

CERTIFIED RESIDENTIAL REAL ESTATE PROBATE SPECIALIST

A photograph of a red book cover with the words 'PROBATE LAW' embossed in gold lettering. The book is positioned diagonally in the bottom right quadrant of the page, resting on a white surface. A portion of a blue book is visible underneath it.

PROBATE
LAW

Presented by the



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Chicago, Illinois 60611-4092
www.crs.com

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NATIONAL ASSOCIATION OF REALTORS®



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Welcome

Welcome to **Certified Residential Real Estate Probate Specialist**. This is a one-day course offered by the Residential Real Estate Council.

Information on education, membership, and certification can be found:

- in the most recent RRC Membership Guide
- by calling a customer service representative at the Residential Real Estate Council at 1-800-462-8841
- or by visiting our website at <http://www.crs.com>

Your instructors are experts in the field of residential real estate and speak from experience. The materials in this notebook complement their presentation.

To earn CRS Designation credit, no more than forty-five minutes of the entire course may be missed. If you are absent from the course for more than this amount of time, you will not be able to take the exam or receive credit toward the CRS Designation.

Course Objectives

Upon successful completion of this course, you will be able to:

- Identify the probate process, including misconceptions and those who are involved
- Navigate through the sale of property owned in conservatorship or living trust
- Determine the impact revocable vs. irrevocable trust has on the process
- Communicate more effectively with individuals involved in the process
- Address potential objections/concerns buyers may have regarding properties in probate
- Effectively promote themselves as a specialist and begin developing their niche

5 REASONS TO BECOME A MEMBER

01



A GLOBAL
COMMUNITY & LOCAL
CONNECTIONS

02



CREDENTIAL
THAT
MEANS MORE

03



EDUCATION
EXCELLENCE

04



JUST IN TIME
INFORMATION

05



EXCLUSIVE
DISCOUNTS



COMMIT, ACHIEVE, EARN

In order to earn the CRS Designation, you must:

STEP 1

Become a member
of the Residential
Real Estate Council.

STEP 2

Review the requirements,
and determine the path that
best fits your experiences.

STEP 3

Complete the required
education and submit the official
CRS Designation Application.

We are here to support you in your journey.

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WHO IS INVOLVED IN THE PROBATE PROCESS

Personal Representative-(PR or also referred to as an “executor”). This is the individual placed in charge in settling the estate after death.

Their duties...

- Oversee the process beginning to end
- Are appointed or approved by the court
- Sign the listing
- Liquidate the estate

Probate Clerk - these are the individuals that will assist you in finding the paperwork and will also complete the filing of the paperwork at the courthouse

Probate Attorney - this person will handle the process of estate administration. They work for the estate and get paid at the end.

Their duties...

- Typically file the papers on behalf of the estate
- May even be the one who recommends the real estate to the personal representative
- Assists with the sale of the property
- Distributes assets
- Determine/pay taxes owed

4,3,2,1 System

4 % of first \$100K Value of estate

3 % of next \$100k

2 % of next \$800k

1% of next \$8 mil



Heirs or relatives - This is the person/people who are named in the will and will inherit the decedent's assets. Think about these people as the "potential buyers." You'll want to keep and maintain contact with them.

Beneficiaries - someone named in the descendant's will who has been selected to receive assets, but not necessarily a relative.
For example: could be a life-long friend, romantic partner, etc.

PROBATE PROCESS WITH A WILL

Probate is a process that can take up to 9-18 months, depending on the state you live in. While each state has its own statutes on how real estate is to be handled in probate, the basic process is overseen by the courts and certain steps must be followed in most cases. This process is much easier if there is an existing will because a will documents where the assets end up.

1. The process begins by preparing and filing petition for probate. At the start of the probate process, the will of the decedent is first found and verified as legal. It must be filed with the probate court in the county where the person who wrote the will passed away.

The will won't have value until it's filed in court. Probate files are public and can be accessed anywhere.

