

General questions

Why consider the Suretrac program?

Suretrac is a unique program exclusively for Long & Foster seller clients. It's designed to maximize seller success while reducing uncertainty and risk in the process. Upfront repairs and improvements help our clients' homes show their best. A pre-listing home inspection and home warranty assure prospective buyers of the home's quality and integrity. And a bona fide cash offer provides sellers with the certainty of knowing that if their home does not sell within the listing period, they can accept a guaranteed cash offer at a predetermined price.

What are the elements of the Suretrac program?

The Suretrac program provides home sellers with the following benefits:

- A pre-listing inspection (at no upfront cost)
- Pre-listing repairs by professional contractors (at no upfront cost)
- Pre-listing cosmetic enhancements (at no upfront cost)
- A home warranty offered to the buyer
- A cash offer

What homes qualify for the Suretrac program?

Not all homes qualify for Suretrac. Most condominiums, homes on lots larger than 2 acres, homes valued above \$500,000, manufactured homes, and homes with serious structural issues will not qualify.

Do existing listings qualify?

At this time, existing listings do not qualify for the Suretrac program. It is only for new listings.

Who are the partners in the Suretrac program?

For this program, Long & Foster has partnered with Home Partners of America (for the cash offer), Insight Home Inspections (for the home inspection), PunchList (for the home repairs) and Cinch (for the home warranty).

How can the Suretrac program help move-up buyers?

Many home owners cannot afford to purchase their next home prior to the sale of their existing home. These individuals would typically have to make offers with sale-of-home contingencies – an onerous contingency in the eyes of home sellers. With Suretrac, the cash offer provides certainty of sale, potentially enabling that individual to make the offer on their next home without the home sale contingency.

Home inspections, repairs, and enhancements

How does the home inspection work?

If a seller client is interested in Suretrac program, the agent will schedule a home inspection through the Suretrac web site. The home inspection will be scheduled through Insight Home Inspections, and will be a full, conventional home inspection.

Who pays for the home inspection?

If the client enrolls in the Suretrac program and their home is purchased by a buyer or by HPA, the home inspection cost will appear on the ALTA settlement statement, payable by the seller client. If the seller client does not enroll in Suretrac, there is no cost for the home inspection to the seller client.

Are all repairs eligible to be fixed under the Suretrac program?

No. Not all items listed in the home inspection report will be addressed. Long & Foster has worked with Insight Home Inspections and PunchList to identify items to be repaired as part of the Suretrac program. Those items include things like fixing repairs, and addressing code violations, safety issues, and items affecting the integrity of the home. On the other hand, items which might be considered suggestions or non-crucial will likely not be addressed.

How can home enhancements and improvements be requested?

At the time the agent schedules the home inspection, they will have the opportunity to identify enhancements and improvements. The cost of those enhancements and repairs will be added to the estimate for the home inspection fixes.

How are repairs paid for?

There is no up-front cost to the seller client for the repairs. At the time of sale, the repair cost is billed to the seller as a line on the ALTA settlement statement.

How are repairs billed if the property does not sell under the program?

If the seller client chooses to withdraw from the program and terminate their listing agreement with Long & Foster, the repair cost must be paid by the seller client at that time.

Cash offer questions

Is Long & Foster making the cash offer and purchasing properties?

No. Long & Foster has partnered with Home Partners of America (HPA). HPA creates the cash offer and ultimately purchases the property.

Is the cash offer at market value?

The market value of real estate is subjective. However, HPA attempts to make its cash offer within a price range that it considers market value. It is quite possible that during the Suretrac 45 day marketing period, an outside buyer may offer to purchase the home at a price above HPA's cash offer. Ultimately, market value is the price that a buyer is willing to pay for a property.

For how long is the cash offer valid?

Once HPA generates a cash offer on a given property, that homeowner and Long & Foster agent will have up to 21 days to list the property. It is expected that during this period, the home will be prepared for sale, with repairs and improvements occurring. Once the property is listed, the seller client will have 45 days to accept the HPA cash offer.

What does the cash offer look like?

The typical cash offer will contain four numbers which will be tallied at the bottom of the offer page. These include (a) the price HPA is offering for the home (b) a deduction for HPA's transaction fee (c) a deduction for the cost of repairs and enhancements to be made and (d) an additional number showing the increase in value resulting from the repairs and enhancements. The total proceeds to the seller is calculated by subtracting (b) and (c) from the original offer (a) and adding (d).

Why is there a transaction fee and what does it cover?

In acquiring, holding, and eventually selling the property, HPA incurs costs including settlement costs, transfer taxes, and brokerage commissions. It also covers HPA's carrying costs, which include interest on the cash used to make the purchase, property taxes, homeowners' fees, utilities, and ongoing maintenance.

Can the cash offer be accepted prior to the end of the 45 day marketing period?

Yes. The seller client may accept the cash offer anytime prior to the end of the 45 day marketing period.

If the seller needs more time beyond the 45 days, can the cash offer deadline be extended?

HPA is willing to extend the deadline for accepting the cash offer on a case-by-case basis. Such extensions will only be for a few days, and a modest fee may be charged.

If a seller does not accept the cash offer within the 45 day period, can the property continue to be marketed?

Absolutely. If the seller chooses not to accept the cash offer and allows the offer to lapse, they may continue to have their Long & Foster agent market the property to buyers in the conventional way.

Is the cash offer negotiable?

No. HPA's cash offer is firm.

Settlement on the cash purchase

When does settlement occur?

Settlement can occur on a day of the seller's choosing between 15 and 45 days after seller acceptance of the cash offer.

Home Warranty

How does the home warranty work, and what does it cover?

As part of the Suretrac program, the home warranty is provided to the purchaser of the home enrolled in the program. The warranty lasts for one year and is provided by Cinch Home Services. The warranty covers appliances, systems, plumbing, electrical and many elements of the home. Details can be found at www.cinchhomeservices.com.

Is there a deductible?

Yes. There is a \$100 deductible when a warranty repair is made.

Reselling the Home

When HPA purchases a home, who resells the home back into the market place?

When reselling properties, HPA will hire the listing agent who represented the seller in the transaction.

What is the commission on the HPA resale?

When HPA resells properties into the market place, HPA will pay the listing agent 1.5% of the home's sales price as a commission.

How will agents coordinate the sale process with HPA?

When HPA purchases a property through its cash offer program, HPA assigns an asset manager to that property. The Long & Foster agent will coordinate with the HPA asset manager on the sales process.