

# Novation Timeline Checklist

Congratulations on locking up a novation! Now it is time to get it to the finish line. Here are the steps you will need to follow to make sure you have a smooth transaction and closing.

## **\*Before you start this checklist, make sure you have:**

1. A fully executed [Residential Real Estate Purchase and Sale Agreement](#)
2. A novation friendly title company. This can be found by calling title companies that are in the city of the deal you locked up and asking if they are familiar with novations. If they are not, explain to them what a novation is and if this would be a transaction they can handle. If you need a refresher on what a novation is, please watch [Ryan explain it!](#) Call local title companies until you have 2-3 title companies that can handle a novation file. Having multiple options is great just in case one title company is unable to do the transaction!
3. A [Congress account](#). This is a flat fee listing service that can list in: Alaska, Arizona, California, Idaho, Louisiana, Montana, Nevada, New Mexico, Oregon, Texas, Utah and Washington.
  - a. If you lock up a deal that is not in one of these states, you will just need to find a real estate agent in the city that you locked the deal up in. This can be done by using Google and searching the city you locked the deal up plus real estate agents. For example, "Las Vegas real estate agents". Just like the title company, you will need to call agents and ask if they are familiar with novations and explain it to them if they are not. Make sure you explain that you will be handling the whole transaction and all they need to do is list the property. You will also need to let them know to put all your contact information down so the buyer's agent reaches out to you directly. In exchange for them just listing the property, you will pay them 1% of the sale price. Make it known that you will handle all the work and that this will be just easy money for them!

**Once you have completed the steps above, you are ready to get the transaction started! Follow the steps below:**

1. On Google, search up photographers in the city of the deal you locked up. For example, "Las Vegas real estate photographer". Call at least 3 photographers to compare quotes. Let the photographers know that you are in real estate and will need their services many times in the future. A lot of the time the photographers will give you a better deal because they know you will be bringing them business in the future! Once you have a few quotes, schedule the photos with one of the photographers. This normally takes the longest time so you want to make sure you get the photos scheduled as soon as you lock up the deal.
2. Give the seller a call and tell them that you will need them to fill out two documents: a seller's real property disclosure (SRPD) and an [Affidavit of Contract and Notice of Interest](#) (needs to be notarized, please see section 2c).

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- a. If you are listing the property on [Congress](#), email [support@congressrealty.com](mailto:support@congressrealty.com) and ask for an SRPD. Make sure to reference the property so they can get you a state specific SRPD. If you are listing the property with an agent not on Congress, ask them to email over an SRPD. This may have been signed by the seller when you initially signed listing documents, but if it was not, request it at this time.
- b. A SRPD can **NOT** be signed by you, even though you have an attorney in fact signed (Page 3 of the original [Residential Real Estate Purchase and Sale Agreement](#)). The SRPD does not need to be notarized. Tell them that you will email over the SRPD to be signed via PandaDoc or DocuSign and that they will be asked to answer questions about the property. Once they sign the document, I would recommend you to look it over to confirm it is filled out correctly.
- c. The [Affidavit of Contract and Notice of Interest](#) will need to be notarized so ask what day and time works best for them to sign a document in person with a notary. Let them know it will take just a few minutes and the notary can go to wherever is most convenient for the sellers. Once you figure out what day works best, you can find a notary.
3. On Google, search up notaries in the city of the deal you locked up. For example, "Las Vegas notary". Give a notary a call and explain that you need an [Affidavit of Contract and Notice of Interest](#) and an Attorney in Fact (Page 3 of the original [Residential Real Estate Purchase and Sale Agreement](#)) notarized. Let them know what day and time worked best for the seller to see if they can accommodate that. They will sign these documents wherever is most convenient for the sellers.
4. Once the [Affidavit of Contract and Notice of Interest](#) has been signed and notarized, you will want to file this document with the county recorder's office. If you are not located in the county where the deal is locked up, just continue to step 5.
5. Email a novation friendly title company with the fully executed [Residential Real Estate Purchase and Sale Agreement](#) and the [Affidavit of Contract and Notice of Interest](#) and ask them to open up escrow. The initial email will look like this:

**a. Subject Line:**

"New Escrow - Full Property Address"

Hello "Escrow Officer's Name":

Please open escrow for the following property:

**"Full Property Address"**

I have attached the fully executed purchase agreement, and the seller's information is below:

**"Seller's Name"**

"Seller's Phone Number"

"Seller's Email Address"

Kindly confirm receipt of this email.

