



Blado | Kiger | Bolan, P.S.

· ATTORNEYS AT LAW ·

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INFORMATION FORM FOR COMPLETION OF PURCHASE AND SALE AGREEMENT

Please complete this information form and call our office at (253) 272-2997 to schedule an appointment with one of our attorneys. A Contract for Services is attached for your review.

SELLER INFORMATION:

COMPLETE NAME(S): _____

MARITAL STATUS: _____

SELLER ADDRESS: _____

PHONE NUMBERS: Home: (____) _____ Work (____) _____

BUYER INFORMATION:

COMPLETE NAME(S): _____

MARITAL STATUS: _____

BUYER ADDRESS: _____

PHONE NUMBERS: Home: (____) _____ Work (____) _____

ABOUT THE PROPERTY:

PROPERTY ADDRESS: _____

TAX PARCEL NUMBER: _____

PURCHASE PRICE: \$ _____

EARNEST MONEY TO DEPOSIT: \$ _____

TO BE DEPOSITED WITH: Escrow Realtor

IS SALE CONTINGENT UPON BUYER SELLING THEIR HOUSE? Yes No

SALE SHALL CLOSE NO SOONER THAN: _____ NO LATER THAN: _____
(Lenders and title companies typically need at least 30 days to close from date of mutual agreement)

HAS SELLER RESIDED AT PROPERTY? Yes No

IS PROPERTY SERVED BY:

- Private/Community Water System Private Well** Community Well**
 Irrigation System Septic* Natural Gas
 Telephone Cable TV Public Water Electricity Sewer

*IF SO, WILL SELLER PUMP AND PROVIDE HEALTH LETTER BEFORE CLOSING? Yes No

**IF SO, WILL SELLER PROVIDE:

(1) WATER QUALITY TEST? Yes No

(2) WATER QUANTITY TEST? Yes No

ANY LEASED FIXTURES? (*burglar alarm, gas conversion burner, etc.*) Yes No

IF YES, PLEASE LIST:

DOES SELLER HAVE KNOWLEDGE OF USE OF LEAD PAINT AT PROPERTY? Yes No

WILL SELLER COMPLETE A PROPERTY DISCLOSURE STATEMENT? Yes No
(required, unless waived by buyer ***)

***WAIVED? Yes No

TYPE OF INSPECTIONS REQUESTED:

Waived

Property and
Improvements

Neighborhood Review Other: _____

WHO WILL PAY FOR INSPECTIONS?

Buyer

Seller

UP TO WHAT AMOUNT?

\$ _____

PREFERRED TITLE COMPANY:

ESCROW SERVICES:

WHEN WILL BUYER TAKE POSSESSION?
INCLUDED ITEMS:

Closing

Other: _____

Stove/Range

Refrigerator

Washer/Dryer

Dishwasher

Trash Compactor

Wood Stove

Fireplace Insert

Security System

LIST ANY ADDITIONAL ITEMS TO BE INCLUDED IN SALE SUCH AS PICNIC TABLE,
FREEZER, LAWNMOWER, PLAY EQUIPMENT, YARD DÉCOR, ETC.:

IS BUYER OBTAINING A LOAN?

Yes

No

TYPE OF LOAN:

Conventional

VA

FHA

IF BUYER IS OBTAINING FHA FINANCING, WHAT
IS THE MAXIMUM AMOUNT OF BUYER'S
CLOSING COSTS SELLER IS WILLING TO PAY:

\$ _____

LOAN CONDITIONS: *(if known)*

AMOUNT OR PERCENTAGE OF DOWN PAYMENT:

\$ _____

MINIMUM LOAN AMOUNT:

\$ _____

MAXIMUM INTEREST RATE:

LENGTH OF LOAN:

IS SELLER WILLING TO PAY ANY OF BUYERS CLOSING COSTS?

