

How to Keep Transactions Intact Until They Close



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*Our deepest fear is not that we are inadequate.
Our deepest fear is that we are powerful beyond measure.
It is our light, not our darkness, that most frightens us.
We ask ourselves, "Who am I to be brilliant, gorgeous, talented, and fabulous?"
Actually, who are you not to be?
You are a child of God.
Your playing small doesn't serve the world.
There is nothing enlightened about shrinking
so that other people won't feel insecure around you;
We were born to make manifest the glory of God that is within us.
It's not just in some of us; it's in everyone.
And as we let our own light shine,
We unconsciously give other people permission to do the same.
As we are liberated from our fear,
Our presence automatically liberates others.*

*Written by Maryann Williamson
from her 1992 book "A Return to Love"*

*Read by Nelson Mandela, South African President
in his 1994 inaugural speech*

This workbook and webinar are created in a market with historically high numbers of transactions that fail. It is dedicated to those Agents who are committed to the business; who have lost transactions and decided find every way possible to stop the losses. These Agents do more than survive difficult times. They succeed in difficult times. They are the role models and the leaders of our profession. Many of you contributed your best ideas on how to keep your transactions intact until closing. Your actual experience added tremendously to this work.

With sincere gratitude,
Rich Levin



Workbook Contents

Cooperation and Communication on a Transaction	p. 4
Build Your Transaction Intact Team	p. 5
The Importance Of Control	p. 6
Initial Presentation: Your First and Really Only Chance to Gain Control	p. 7
Initial Presentation: Buyer	p. 8
Initial Presentation: Seller	p. 9
The Offer - Your Second Chance to Add and Reinforce Control	p. 9
The Pending Process - Your Last Chance to Add and Reinforce Control	p. 10
Moving Forward	p. 13

Cooperation And Communication To Keep The Transaction Intact

Look at your behavior--honestly--and be sure that you are always being part of the solution and not contributing to the problem. Whether the other agent is "playing by the rules" or "being fair" isn't what your client wants to hear about. Find a solution, be willing to do the work, and focus on your goal. You might end up doing more work than what's fair, but is it worth losing the transaction over?

Quotes from Successful Agents:

"Hot heads beget hot heads. Egos throw up barriers on the other side."

"Form a strong sense of 'we're in this together' with the other Agent."

"Don't lose patience with the other Agent. Suggest, 'Let's get on the solution side of things.'"

"Be prepared to do everything on both sides of the work if you want it to close."

Make sure you have good working relationships with *everyone* in the transaction process. See what some of our top agents have to say about it:

Quotes from Successful Agents:

"Having a good, trustworthy team of people you work with; lawyers, mortgage brokers, inspectors, etc. is very important: They can make or break the deal AND your reputation!!!"

"Having 3 attorneys, 3 inspectors, 3 lenders, etc ready to recommend that are not deal killers goes a very long way toward keeping the transactions together."

"It is all in the approach. Even if they aggravate you beyond belief and you say you will never do business with them again, be courteous. Thank them."

Build Your Transaction Intact Team

1. Lender, specifically...
 - a. Originator
 - b. Processor
 - c. Possibly an underwriter, although they are hard to get through to
2. Title Company
3. Appraiser
4. Lawyers on both sides of the transaction –
5. Inspectors
6. Repairmen, plumbers, electricians, etc that you can call to get estimates or do work on the property.
7. Parents and other “decision makers” if they are involved
8. Anyone and everyone else who may have an impact on your transaction

Create positive relationships with all of the people who may have an impact on your transaction. So that you can take responsibility for both sides of the transaction, if necessary; you can get the information you need when you need it. You can influence any of the people to action if there is a delay. In the process you will generate referrals for your efforts and the quality of your work.



Repair People



Appraiser, Inspector etc



Financial

The Importance Of Control

Control is the number one priority in keeping your transactions intact until they close.

You are a professional and people want their professionals to be in control. Your Clients want you in control of their transaction from first contact to forever.

You can't and don't control everything but you can temper craziness, anticipate low appraisals, reduce the impact on the Client of lender requirements and conditions, watch for and inform you Clients about interest rate changes, State and local regulations that may affect them. You have the power and ability to lessen the impact on your transaction of the things you don't control.

Quotes from Successful Agents:

"You need to get in front of the issues instead of having to dig your way out when something comes up. At the beginning and again when we are finalizing negotiations, I tell them that there are 1000 things that can go wrong in a transaction and I have control over 950 of them. That still leaves 50 opportunities that I can't control; from an appraisal problem, to inspections, to perhaps the buyer dies in the car on the way to settlement. Not something we can avoid or take care of ahead of time. This way when I have to make that call to my Client that a challenge has come up they are a little more prepared."