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**\*\*DON'T FORGET TO ATTACH THE FULLY EXECUTED Residential Real Estate Purchase and Sale Agreement\*\***

6. Once the [Affidavit of Contract and Notice of Interest](#) and an Attorney in Fact (Page 3 of the original [Residential Real Estate Purchase and Sale Agreement](#)) has been notarized, list the property on [Congress](#) or find a real estate agent in the area the can list the property. This can be done by using Google and searching the city you locked the deal up plus real estate agents. For example, "Las Vegas real estate agents". Just like the title company, you will need to call agents and ask if they are familiar with novations and explain it to them if they are not. Make sure you explain that you will be handling the whole transaction and all they need to do is list the property. You will also need to let them know to put all your contact information down so the buyer's agent reaches out to you directly. In exchange for them just listing the property, you will pay them 1% of the sale price. Make it known that you will handle all the work and that this will be just easy money for them!
  - a. Remember that your contact information will be on the listing so all showing requests, offers, negotiations, inspections and appraisals will go through you!
7. Once you receive an offer that you want to accept, you may need a counter offer agreement. Just like the SRPD, email Congress ([support@congressrealty.com](mailto:support@congressrealty.com)) or reach out to your listing agent for this agreement. You can sign the offer/ counter offer on the seller's behalf due to you having an Attorney in Fact (Page 3 of the original [Residential Real Estate Purchase and Sale Agreement](#)) signed. When you sign the contracts, you will want to sign it like this: "the seller's name", by "your name" Attorney In Fact. For example, "John Doe, by Ryan Pineda Attorney In Fact". Instead of Ryan Pineda, you will use your name! **DO NOT USE RYAN'S NAME.**
8. Once an offer is accepted, you will want to email the title company that you originally opened escrow with. You are going to open escrow again but this time with the accepted offer from the buyer's agent. The email will look like this:

**a. Subject Line:**

"New Escrow - Full Property Address"

Hello "Escrow Officer's Name":

Please open escrow for the following property:

**"Full Property Address"**

The buyer's agent is "Buyer's Agent Name" with **"Buyer's Agent Real Estate Company"**.

The purchase price is **"\$Purchase Price"**, and we are scheduled to close on **"Close of Escrow Date"**.

Kindly confirm receipt of this email.

**\*\*DON'T FORGET TO ATTACH THE FULLY EXECUTED MLS OFFER, NOT THE ORIGINAL RESIDENTIAL REAL ESTATE PURCHASE AND SALE**

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**AGREEMENT. THE TITLE COMPANY ALREADY HAS THAT AGREEMENT IN THE FIRST ESCROW THAT YOU OPENED WITH THEM.\*\***

- b. You will have two escrows opened because the first one is a transaction between you and the seller. This second escrow is between the end buyer and the seller.
9. Once **all** contingencies have passed, you will want to send the seller the [Novation and Indemnification Agreement](#) and [Release of Affidavit of Contract and Notice of Interest](#). These do not have to be notarized so you can send it directly through PandaDoc or DocuSign. Once this is signed, email these over to title in the second escrow that you opened.
10. Title will reach out to the seller to schedule them to sign closing documents. Just like the SRPD, you can not sign on behalf of the seller so they will sign these themselves. Once the buyer has also signed and funded, the property will be released to record. This is just the title company filling with the county that the previous loans/liens have been paid off and there is a new owner on title. Once this has been recorded, the property will close.
11. Once the property closes, you will be paid within 24-48 hours via a check or wire. This is completely up to you. Just let title know which one you prefer!

If you have any questions or concerns, please feel free to [book a call with a coach!](#)