KENDRICKS BORDEAU, P.C.
Michigan For Sale By Owner (FSBO) Outline

1. **Seller's Disclosures** (if applicable)
   a. Seller's Disclosure Statement
      - --Must be given to Buyer before Buyer signs Purchase Agreement
      - --Disclose *known* conditions of property
      - --Do not actively conceal defects, especially if Buyer directly asks about them

   b. Lead-Based Paint Disclosure & Booklet (if home built pre-1978)
      - --Must be given to Buyer before signing Purchase Agreement
      - --Disclose *known* lead-based paint on property
      - --Retain the completed Lead-Based Paint Disclosure at least 3 years after date of closing

2. **Purchase Agreement**
   - --A binding legal contract that is the "blueprint" for the transaction
   - --Describes property, parties, price, and terms
   - --Seller (or closing agent) receives in escrow earnest money deposit from Buyer

3. **Title Insurance Commitment**
   - --Seller orders owner's policy of title insurance for Buyer
   - --If Buyer has loan, Buyer orders lender's policy of title insurance for lender

4. **Seller and Buyer follow through on tasks to be completed per Purchase Agreement; e.g., inspection, survey, repairs, secure financing.**

5. **Closing** (location: offices of closing agent, typically title company)
   a. Seller's typical documents:
      - --Deed (attorney prepares); optional Real Estate Transfer Tax Valuation Affidavit
      - --Closing statement (title company prepares)
      - --Rescind Principal Residence Exemption (PRE), if applicable

   b. Buyer's typical documents:
      - --Property Transfer Affidavit
      - --File for PRE, if applicable

   c. Seller's typical closing costs:*
      - --Cost of Owner's Policy of title insurance
      - --Transfer tax ($8.60 per $1000 of purchase price)
      - --Deed preparation
      - --Seller's attorney's fees
      - --Title company's closing fees (all or one-half)

   d. Buyer's typical closing costs:*
      - --Costs to lender associated with the financing (if applicable)
      - --Cost of Lender's Policy of title insurance
      - --Cost of recording deed
      - --Buyer's attorney's fees
      - --Title company's closing fees (all or one-half)

*Seller and Buyer may negotiate to shift or share these costs in the Purchase Agreement

6. **Post-Closing** (handled by closing agent, typically title company)
   - --Overnight-mail or wire-transfer payoff of Seller's mortgage (if applicable)
   - --Owner's Policy of title insurance issued to Buyer
   - --IRS Form 1099-S completed and filed by closing agent
   - --Record deed/ pay transfer tax/ file Real Estate Transfer Tax Valuation Affidavit
   - --Send Property Transfer Affidavit and PRE documents to local assessor