

# FREE REPORT: Provided by Judy and Nelson Horn

## CANADIANS: Purchasing U. S. Property

When purchasing real estate in California it is the custom to seek the services of a licensed agent who is a member of the Board of Realtors called a Realtor. The Realtor will provide you with many valuable services. They will serve as your consultant by distilling your needs and wants to locate the best possible home, in the best possible community, at the best possible price. They will also be able to represent you on the purchase of new construction. Their services to you on new construction are free of charge. The builder typically pays their fees. For this to happen it usually requires the Realtor to accompany you on your first visit to the community and they need to register you at the reception area. Your Realtor will assist and help you in the purchase process to the degree you desire. It is not unusual for them to actually save you money over and above what you could have negotiated on your own behalf. The California buying and selling of real estate is fraught with mounds of contracts, documents, disclosures and requirements necessary to the legal transfer of property to new users. It is your Realtor that will be responsible for seeing that the documents and entire process is correctly executed so that there are no legal ramifications. The Realtor fees are usually paid by the seller of the property. It costs you nothing to use their services and you have everything to gain.

An important part of the process in California is the escrow company. The escrow company represents both the purchase and sales side of the contract. Their important duties include handling of all the funds and the correct distribution of these funds at the close of escrow. Escrow fees are part of the closing costs paid at the conclusion of the process.

You will also need to employ the services of a title insurance company. It is the duty of this entity to make sure that you have a free and clear title to the property without any encumbrance. Most Realtors strongly recommend that you employ the service of a home inspector whose job it is to report to you the condition of the home. Fees associated with inspection usually vary with the size of the home and usually are under \$500.00 dollars. Plan on fees from 1%-2% of the purchase price of the home.

Will this purchase be an all cash deal or will you be seeking a loan? If you will be seeking a loan it is highly suggested that you get a Pre-Approval letter from your loan officer. This strengthens the offer that you will be making on the home you wish to purchase. Sellers know that you possess the financial wherewithal to obtain the needed money for the purchase and reduces the risk for them as they remove their home during the "Pending" period before the sale becomes final. Our

company, Tarbell, is affiliated with Mission Hills Mortgage Bankers. They do an excellent job of taking care of Tarbell's clients. I would also like to further recommend you to Richard Quirk, Senior Loan Officer, Mission Hills, (760) 406-1851.

### **CONSIDER THESE BEFORE YOU PURCHASE**

- Bring your passport as well as those of all account users (they need also be present) to a bank and open a local account.
- There will be documents that will need to be notarized. This includes Grant Deeds, loan and other documents that need recording in the County of Riverside. If they may be done in another country they most likely will need to be signed and acknowledged in a Consulate or Embassy of the United States. If you are in the Coachella Valley during the signing period you may use a licensed notary or the services of your escrow company.
- If you are sending documents from Canada that can not be emailed or those that require signatures witnessed at the consulate or embassy, you need to plan on as many as 10 days for them to arrive in the U.S. You and your Realtor must allow for this and build in extra days into all time sensitive documents.
- If you are selling property in the U.S., a US Social Security Number (SSN) or Federal Tax ID Number ( for businesses) will be required. Visit <http://www.socialsecurity.gov/> or <http://www.irs.gov/> for procedures on how to obtain your SSN/TAX ID.

### **DISCLAIMER**

The information contained here is not to be considered to be financial, legal, investment, tax advice or other. We stress that it is solely your obligation to perform any and all due diligence required to make your investment decisions and process. It is solely your responsibility to gather and verify information concerning your business (ex. title, investment and tax issues and ramifications). We most strongly urge you to work with professional advisors who will counsel you about the laws, regulations and ordinances of the United States, State of California, Riverside County and Canada, and any and all local jurisdiction in which the property resides. Only when you have obtained that advice, should all issues relating to your purchase process and matters be shared with your Realtor, Loan Office, Escrow Company and other appropriate parties to ensure a smooth and legal escrow process.