2. Then, a personal representative or executor must be appointed or approved by the court (usually a family member). Documents like the Petition for Administration are signed and notarized. These are official documents that grant an individual permission to access and manage an estate after someone dies. You need this document to begin closing the estate.

3. The PR will post the bonds. This acts as insurance that the PR will fulfill their duties and comply with the state laws.

4. The Letters of Administration from the court are received. This gives the PR the official authority to take care of the descendant's estate.

5. Assets are then located and protected. All bank accounts, vehicles, property, investments and any other assets will fall into the hands of the PR as exclusive control of them.

6. Assets are appraised based on Date of Death Values (the fair market value of each estate asset at the time of the of a descendant's death) and an inventory is filed with the court.

7. The decedent's creditors are identified and notified. They are provided a limited period of time to make a claim against the estate.

8. The decedent's debts are paid off. Appropriate assets are liquidated and all proceeds are placed in the estate account.

9. The PR must file the decedent's personal income tax returns for the year in which they died. Any taxes that are due will be paid from the estate account.

10. The remaining assets are distributed to the beneficiaries or heirs according to the will. The PR usually has to get permission from the probate court first.

What Happens During the Probate Process?



PROBATE PROCESS WITHOUT A WILL

This process becomes more complicated if there is no existing will because it is up to the courts to handle the proceedings and make all the decisions.

No will means the estate is **intestate**. In this case, the court does not know how the decedent would like the estate distributed, and so the court applies probate law to determine who gets what.

Essentially, it works outwards from spouses to children, to parents, to more distant relatives. However, the exact order of the inheritance depends on the laws where the decedent lives.

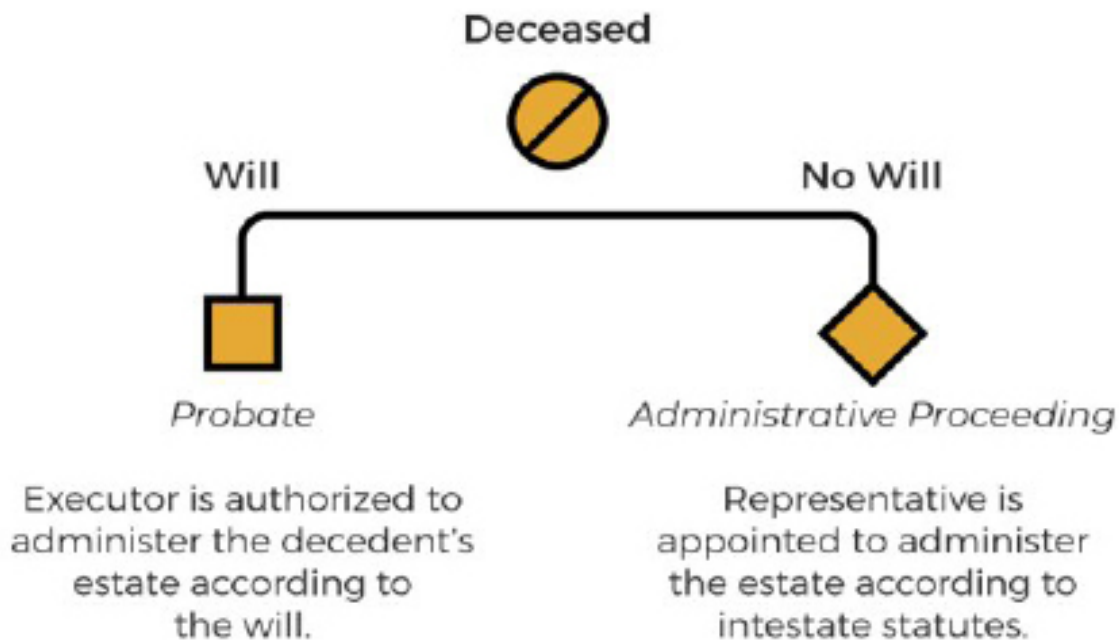
1. First, someone will step forward as the potential administrator will initiate the probate or the court will appoint an administrator, typically a blood relative.

