



# The Home Selling Process

## FIRPTA

As in any other country, you are obliged to pay tax on the profit from the sale. In the USA this is the Foreign Investment in Real Property Tax Act of 1980 (FIRPTA). The IRS requires the closing company to withhold 15% of the sale price. You will then have to file a US tax return the following year so that you can possibly get a portion of this amount back. Please note that you will also need a US TAX ID (ITIN). Therefore, it is advisable to contact a professional company well in advance. Your REALTOR® will be happy to assist you.

## ESTABLISH A PRICE

Your REALTOR® will conduct a market analysis to help you properly price your property. After you have agreed on a price the REALTOR® will prepare a listing agreement that you and the brokerage need to sign. Most of the time that will be performed through e-signature programs.

## PREPARE YOUR HOME

REALTORS® see many different properties daily and can give you valuable tips to prepare your home for the market, including how to stage for the photos and open houses.

## LIST YOUR HOME

Once everything is ready, your REALTOR® will list the home on the MLS (Multiple Listing Service), other websites and on various social media platforms.

## OFFERS AND NEGOTIATION

Once offers are received, your broker will explain the benefits and risks of each offer. You can then either accept or reject each offer based on its merits. This contract can also be sent to you by email, and you can sign it with an e-signature program. Be aware that the buyer only gives you a certain amount of time to accept, reject or counter the contract.

## UNDER CONTRACT

You and the buyer have agreed on all terms and the contract is signed. The buyer will now pay a deposit to the Closing company/Attorney to show his/her good faith. This deposit is in a secure account and will be credited to you upon sale. One or more addenda may need to be added to the contract to address special contingencies, such as if the buyer needs to sell a home prior to purchase. Your agent can explain these clauses in detail.

- **CASH:** this is usually the most favorable offer because it has few conditions. Make sure the buyer provides you with proof of financial resources.
- **FINANCING:** in this case, the buyer should have pre-approval. The contract already states how long the buyer must apply for the loan; how many days the buyer must get the loan approved. The financing process usually requires a home inspection, appraisal, and survey. These are all uncertainties that can delay the approval and the closing.
- **HOMEINSPECTION:** If the home inspector finds problems, they and the buyer may have to renegotiate.
- **APPRIASAL:** The appraiser will make his own appraisal. If this value is lower than the contract price, the buyer may not be eligible for the loan!

## CHAIN OF TITLE

Title companies research what is known as the "chain of title," or the complete history of ownership of the property. They also look for existing liens and make sure all property taxes are paid in full.

## TITLE INSURANCE

Title insurance is issued in the amount of the sale price and is designed to protect the buyer financially and legally against claims that were not considered during the title examination. Generally, the seller of the home pays for this insurance.

## CLOSING

Title companies usually handle the closing of the purchase agreement for your home. This service is also known as "settlement." You will receive all documents for verification and must have your signature notarized in person with 2 witnesses. This can be done at a Notary Public, the US Embassy, or your City Hall. The original documents must be returned to the title company by overnight express. The closing can only take place when these documents are received by the Title Company!



## Meet with a Real Estate Professional

Selling a home usually requires dozens of forms, reports, disclosures, and other technical documents. A knowledgeable expert will help you prepare the best deal and avoid delays or costly mistakes.