

Class 4 September

Class four of this Online Principles class involves the Deposit Receipt, or Offer to Purchase. The deposit receipt or offer to purchase, or purchase offer are all the same document. The name changes from time to time due to usage, and sometimes because the California Association of Realtors change the name of the form.

Regardless you're going to use the name that the real estate people you are working around are using. You can't really say that any are incorrect, or correct for that matter.

The form you have been given in Class 4 on the internet at <http://www.robertrooks.org> or more specifically at Classes on that website <http://www.robertrooks.org/Online%20Class%20Outline.htm> is the newest form available from the California Association of Realtors. With their permission you are allowed to use this form for this class. Our form today is called; "California Residential Purchase Agreement and Joint Escrow Instructions" this form is a little different from the form in your text book. The reason is that the CAR is updating the forms at least annually, the text books cannot keep up with the most current form.

Your assignment this week is to write and offer on the home that you listed in Class 2.

Detail of Your Offer

You have been showing property to Michael R. McKinsey and Kathleen M. McKinsey. You have shown them 14 homes that they could afford to buy, they like your listing at 4917 Marion Avenue in Torrance. Mrs. Wu's House.

They decide that they want to offer \$790,000 as Husband and Wife, holding title as Community Property with the right of survivorship. They will put \$190,000 as a down payment, but with an initial earnest money deposit of \$8,000. The McKinsey's will apply for a New 1st Trust Deed and Note in the amount of \$600,000 at 6^{1/4}% Interest, a fixed conventional loan, amortized for 30 years, and payable in equal monthly installments of approximately \$3,694.30. They would like a 45 day escrow that means they would like the closing about the beginning of November. You will leave the Loan as a contingency until approval and an acceptable appraisal report. You will leave the appraisal report contingency in place until the appraisal is received in an amount sufficient to close the McKinsey's new home.

1. Date of offer September 18, 2006
2. Offering Price \$790,000
3. Earnest Money Deposit \$8,000
4. New 1st Trust Deed and Note \$600,000 at 6^{1/4}% interest, amortized for 30 years and payable in equal monthly installments of \$3,694.30.
5. Escrow to be at Maggie's Escrow Company.
6. Title Company is Orange Coast Title.

7. The McKinsey's would like a Home Warranty in the amount of \$600 that will cover every possible existing improvement covered by Home Warranty.
8. Termite Company is Dynamite Termite in Long Beach.
9. Home Warranty Company is Old Republic Home Warranty.
10. You will get a Natural Hazards Disclosure from NHD Company.
11. Your appraiser will be Richard Munoz in Downey if the lender, Washington Mutual, will accept his work.

Of concern later in this class you will have a family portrait of the McKinsey's and their two children with you, as well as a letter written by Kathleen McKinsey to Mrs. Wu, stating how they are hoping and praying that she will allow them to be the new owners of her home (*The Letter and Portrait are part of a different class in this course*)

What You Will Need To Do

Go to the website and print the deposit receipt in Class 4. You will need the tax sheet in class 2 and you're listing assignment in class 2. Extrapolate the information that you need and apply it to the Offer to Purchase.

Don't be afraid of mistakes, and don't hesitate to email me or call me when you are stymied. The idea is for you to learn to smoothly fill out the deposit receipt. Not to sit around for days and wonder what to put where it says date of offer.

YOUR TEXT BOOK

Your text book contains a lot of valuable information in Chapter 6 at page 205. More specifically at pages;

209 through 216 which is their form. Remember your form is probably newer.

Instructions detailed by paragraph at pages;

218 through 250. Try and reference your text to your contract.

Don't get lost. If you are having problems you **MUST CALL ME** or email me. Get help, don't stagger aimlessly.

Prior Assignments

Your assignments have to be handed in. I have two Listing Agreements. You must get your filled in listing agreement to me ASAP. Email, drop it off in class, in my mailbox at the school, snail mail, whatever. You are graded on those assignments. Don't let your grade suffer because you haven't done your work.

Forum Participation

Everyone is required to sign up on the forum. You must learn to participate in our class chats on Monday from 9:00a.m. Through 10:00a.m. Or Monday from 6:00p.m. through 7:00 p.m.

Your grade will benefit from your participation, or suffer from your lack of interest. If you can't make those times I will assign PRIVATE TIMES for you.