2. The court oversees the liquidation of the estate so they must seek court approval when they sell assets in the estate.

Everything owned will go through probate court. These are items that will always go through the process, no matter what:

- any inheritance where the beneficiary passes away first
- non-titled property, or anything that does not have paperwork
- partner-owned investment property
- sole-ownership property (property titled in solely your name)

What Is Probate?



COMMON PROBATE MISCONCEPTIONS

1. An attorney is not needed. It's not required to hire one by law for some states, but it is essential. They are usually always involved because the procedural requirements are complex.

All probate petitions and proceedings are reviewed by a court appointed attorney whose duty it is to make sure the person managing probate are in full compliance with various legal and notice requirements.

2. If a person has a will, probate is not required. This is not true. The exception is if someone has a trust, the assets in the trust do not have to go through probate.

3. People expect the probate process to take years to complete. Of course, the turnaround time may vary depending on each circumstance, however as mentioned before, this process can last anywhere between 9-18 months.

4. The cost of the whole process eats up your estate fees. Not necessarily. The costs often depends on state law and individual circumstances. It can be expensive, but not as costly as people believe. For example, lawyer's fees are typically based on a small percentage of the value of the decedent's assets.



Chapter 2: The Process & Different Types of Probate

5 WAYS PROBATE PROPERTY IS BOUGHT/SOLD

- 1. Private sale:** This is handled by an attorney. They request sealed bids from potential buyers then open the bids at a specified time and highest bid wins property.
- 2. Public auction:** There is a set date/time for the auction and bids are not sealed, just given verbally. The highest bid then wins the property.
- 3. Private auction:** Properties are also listed on some private auctions. Again, bids are verbal and the highest one wins the property.
- 4. Trust departments:** The trust department will act as the PR and sell the property directly.
- 5. Real estate agent** (this is the most common way property is sold in probate): The PR chooses an agent to list and sell the property. The key is for the agent to seek out and contact the PR before they contact any of the options above.

WHERE TO FIND PROBATE FILES

First, define where do you do business. Select an area or county courthouse to work. You can find files through the legal newspaper, legal internet posting, or the courthouse. Personally visit the courthouse and ask for most recent probate files. These are public files and accessible to anyone, but held in the county where the decedent lived.

When viewing the file at the courthouse, find the index or case file. The system is similar to a library and every county will have its own system in place. Search for files by the name or case number. Then contact the Personal Representative and make an appointment to get the listing.



YOUR ROLE AS THE AGENT

Probate real estate is *not* a quick process and it will require several steps beyond a traditional real estate acquisition. The first 3 months of the process won't have paperwork yet, so that's where you have the opportunity to truly help the family.

If the property will be sold, the **Executor** or court-appointed admin will initiate the sale of the home and determine a listing price for the property in question. This will be determined after an appraisal takes place and will work closely with a probate agent.

It's also important to note that a real estate agent cannot enter into a listing agreement with a person who is *not* a court-appointed Executor or Administrator.

Request copies of the **Letters Testamentary or Letters of Administration** before entering into any listing agreement or other agreement relating to the sale of real property in order to verify that they are dealing with the appropriate party.



**LETTERS
TESTAMENTARY**

Cause No. 08-0045-2

The State of Texas

§
§
§

*In Probate Court
Tarrant County, Texas*

County of Tarrant

I, Suzanne Henderson, Clerk of the Probate Court of Tarrant County, Texas do hereby certify that on the 23rd day of January A. D. 2008,

ROBERT CARROLL BALLEW

qualified according to law as **INDEPENDENT EXECUTOR**
without bond of the estate of

GAYLE LANELL BALLEW, DECEASED

These are, therefore, given to prove his capacity to act as such and that said appointment is still in full force and effect.

Witness my hand and seal of the Probate Court of Tarrant County, at Fort Worth, Texas, on the 23rd day of January A. D. 2008.

