

# FOR SALE BY OWNER

## PROCEDURE:

### RECOMMENDED THINGS YOU WILL NEED

1. The cost of a small advertisement in the Real Estate CLASSIFIED Section of Your Local Newspaper- advertisement will read:

**FOR SALE BY OWNER?**  
I can help at no cost to you. Call for  
**FREE SELLING KIT.** I am not a Realtor.  
(your private number)

(suggest running for 30 days)

2. Copies of All Required Real Estate Disclosure Forms (in CA)

- a. Purchase Contract
- b. Transfer Disclosure Statement
- c. Natural Hazard Disclosure
- d. Smoke Detector/Water Heater Disclosure
- e. Lead Base Paint Disclosure
- f. Sellers Estimated Proceeds

3. Copies of Checklist and/or Other Items

- a. Property Profile
- b. Termite Report Recommendation
- c. Home Inspection Sample or Brochure
- d. Roof Certification Recommendation
- e. Graph paper for Square Footage
- f. Walk Through Check-list
- g. Fee Schedule for Title/Escrow Services
- h. Settlement Procedures Booklet

4. Yard Signs 10 minimum (one sided- bright yellow with black writing)

a. Yard sign should read:

**FOR SALE BY OWNER**  
**100 PERCENT FINANCING AVAILABLE**  
**ON THIS PROPERTY!**  
**CALL: (YOUR PRIVATE NUMBER)**

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When you have gathered all the low cost materials you will need for the KIT. You can also add local information:

1. Post Office Change of Address
2. Moving Guide
3. Pet Sitting Services
4. etc. etc.

You will get leads from those who see your advertisement- but you will also find leads as you drive through neighborhoods yourself. Ask family members and friends to help with addresses and phone numbers. If you have access to a "Reverse Directory", that is also helpful.

*Read the Classified Section of Your Local Newspaper. Find the*

**FOR SALE BY OWNER** advertisements. If you are not comfortable on the phone, simply call the Owner and ask him the **ADDRESS** of the property without giving him any information about yourself. (This is what almost all other callers will do too- everyone wants to know where the property is located and what the price is, if it is not given) and at that time, ask their **NAME** and tell them that once you have driven by the property, you will call them. Now, you have their name, number, and the property address. You can get a Property Profile from the Title Company to **MAKE SURE** that they own the property, when they bought it, what they paid for it, etc. Is what they are "asking" for the property lining up with what it is worth?

If you are not good at SELLING over the phone – send them the attached letter.

Date

Mr. And Mrs. Joe Smo  
111 Thank You Lane  
Somewhere, USA

**RE: DO YOU NEED HELP SELLING YOUR HOME?**

Dear Mr. And Mrs. Smo:

I am not a Realtor, and this letter is NOT TO SOLICIT A LISTING FROM YOU!

I am a Mortgage Broker (Loan Officer) with ABC, INC. one of the areas Premier Lending Sources for Home Buyers. I noticed your (sign) advertisement in the \_\_\_\_\_ NEWSPAPER, and believe I have something of great interest to you.

**“A FOR SALE BY OWNER’S “KIT”**

Federal Law requires that “Sellers” provide many documents and disclosures to the Homebuyer which are normally provided by a Real Estate Agent. These documents, if NOT PROVIDED, could result in costly and unnecessary Litigation between a Buyer and Seller after the Sale of the Home.

I have copies of the documents you will need to be in compliance with applicable Real Estate Law.

In addition, the “kit” contains many informative items for any Seller such as how to provide the proper “measurement of square footage”, a “Profile of Your Property”, the value of and Recommendations for Home Inspections, Roof Certifications and Termite Reports and Clearances, among other things.

Not only is it important to “cover all the bases” legally in a Real Estate Transaction due to our Society being litigious in nature these days, but equally important is monitoring the ACCESS to your home by people who:

1. May only be window shoppers interested only in how you live?
2. May not be able to “qualify” for the Home Loan they need in order to purchase ANY HOME, much less yours?