Yes

No

IF SO, UP TO WHAT AMOUNT? *(maximum)*

\$ _____

DO YOU WANT ESCROW TO PAY FINAL UTILITY BILLS:
(escrow typically charges extra for this service)

Yes

No

COMPLETE THIS SECTION ONLY IF SELLER FINANCED. IF BUYER IS OBTAINING A LOAN THROUGH A FINANCIAL INSTITUTION, DO NOT COMPLETE THIS SECTION.

SELLER FINANCING

In seller-financed transactions, the parties have the following two choices:

1. Promissory Note and Deed of Trust
or
2. Real Estate Contract

PROMISSORY NOTE AND DEED OF TRUST

Amount of down payment: _____

Note balance: _____

Interest rate: _____

Term: _____

Amount of payment? _____

If unknown, we will calculate based on amortization over _____ years

First payment due: _____

Payment due date: _____ monthly/yearly
Other: _____

Late fee of _____ after _____ days

Default interest rate: _____

Will there be a balloon payment? _____

If so, when? _____

Will there be a prepayment penalty? _____

Any additional terms? _____

Do you want deed of trust to contain a DUE-ON-SALE clause? _____

ADDITIONAL INFORMATION:

REAL ESTATE CONTRACT

Amount of down payment: _____

Contract balance: _____

Assumed obligations: _____

Interest rate: _____

Amount of payments: _____

Payment due date: _____ monthly/yearly

Other: _____

First payment due: _____

Late fee of _____ after _____ days

Default interest rate: _____

Entire balance due no later than: _____

Place where payments are to be made:

Do you want a pre-payment penalty? _____

Do you want contract to contain a DUE-ON-SALE clause? _____

ADDITIONAL INFORMATION:

SELLER FINANCING

PROMISSORY NOTE AND DEED OF TRUST VS. REAL ESTATE CONTRACT

MECHANICS

Sales of real estate involving seller financing can be accomplished essentially two ways:

1. **PROMISSORY NOTE AND DEED OF TRUST**

The seller gives the buyer a statutory warranty deed, and the buyer in turn gives the seller a promissory note secured by a deed of trust, which in Washington is the equivalent of a mortgage. The deed of trust is recorded with the auditor and will appear on title as a lien against the property until such time as the note is paid in full and a full reconveyance is recorded, releasing the deed of trust of record.

2. **REAL ESTATE CONTRACT**

The buyer and seller enter into a real estate contract which, as a single document, combines the features of a conveyance and a loan from seller to buyer. With a real estate contract, no deed to the buyer is given until the contract is paid in full. At that time, seller will provide buyer with a statutory warranty deed of fulfillment which will need to be recorded with the county auditor. This situation is somewhat analogous to an automobile loan where the bank or credit union making the loan is the “legal owner,” and the buyer is the “registered owner” of the automobile until the loan is paid in full, at which time the certificate of title is transferred to the buyer.

FORECLOSURE

The two methods outlined above provide very different methods of “foreclosure” if the Buyer defaults in payment:

1. **PROMISSORY NOTE AND DEED OF TRUST**

Under the first method, statutory warranty deed/promissory note/deed of trust, the typical method of foreclosure involves providing a notice of default to the buyer and the public via publication of the notice and ultimately a public “trustee’s sale” of the property takes place roughly 180 days after default. A significant fact with this proceeding is that a member of the general public can purchase the property at the trustee’s sale by paying the amount owed, plus fees and costs. Or, if no member of the public purchases the property, the property can be “sold” to the seller in lieu of payment.

2. **REAL ESTATE CONTRACT**

Under the second method, real estate contract, a “forfeiture of real estate contract” proceeding is followed. This typically also involves a notice and publication procedure. However, there is no public sale of the property as the remedy is a forfeiture of the contract, keeping title in the seller. The entire process takes between 90 and 120 days.

