
5. **SOME DOCUMENTS MAY REQUIRE HAND SIGNATURES.** Certain applicable addenda and affidavits are required by their creators to be hand signed instead of electronically signed. If those documents are required in any transaction, the buyer must comply with applicable signing requirements, or their offer cannot be considered.
6. **PROOF OF ABILITY TO PURCHASE.** A buyer who cannot pay the amount they have promised to pay for the home, or who is not qualified to obtain financing for that amount, should not be considered by any seller for the purchase of any home. As a result, all offers must be presented with verifiable proof of funds or a financing prequalification letter that meets industry standards.
7. **CONCESSIONS MUST BE REASONABLE.** Qualified buyers who are obtaining financing rarely require more than 3.00% in seller-paid closing costs, and many loan programs even prohibit buyers from asking for more. As a result, offers with financing where buyers request more than this amount should be rejected until that amount is reduced below 3.00% and, because it is illogical for cash buyers to require closing cost concessions at all, no concessions for cash buyer are allowed. Finally, the costs of any additional concession requests (such as home warranties) must be paid by applicable cash concessions, and not paid by seller as an additional expense.
8. **BUYERS ARE RESPONSIBLE FOR MOST CLOSING COSTS AND TASKS.** There are many reasons for this that vary by state and by transaction. Please ask for more information if desired; however, by working with Our Cooperative you accept and agree that buyers must accept responsibility for all closing costs that do not involve drafting or

recording the documents necessary to convey title. Additionally, in areas where it may be typical for the seller or seller's agent to provide to the buyer or buyer's agent certain information or to manage certain tasks at closing, it shall become the buyer's responsibility or the responsibility of their representatives, instead. **Note:** See the *Purchase Agreement and/or its Addenda or Amendments for details.*

- 9. CORPORATE DOCUMENTS.** If the buyer is any non-human business entity, it is in the interest of everyone that they are required to provide proof that the human being who is signing the contract has the proper authority to do so and, depending upon the type of transaction, they may be required to provide full documentation of all people who have ownership in that business entity. Offers without this are invalid and therefore cannot be considered until proper proof and/or documentation is provided.

#### **STATEMENT OF CONTRACT, ACKNOWLEDGEMENT AND AUTHORIZATION**

This document has been incorporated into and is effectively a part of the Agreements between The Cooperative and the Listing Agent, as well as the agreement between The Cooperative and the Homeowner(s) of the property.

In connection with those agreements, the Listing Agent and Homeowner(s) therefore authorized and directed The Cooperative to always comply with the Offer Acceptability Standards as outlined herein, and understand that by working with Pilot, The Cooperative's Offer Perfection Software, Listing Agents, and Homeowners are authorizing and specifically directing the immediate rejection of any offer that is not in compliance with these Offer Acceptability Standards.

Amendments may be made to these terms as necessary but only when agreed upon in writing, in advance, by all parties.