Suzanne Henderson, County Clerk

**LETTERS OF ADMINISTRATION
(Bond)**

TO ALL WHOM IT MAY CONCERN:

WHEREAS, _____ a resident of _____,
died on _____ ("Decedent"), owning assets in the State of Florida, and

WHEREAS, _____ has/have been
appointed personal representative(s) ("Personal Representative(s)") of the Decedent's estate ("Decedent's
Estate") and has/have performed all acts prerequisite to issuance of Letters of Administration in the estate,

NOW, THEREFORE, I, the undersigned circuit judge, declare _____

duly qualified under the laws of the State of Florida to act as Personal Representative(s) of Decedent's
Estate, with full power to administer the Estate according to law; to ask, demand, sue for, recover and
receive the property of the Decedent; to pay the debts of the Decedent as far as the assets of the Estate
will permit and the law directs; and to make distribution of the Estate according to law.

These Letters of Administration are subject to the following restrictions:

YOUR ROLE AS THE AGENT

Once the listing price is established, the property will then be put on the market. Market it like any other home, using signage, websites, social media, open-houses, etc. to attract the highest offer.

When an offer is submitted, negotiate the terms to satisfy both parties. An official notice will be mailed to the heirs/beneficiaries of the estate establishing a 15-day period to object the property's sale. If no objections, a court date will be scheduled where the sale of the house will officially be executed.

Even if the representative of the estate decides to accept the highest offer, a confirmation hearing still needs to take place in order for the sale to be legally binding and this could take quite some time.

Things to keep in mind:

1. Educate yourself: You'll want to learn and understand the process of probate before you jump into representing a client going through that process.

Most executors will choose to work with an experienced agent or team who possesses a Certified Probate Real Estate Specialist (CPRES) certification because they will be more familiar with the subsequent court processes.

2. Do your research. Gather a list of all the homes in probate in a respective area. Probate records are public and easily accessible through the local courthouse.

This can be a much more lengthy, complicated process compared to traditional transactions. So know it requires your time and patience.

CONSERVATORSHIP

This is the legal term for when a probate court appoints a responsible person or organization to manage the daily life/finances of an individual who is unable to take care of themselves due to physical or mental abilities.

This person is usually appointed by the court, and if they are looking to sell the home for whatever reason, will need court permission first.

They must file a petition to sell the property and briefly state the facts as to why it is the protected person's best interests to sell the real property.

The court will schedule a hearing. Once they approve, the conservator can hire an agent. Agents help with the listing, marketing and selling of the property. You'll want to work to get the best offer.

If being sold under a conservatorship, it has to be sold through the probate process, which is why it is essential that you as an agent are experienced and knowledgeable.

After the best buyer is located and the offer is accepted, the attorney involved will apply for a court date in order to confirm sale. Other potential buyers may appear in court and are allowed to outbid the previous offer.

Conservatorship vs. Guardianship

There are some distinct differences between Conservatorship and Guardianship.

CONSERVATORSHIP

✓ Court-appointed individuals who can make decisions on behalf of someone incapacitated

✓ Focus on financial decisions

✓ Refers to an adult over 18 who is elderly, incapacitated, mentally disabled, or unable to make wise financial decisions

GUARDIANSHIP

✓ Court-appointed individuals who can make decisions on behalf of someone incapacitated