ADDITIONAL GENERAL INFORMATION

At times, the seller is financing only a portion of the sales price while a commercial lender is financing the major portion of the purchase price. In these cases, the commercial lender will always require that their lien be in first position, which would make the seller's financing subordinate to the first lender. This situation may make a seller's foreclosure impractical because the property will not be free of all prior liens unless paid. A seller should always consult an attorney *before* signing an agreement to subordinate financing. Most often, if the seller is financing only a portion of the sales price, a real estate contract is not an option.

Generally speaking, if your desire is to have the property returned to you in the event of default, you may want to choose a real estate contract. On the downside, this may include time, effort and expense in reselling the house. If, however, your desire is not necessarily to get the property back, but instead, be paid off, you may want to choose a promissory note and deed of trust.

The above brief descriptions are not meant to be an exhaustive discussion of the differences between the two types of seller financing. Many real estate sale and purchase agreements involving seller financing are unique, as the properties are unique, and other considerations may affect the structuring of the transaction. Remember that there are exceptions to nearly every rule. For additional information or advice regarding your particular situation and desires, you may wish to consult with one of the attorneys at BLADO KIGER BOLAN, P. S. or another lawyer or real estate professional. If you have tax related questions about your transaction you should consult an accountant, Certified Public Accountant, or tax attorney.

USUAL BUYER'S COSTS

One-half of escrow fee*

Title insurance policy
(Lender's, if applicable)

Recording fees

Overnight or wire fees

Real property tax pro-rations

Hazard insurance

Homeowner's Association fee pro-rations (if applicable)

YOUR LENDER WILL ADVISE YOU OF ALL COSTS/FEEES ASSOCIATED WITH YOUR LOAN. THESE MAY INCLUDE:

LOAN CLOSING COSTS

Appraisal fee
Credit report fee
Escrow fee
Flood certification
Document processing fee**
Tax registration**
Wire fee**
Courier Fee**

PREPAIDS

Interest adjustment
Reserves for taxes
Reserves for insurance
Pro-rated taxes
Mortgage insurance premium
Reserves for mortgage insurance
Homeowner's insurance premium

* Buyer is not allowed to pay escrow fees on VA loans

**Buyer is not allowed to pay these fees on FHA or VA loans

USUAL SELLER'S COSTS

One-half of escrow fee

Title insurance policy (*Owner's*)

Excise tax (*usually either 1.78% or 1.52% of sales price, depending on location*)

Recording fees

Overnight or wire fees

Real estate commission (*if applicable*)

Encumbrances on property (*your current mortgage, any judgments, liens on property*)

Reconveyance fee (*if applicable*)

Pre-payment penalty (*if applicable*)

Real property tax pro-rations

Homeowner's Association fee pro-rations (*if applicable*)

YOUR BUYER'S LENDER MAY REQUIRE YOU TO PAY SOME OF THE BUYER'S FEES
DEPENDING ON THE TYPE OF LOAN THEY HAVE CHOSEN.

BORROWERS CAN NOT PAY THE FOLLOWING FEES/COSTS WITH **FHA** LOAN:

- Tax registration fee
- Document preparation fee
- Administrative fee
- Under writing fee

BORROWERS CAN NOT PAY THE FOLLOWING FEES/COSTS WITH A **VA** LOAN:

- Escrow fee
- Tax registration fees
- Document preparation fee
- Administrative fee
- Under writing fee
- Home inspection service fee
(*The lesser of actual cost or \$200.00*)
- Reinspection fee
(*One only*)

ESCROW AND CLOSING

In its simplest terms, an escrow is the process where the purchase money and documents to transfer title are held and exchanged by an independent third person according to the terms of a purchase and sale agreement or other written instructions of the buyer and seller. "Closing" takes place on the recording of the document conveying ownership of the property; usually that is a deed transferring title to the buyer.

Escrow agents are regulated by law and are commonly attorneys, title insurance companies, or independent escrow firms. There is also the designation of L.P.O., or Limited Practice Officer. These are individuals who have taken and passed a licensing examination given by the Supreme Court of the State of Washington and have obtained a limited license to practice law. These individuals may also close your transaction and are also regulated by law.