3. **May be people who want to gain ACCESS TO YOUR HOME for the purpose of illegal activity, presently or in the future?**

**HOW CAN YOU PROTECT YOURSELF TO THE GREATEST EXTENT POSSIBLE FROM THOSE CHARACTERS MENTIONED ABOVE? Obviously, through Listing Your Home with a Realtor, but if that is not your goal or intention. We CAN HELP.**

**I am interested in acquiring new CLIENTS at this time, and the people who are interested in Buying Your Home are “potential” clients for me. I am willing to help you save thousands of dollars in Real Estate Commissions in exchange for being the Lender you refer inquirers to “Pre-Qualify” for a Home Loan BEFORE you allow them into your home.**

**When interested people talk to me I will be able to let you know if they have the FINANCIAL ABILITY to purchase your home. You SHOULD NEVER let anyone have ACCESS to your home without a PREQUALIFICATION LETTER from a bonifide MORTGAGE LENDER. Anyone who will not become PREQUALIFIED is not a SERIOUS CANDIDATE as a HOMEBUYER. They usually fall into the Categories shown above.**

**This is a PROVEN WIN-WIN situation for many who have Sold Their Own Homes in the past utilizing the Knowledgeable, Professional Services of a Mortgage Broker (Loan Officer). I also have a PROGRAM for Home Sellers who do not want to be bothered with telephone calls at all hours of the day or night.**

**I can place a yard sign on your property with my private number so that calls will come to me inquiring about your home. I will pre-qualify these potential buyers on the spot, and will call you to arrange a “showing” with them convenient to you, or, I can give them your home phone number at that time if you would prefer that method.**

**If you are interested in working together on this mutually beneficial plan, call me at your earliest convenience so we can meet and discuss it further. I will bring your Sellers “Kit” at that time.**

**Thanks for your consideration, and I look forward to meeting you soon.**

**Sincerely,**

Your Name

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## **FOLLOW UP**

**Call them back in one week to see if they got your letter? If yes, ask them if they are interested in setting up a time to meet. Use the “assumptive close”, and ask NO QUESTIONS that can be answered with a ‘NO’.**

## **SCRIPT:**

**(IE. Hello Mr. Smo – This is Mary Jo from ABC company. I’m calling to see if your received my letter about my FOR SALE BY OWNERS KIT? (yes).**

**I am scheduling my For Sale By Owner Clients for the next week and wonder if Tuesday or Thursday would be better for you? (Tuesday)**

**Would 10 am or 2 pm be better for you? (2 pm)**

**I would like you to plan to spend about a half hour with me as there are a lot of legal considerations to go over, and I want to make sure you have everything you need to have a successful sale and closing. On the meantime, do you have any special needs or questions I may be able to help with at this time?**

**OK- I value your time, and I will see you on Tuesday, January – at 2 pm, I have allotted that time to you, and look forward to seeing you in person.**

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**When you arrive at their home – Say your hellos and Place the KIT in full view of the FSBO, but do not open it. It should be professionally enclosed in a folder or binder. Instead, Mr. And Mrs. Smo, I have brought your KIT FOR YOU, but first I must go over something my COMPANY requires of me with you, is that all right?**

**BRING OUT THE MEMORANDUM OF UNDERSTANDING FOR THEM TO SIGN.**

**Tell them that it is important to them, and to your company that everyone is clear on what you can and cannot do to help them, as YOU ARE NOT A REALTOR AND THERE IS NO COST FOR YOUR SERVICE.**

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**MEMORANDUM OF UNDERSTANDING BETWEEN MR. AND MRS. SMO, AND  
ABC COMPANY.**