You Get Three Chances... but really only one

1. Initial Presentations ←
 - a. Seller Presentation
 - b. Buyer Presentation
2. Offer Writing or Presenting the Offer
3. Pending Process
 - a. Contract and Inspections
 - b. Mortgage and Closing

**TAKE
CONTROL
HERE!**

If you don't take control here it is difficult to gain the kind of control later that will help you keep your transactions intact until they close.

If you do take control here then it is natural for you to maintain and reinforce that control through the rest of the transaction.

Initial Presentation

Your First & Really Only Chance to Gain Control

Prepare and Pre-program the Buyers for every aspect and every step of the process.

Financing - Are they clear and aware of their:

1. Type of Mortgage
2. Cash Needed
3. Monthly Payment Amount
4. Credit Issues
5. Seller Concessions
6. Lender Required Repairs



For over a decade up until recently, Agents came to believe that financing was completely the lender's domain. But now, Agents have now discovered that ignorance of financing is a dangerous attitude to have if you want the kind of control that keeps your transactions intact.

After all, financing is critical to your transactions. Do you want to give up control over that?

The lender may be educating the Buyer, preparing the Buyer, and providing all the best options.

Or they may not. So, you want to teach your lenders exactly how you want the Buyer educated and prepared.

Quotes from Successful Agents:

"Make sure the Buyer is truly qualified. If it's not a lender you know get them approved by a lender you do know."

"Tell them up front to do everything the lender tells them to do and to do it on time. Then explain that requirements are always changing so not to be surprised at the bank's requests."

"The biggest key is to pre-program the Buyer or Seller for the process."

If a Buyer goes to an unfamiliar lender and won't confirm with your lender, then review the six "clear and aware" issues above with the Buyer along with anything and everything else that you know will prepare them, give them more confidence and get them through potential difficulties with the lending process more comfortably.

Initial Presentation - Buyer

In addition to financing, prepare and pre-program the Buyer for:

1. Selecting houses to see
2. Setting appointments
3. Looking at houses
4. Exactly what happens when they find one they like
5. The contract and the paperwork
6. The negotiation
7. The role of the attorneys
8. The types of inspections and the process of approving inspections
9. The pending period
10. Final inspections
11. The escrow and closing process

In short sale or other situations where there is another set of time frames and options to discuss, prepare and pre-program the Buyer accordingly.

Buyer Presentations are an essential tool that many Agents are lacking in their business. Not only is it required to gain control, there are several other reasons to have a Buyer Presentation, namely:

- It creates loyalty to you.
- Buyers buy more quickly.
- Buyers buy with more confidence, which makes all negotiations easier.
- You get many more referrals.
- You are able to convert many more ad/sign/internet and open house leads.
- Buyers become your Sellers of the future.

Initial Presentation - Seller

In addition to describing what you will do to market the house, discussing values and agreeing on an asking price you want to explain that marketing is only one of three major parts of your job.

1. Marketing, Determining Market Value and Advising on Pricing
2. Negotiation, contract supervision and getting the highest possible price and best terms
3. Ensuring a closing with rigorous attention during the pending process

The Offer - Your Second Chance to Add and Reinforce Control

At the time of writing the offer with the Buyer or presenting it to the Seller prepare them again, pre-program, re-educate and review, again, every step of the process from then to moving in and you dropping off their first house gift.

Particularly prepare them for anything you even sense may arise.

Quotes from Successful Agents:

"Take control up front."

"Prepare everyone for the worst. I clearly state the fact: We need to be prepared for anything. And voila, we are and we get through it! We set the tone."

"When the Buyer or Seller doesn't anticipate the next step remorse and fear set in, when they are fearful and something needs to be done they delay it. When they are asked to sign off on an inspection or other paperwork, pay off a vehicle, release a lien; they delay it; then, because the delay the fear and remorse grow."

"When you write the contract; be proactive up front to make sure the deal is solid. I see lots of newer Agents so eager to put a deal together that they ignore red flags, credit issues, property condition, or the ambivalence of the Buyer."

Let them know that unexpected things can arise. Explain that you monitor the process every day. You stay in touch with all the relevant players and you regularly report to them, the Client. So, you are on top of everything that happens and they are always in the loop.



The Pending Process - Your Last Chance to Add and Reinforce Control

If you have controlled the transaction and stayed in communication to this point, your Client trusts you. Now the focus is to gain the same level of control and trust from everyone else.

Pending Process Phase One - Contract and Inspections

After the contract is signed and the inspections are completed, contact all the players in the transaction and work to earn their respect in very simple ways. Be prompt and do what you say you will do. Respect everyone and their staff. Do not talk about any of the other parties. You never know who knows who. Focus on the transaction. And remember that the secretaries and administrative staff open doors for you and send referrals to you.

