



WAGONWHEEL

WAGON WHEEL TITLE'S REALTOR QUICK GUIDE

At Wagon Wheel Title, our goal is to make you shine in your clients' eyes. Once we're engaged in a transaction, we promptly reach out to your clients for key information. Many of you told us you'd like more insight upfront to better guide your clients—so we listened. This quick title guide is designed to keep you informed, proactive, and indispensable throughout the transaction.

WIRE FRAUD

Wire fraud is one of the biggest threats in real estate transactions today, and we want to help protect you and your clients. Criminals are constantly attempting to intercept wire transfers by posing as legitimate parties to the transaction.

To keep your clients safe, remind them of these key points:

- **Always verify wiring instructions** by calling our office using our **published** phone number. We will not email out our wiring instructions—we will only send wiring instructions through the secure Qualia Connect portal.
- **Wagon Wheel will never change wiring instructions via email.** If your client receives an email requesting a change, it is almost certainly fraud. If you receive an email and want to verify the instructions, **NEVER** verify with the phone number in the email, but call our office using our published phone number.
- **Encourage caution.** Clients should double-check account numbers and confirm details before sending funds.

If you or your clients have **any doubts about wiring instructions**, call us immediately. A few extra minutes of verification could prevent a devastating loss.

VESTING

If you are representing the buyer, Wagon Wheel will need to know how your buyers would like title vested; or, in other words, the way the buyers want to hold title to the property being purchased. In part, this vesting will depend on the *marital status* of the buyer.

- If your buyers are **married** to each other, Wagon Wheel will need both buyer names and whether they will both be listed on title. If both will be vested on title, the default method of taking title will be as **tenants by the entirety**. This is the legal form of property ownership which means that each spouse holds an interest in the entire property, rather than in divided parts, and that upon the death of one spouse, the survivor continues to own the whole property.

For example, Aaron is married to Betsy and they hold title as “Aaron and Betsy, husband and wife.” Aaron dies and Betsy owns the property in whole and can immediately sell the property without having to go through probate. This can be changed to **tenants in common** (see below), however, it would need to be explicitly stated.

- If two or more buyers are purchasing a property and they are **not married** to each other, the default way of taking title is as tenants in common. They have the option to take title as **joint tenants with rights of survivorship** or simply as **tenants in common**:
 - **joint tenants with rights of survivorship** – This form of ownership is essentially the same as **tenants by the entirety**; the difference being that the buyers are not married to each other. The surviving tenant would have full ownership of the property without having to go through probate. If a married couple would like to change the default, they can take title as tenants in common.
 - **tenants in common** – In this form of property ownership, each party may have a specified percentage interest (note: this cannot be done in the other two forms of ownership – the property is split equally among owners in those cases) and share a common interest and right to use the property as to the whole. Each owner of the property has the right to sell, lease, or bequeath their divided interest in the property to their legal heirs. Owners vested as tenants in common **do not** have rights of survivorship, and this form of ownership requires the property to pass through probate before a sale can happen upon the death of one of the

buyers. If two unmarried persons wish to add rights of survivorship, they can take title as joint tenants with rights of survivorship and change the default.

- If a buyer is married but prefers not to include their spouse on title, taking title as tenants in common may be an option. However, in the event of the buyer's passing, ownership would be subject to probate and distributed according to any existing will or, if none exists, applicable intestacy laws. If your buyers have questions about the best vesting option for their situation, Wagon Wheel is happy to connect them with one of our attorneys for guidance.

ESTATE

If you are selling a property for a client and one of the sellers is deceased, there are several items of information that Wagon Wheel will need to close the transaction. If your client has notice of this at the time you have the listing agreement signed, your client has a longer runway of time to procure this information, which is sometimes time consuming to obtain. Also, if possible, let Wagon Wheel know that a seller is deceased when you send the contract to us; the sooner we have knowledge that a seller is deceased, the sooner we can start working on the things that we will need to be able to legally close.

If a seller is deceased, here are a few of the more common items your sellers will need to gather on behalf of the deceased seller:

- the social security number of the deceased;
- the death certificate for the deceased;
- the deceased's Will, if any;
 - o if the Will has been probated, any probate court documents, including Letters of Administration;
- the name and contact information for the estate attorney, if any, for the deceased; and if the deceased did not have a Will, Wagon Wheel will need to be connected with a family member who will not benefit from the sale (ex: aunt or uncle), a long-time neighbor or a family friend who is willing to sign an affidavit stating that they personally knew the deceased person and know who the legal heirs of the deceased are (i.e., that they know the immediate family tree of the deceased).