- 1. We are providing you the necessary legal documents and disclosures required of the Sellers in a Real Estate Transaction in “blank form”. It is up to you to complete them, and to provide copies of them to any potential Buyer, and we have no way of assuring the Buyer of any accuracy of the documents.**
- 2. We are providing information regarding potential sources for such items that may be required of you or the Buyer by the Investor who will fund the loan, but we make no claims, warranties, or promises regarding their helpfulness or workmanship. It is up to you to satisfy yourself that they are worthy of your business as you would in hiring any other person. These sources are in no way connected to our company.**
- 3. We will prescreen your telephone calls from Buyers to help assure that they are FINANCIALLY CAPABLE of purchasing your home, but we can not commit that they will actually buy your home once they have viewed it in comparison to other homes they may have seen with or without a Realtor.**
- 4. No Homebuyer MUST USE US for Loan Services, and you are free to accept any Pre-Qualification Letter from any other Lender they may have chosen. However, we can make no determination in regards to these buyers as to whether or not they are qualified to buy your home.**

- 5. We will not accompany the potential buyers to view your home. You will make all arrangements for viewing with the potential buyers. We cannot guarantee they will show up for the appointment.**
  
- 6. We will tell you under what circumstances the potential buyers will be able to purchase your home, such as if you are willing to pay some or all of their closing costs, provide a roof certification, etc. because we will know their financial limitations, but we will not negotiate a contract between you and the buyers.**
  
- 7. We will place a yard sign on your property offering 100 per cent financing on your property as we have loan programs that will meet this goal IF THE BUYERS MEET CERTAIN CRITERIA. We will advise you as to what loan program they may utilize in purchasing a home. You will decide if that is acceptable to you or not.**
  
- 8. We will not attempt to convince you one way or the other regarding your decisions to sell or not to sell to any homebuyer, other than those Law requires for discrimination purposes. We cannot discriminate on the basis of race, color, creed, national ancestry, marital status in lending, and you also are prohibited by Law from declining to Sell to someone who is financially qualified to buy your home.**
  
- 9. We will not market your home for you, nor pay any advertisement costs or fees. We suggest that you continue to market your home as you see effective.**
  
- 10. We are not Attorneys, and any legal issue should be discussed with your attorney.**
  
- 11. We will place our yard sign on your property for a minimum of 30 days and you agree that this is acceptable to you. We have found that the average marketing time in our area is -----days, and we would like to have our yard sign on your property for that period of time. However, if**



**When Buyers call, explain your role to them:**

- 1. I am helping the Sellers through advising them whether or not someone has the FINANCIAL ABILITY to purchase their home. I AM NOT A REALTOR.**
- 2. I am a Mortgage Broker and I help people acquire financing for Purchase of A Home.**
- 3. You are not obligated to Purchase the home you are Inquiring about, as once you are prequalified, you will know what you can afford and you are free to choose any home you want in that price range.**
- 4. When could we meet to get you started? Tues/Thurs? etc.**

**IT IS IMPORTANT THE HOMEBUYERS KNOW THAT THEY DON'T HAVE TO BUY THAT HOME.**

**IT IS IMPORTANT THAT YOU SELL THE "APPOINTMENT", NOT THE PROPERTY OR THE LOAN. NO ONE "SIGNS" OVER THE PHONE.**

**TRACK YOUR SUCCESS ON EACH PROPERTY. YOU WILL FIND CERTAIN AREAS MORE ATTRACTIVE THAN OTHERS, AND YOU WILL GET CALLS FROM NOSEY NEIGHBORS AND OTHER PEOPLE INTERESTED IN SELLING THEIR OWN HOMES. ALWAYS FIND OUT "WHO" YOU ARE TALKING TO AND "WHY" BEFORE YOU MAKE STATEMENTS ABOUT – "WE DON'T CARE IF YOU BUY THE HOME OR NOT, WE JUST WANT THE LOAN" ETC.**

**BE COURTEOUS, RETURN ALL CALLS PROMPTLY, TELL THE TRUTH, AND FOLLOW UP WEEKLY WITH THE FSBOS TO LET THEM KNOW OF ANY CALLS YOU RECEIVED, ETC. CALL THEM AT ONCE IF A POTENTIAL BUYER IS QUALIFIED (SOMETIMES THEY WILL HAVE A RELATIVE TEST YOU).**

**NEVER "PROMISE" ANYONE, ANYTHING. ALWAYS PRECEDE ANY STATEMENT WITH "BASED ON CURRENT INFORMATION, IT APPEARS..."**