Quotes from Successful Agents:

"As soon as you know who they are, call and introduce yourself to everyone involved, including the Attorney for both parties and the lender even if you are the listing Agent, the appraiser, the inspectors, everyone. I explain to the other agent that I am going to do this and usually no one has a problem because I am open about it. Just this contact has saved many deals.

"Attend all inspections including the appraisal so that you have firsthand knowledge of objections. That way you don't have: he said - she said."

When you meet with the appraiser at the property provide comparables that are close in time. Note on the comparables if they are short sales, foreclosures, or other details that give the appraiser confidence in their accuracy and validity and confidence in you.

Remember, you are going to run into these same appraisers, inspectors, and vendors many times over the course of your career. Create strong relationships. It pays dividends... forever.

Pending Process Phase Two - The Waiting Period, Mortgage, and Closing

There are two keys from this point forward to keeping your contract intact until it closes.

1. Stay up to date on every detail by being in touch with whoever is involved at that moment, lender, attorney, closing coordinator, escrow officer, whoever. Then report the progress to your Client at least once a week
2. Track and record the progress in a way that assures nothing is falling through the cracks.



There are two systems I teach. One for each of the above keys to ensure that this pending process keeps your transactions alive and your Clients delighted with you.

1. Service Day to stay up to date and in communication

On one day of the week, the same day at the same time every week call the lender, the attorney, whoever is involved at that point and gets a complete update on all their transactions. Then call the Clients to update them.

Describing this adds tremendous strength to your Seller and Buyer presentation. At the initial presentation the Agent tells the Client that they will be in touch often and readily available.

In addition to that once a week on schedule, Thursday mornings between ten and noon or whatever day and time the Agent chooses, you will be in touch with a full formal update. As Agents build this system into their business it significantly reduces the number of calls the rest of the week and it gives tremendous comfort and confidence to the Clients which pays off in more confidence, trust, and cooperation with you.

These Service Day update calls are the opportunity to reinforce the Clients decision which keeps them committed, even enthusiastic, and alerts the Agent to any change in motivation.

Quotes from Successful Agents:

1) "Make weekly contact with the other agent, lender, the attorney and whoever is still involved in the transaction so you can update your Client every week.

2) Keep a spread sheet online or a whiteboard in your office so you can check off approvals, releases, mortgage commitment & other deadlines

3) Have a list of preferred vendors to get work done if needed (electricians, plumbers, handymen, etc.)"

2. Checklists or whiteboards to track, record, and ensure everything is done

In addition to ensuring that everything is being done ... you can easily improve your process instantly by simply adding to the checklist or whiteboard. Agents love this process because the Agent is always up to date. The Clients calls far less often because they have confidence that the Agent is on top of things.

Rich's Two Rules of a Pending Whiteboard

1. Touch every pending every day. This means look at each pending property on the board and see what needs to be done next and whether anything needs to be done that day. When you do this each day, you stay up to date. There are very few fires that arise.
2. Call the Client once a week on your Success Day at the time you told them you would call.



Quotes from Successful Agents:

"I keep an extensive timeline checklist to make sure nothing is falling through the cracks. If things look like they are not going to be on time, we immediately call to find out why and facilitate if we can."

"My Assistant keeps our pending whiteboard up to date so at a glance I can see exactly what is complete on each transaction, what needs to be done, and what is currently being worked on."

3. Time is Your Enemy

Keep the momentum moving and stay in communication so that the Client feels the momentum moving.

Short sales actually prove the rule because so many of those good short sale deals die because of the delays.

Quotes from Successful Agents:

"In my 20 years of real estate, I have found that all else being equal, time is your enemy, get it done as fast as possible and do not be afraid to push a little."

"Time kills the deal. Let's face it. When the Buyer or Seller has time, worries, remorse, and fear all grow."



Moving Forward

1. Work toward strong relationships with everyone in the transaction.
2. Create your vendor team.
3. Pre-program your Buyers and Sellers at the initial presentation.
4. Remind and reinforce at the offer and during the pending process.
5. Trust your gut. Take action on red flags.
6. Schedule and Honor a weekly Service Day.
7. Use Checklists or Whiteboards

In Closing...

You are in a business that offers the maximum opportunity for personal freedom and at the same time, an extraordinary income.

You have my personal best wishes for an exceptionally successful career and a happy, healthy life.

Rich Levin

We hope you enjoyed this workbook! If you found this valuable, check out our other resources, blog and webinar over at www.RealEstateGradSchool.com