DIVORCE

If you are representing a seller who is going through a divorce currently or who recently went through a divorce, Wagon Wheel will need to know this information and will need to obtain certain documents related to that divorce. Among the information and documents we will need are:

- the current status of the divorce (i.e., no final divorce decree has been issued to date, the final divorce decree was ordered more than 30 days prior or less than 30 days prior);
- a Final Divorce Decree, if ordered; and
- a Marital Dissolution Agreement if executed.

These documents will most often address who is entitled to sell the property and how the proceeds from the subject property are to be treated. Also of note is that one spouse may need to execute a Quitclaim Deed prior to the closing or at the closing pursuant to the Final Divorce Decree or Marital Dissolution Agreement.

BUSINESS ENTITY

If a buyer is purchasing in the name of an entity, Wagon Wheel will require specific documents based on the type of entity. The documentation needed varies depending on whether the entity is a corporation, LLC, partnership, or trust. Below is a list of the required documents by entity type:

- **Limited Liability Companies (LLCs):**
 - o Certificate of Existence from the Secretary of State where the LLC was formed;
 - o Articles of Organization;
 - o Operating Agreement, if any, and all amendments thereto;
 - o name, email and phone number for each LLC member; and
 - o the LLC's Federal Employer ID Number (FEIN)
 - o Additionally, the LLC members may need to sign a LLC consent or resolution prior to or at closing authorizing the transaction, and confirming there have not been amendments or modifications to the Operating Agreement that was provided.
- **Corporations:**
 - o Certificate of Existence issued from the Secretary of State where the corporation was formed;
 - o Articles of Incorporation;

- Bylaws and all amendments thereto;
- resolution of the corporation authorizing the proposed purchase or sale;
- name, email and phone number for each shareholder or authorized signer; and
- the corporation's FEIN.
- Additionally, should the necessary resolution not exist, the shareholders of the corporation may need to sign a resolution prior to or at closing authorizing the transaction and confirming there have not been amendments or modifications to the corporate bylaws.

- *Partnerships:*

- Partnership Agreement, if any, and all amendments thereto;
- name, email and phone number for each partner; and
- social security number for each partner for tax reporting purposes.
- Additionally, the partners of the partnership may need to sign a resolution prior to or at closing authorizing the transaction and confirming there have not been any amendments or modifications to the Partnership Agreement provided.

Wagon Wheel does have attorneys available to help your buyer create a buying entity, if needed.

Additionally, prior to closing, the buyer or seller will want to make sure the subject entity is in good standing with the Secretary of State where the entity was formed. Often times, there are taxes that have not been paid or a similar administrative issue that can delay closing if not addressed early in the process.

IDENTIFICATION

Everyone signing at closing will need to supply two forms of identification. These forms of identification can be brought to closing or sent to Wagon Wheel in advance of closing.

1. Identification #1 needs to be a photo ID (e.g., a driver's license or passport); and
2. Identification #2 can be any other form of ID with the signatory's name on it (e.g., a social security card, Costco card, AAA card, zoo membership card).

****Please note that we cannot accept credit cards or debit cards as a form of identification.**

If your client is selling their property, we will be verifying their identity using our secure Qualia Shield platform. They will scan their government-issued ID and snap a picture to confirm their identity which helps protect against the persistent threat of real estate wire fraud. This ID verification is seamlessly integrated into the Qualia platform, where we will gather additional information needed prior to closing.

SELLER IS NOT A U.S. CITIZEN

If you are representing a seller who is not a U.S. citizen, let Wagon Wheel know. Not being a citizen will not prevent the seller from closing; however, there are some added steps that will need to be taken in order to comply with federal tax law.

Additionally, if you are representing the buyer and you find out the seller is not a U.S. citizen, please let Wagon Wheel know this as well. Federal law imposes hefty fines on **buyers** for not withholding a certain amount of taxes from the **seller** at the point of purchase. In other words, even if your buyer is a U.S. citizen, it is the buyer who will receive the fine for not reporting that the seller is not a U.S. citizen. We can help prevent those fines, so let us know as soon as you find out.

We're excited to work alongside you and support you and your clients every step of the way. At Wagon Wheel Title, we're always here to answer your questions, provide guidance, and help ensure every transaction is a success for you and your clients. Don't hesitate to reach out – we're just a call or email away!