As in most facets of a real estate transaction, the choice of an escrow agent is a subject for negotiation and agreement of the parties. In practice, the escrow agent is typically designated by a real estate agent involved in the transaction or by the buyer's lender. You also have the right to request a specific escrow agent to close your transaction.

The escrow agent acts as an agent for both the buyer and seller and owes duties to both. In a typical transaction, escrow agents do more than hold documents and funds. They order and examine title insurance commitments, draft documents affecting title, coordinate the fulfillment of conditions, work closely with the real estate agents and lender involved, and disburse funds as required for recording, title insurance, taxes, and real estate sales commission. They are also there to help you through the home buying process and to answer any questions you may have along the way.

Escrow agents operate on written instructions from the buyer, seller, lender, and real estate agents. In the event of a conflict of instructions, the escrow agent may ask for additional instructions, including agreements to extend the date of closing until the conflicting instructions are corrected, amended, or withdrawn. This is done to protect the interests of all parties involved. It is much easier to correct a "point of concern" before a transaction is completed than trying to correct a "problem" after recording.

The time that a transaction is "in escrow" may vary from a few days to a few months. This is because the factors that determine a "closing date" are dependent upon the ability of the lender to fund the loan, which in turn depends upon appraisals, credit checks, and difficulties that may be confronted in clearing title to the buyer.

Upon the performance of all conditions, the payment of all funds, and the recording of the instruments required by the terms of the purchase and sale agreement and the escrow is complete.

BLADO KIGER BOLAN, P.S.
ESCROW RATE SCHEDULE

Purchase Price		Closing Fee*
\$ 0.00	- \$100,000.00	\$ 600.00
\$100,001.00	- \$200,000.00	\$ 800.00
\$200,001.00	- \$300,000.00	\$1,000.00
\$300,001.00	- \$500,000.00	\$1,200.00
\$500,001.00	and up	\$1,400.00
<i>Refinance Fee</i>		\$ 500.00

NO SALES TAX

* *Escrow fees are customarily split equally between buyer and seller.*

The above rate schedule is based upon anticipated, normal services conducted to close your transaction. Additional fees may be charged depending upon closing requirements. Mobile home sales typically require additional services.

We are available to escrow the purchase and sale of business. Please call for a fee quote. We are also available to prepare purchase and sale agreements.



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CONTRACT FOR SERVICES

The undersigned client(s), _____ retain(s) BLADO KIGER BOLAN, P.S., its attorneys, and legal assistants to prepare a Residential or Vacant Land Real Estate Purchase and Sale Agreement on customarily used forms to include the following, as applicable:

- *Financing Addendum*
- *Utility Addendum*
- *Inspection Addendum*
- *Lead based Paint Addendum*

BLADO KIGER BOLAN, P. S. will answer client's questions as to the legal effect of the terms and provisions of the agreement as requested.

Client shall pay a flat fee of **\$500.00** for the above-described services, payable at the time the service is rendered. Additional services such as advice, negotiations, drafting, and/or redrafting shall be billed at the hourly rate of \$295.00 for Jonathan W. Blado, \$250.00 for Douglas N. Kiger, \$225.00 for Nicole M. Bolan, and \$200.00 for Timothy J. Friedman whether or not a new fee agreement is executed.

Any outstanding balance shall carry an interest rate of one percent (1%) per month until paid. In the event of a collection action, client agrees to pay actual attorney's fees and/or costs.

The firm hereby acknowledges and verifies receipt of advance fees from the client in the amount of \$_____.

Client's signature: _____

Client's name (printed): _____

SSN: _____ DOB: _____

Other person responsible for bill: _____

Other person's name (printed): _____

Client's Address:

Street: _____

City: _____ Zip: _____

Home telephone: _____

Work telephone: _____

Cell Phone: _____

BLADO KIGER BOLAN, P.S.

By: _____