✓ Focus on health-related decisions or personal needs

✓ Relates to minors

Source: Trust & Will

TYPES OF TRUST: REVOCABLE



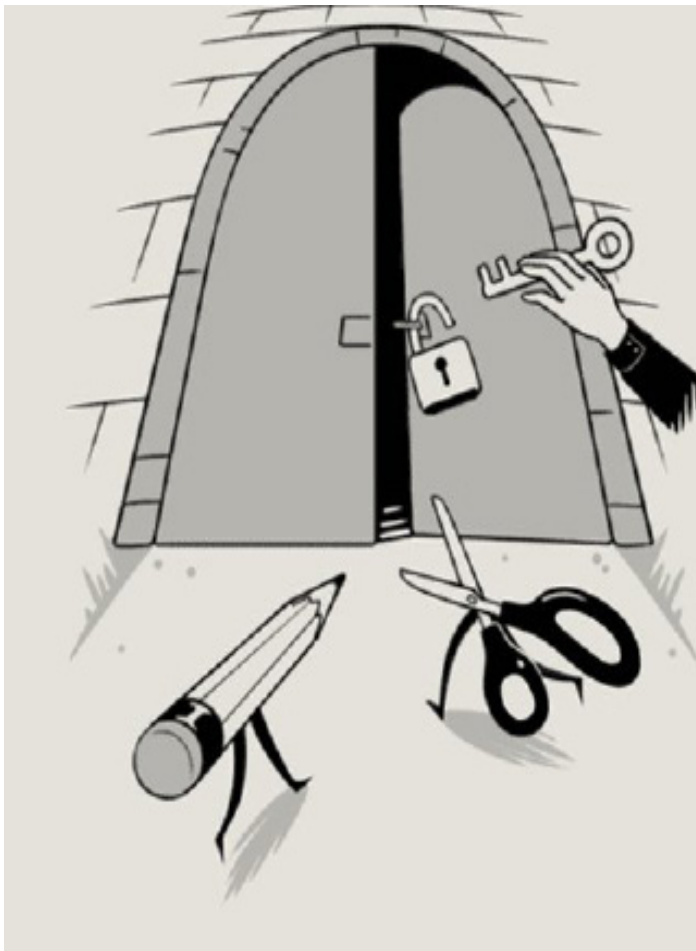
In a Revocable Trust, known as **living trust**, a successor trustee is named who will act on the original trustee's behalf. This may include family members, friends, attorneys, or even trust departments of banks. These trusts will dictate what happens to the assets, not a court or state law and lists beneficiaries intended to get financial benefit from the trust.

Having a Revocable Trust in place allows individuals to set rules, timelines, and stipulations for the estate. Some of the benefits of having a living trust are:

- Probate process is eliminated
- The records are private and cannot be searched
- The terms of the trust can be changed and modified by the grantor after its creation

Living trusts are a great way for people to manage their assets or protect them, should they become ill, disabled, or challenged by aging.


TYPES OF TRUST: IRREVOCABLE



Irrevocable Trust

[i-'re-və-kə-bəl 'trəst]

A type of trust that cannot be modified, amended, or terminated without the permission of the grantor's beneficiary or beneficiaries.

 Investopedia

In Irrevocable Trust, once the grantor has created the trust, all control is effectively given over to the trustee and they no longer own the assets. The trustee has the option to sell the property in an irrevocable trust privately, or to seek the services of a real estate agent.

It's important to note that with these types of trusts:

- They cannot be modified after creation, unless the beneficiaries consent to the modifications
- Assets are not subject to estate tax after the grantor's death
- Allows individuals to avoid probate court

Advantages of Irrevocable Trusts include no taxes or capital gains for the seller, asset value in the trust remains unchanged, the profit from the sale can be used for a new investment or paid out to the beneficiaries, and finally the assets in the trust are protected from creditors.

As with an estate, agents need to be careful in identifying the appropriate person authorized to transact trust business. It is not the beneficiary of the Trust, but the Trustee, who has the authority to hire an agent to assist in the purchase, sale, or renting of real estate titled in the name of the Trust.

Real estate transactions involving trusts can be *complicated*. They add another layer of legal issues, possible court involvement, and the potential restrictions in connection with purchases and sales of real estate. It's recommended that agents consider consulting an attorney prior to representing the seller (or purchaser) of and also advise their clients to do so as well.

REVOCABLE VERSUS IRREVOCABLE

COMPARING THE 2 TYPES OF TRUSTS



REVOCABLE TRUST

FLEXIBILITY:

Terms can be changed during your lifetime

CONTROL:

You retain total control over your assets

ESTATE TAX:

Still taxed on assets above exemption amount at death



IRREVOCABLE TRUST

FLEXIBILITY:

Terms are locked in at creation of the trust. Cannot be changed

CONTROL:

You give up total control over your assets

ESTATE TAX:

No tax on assets since assets are outside your control

What You'll Need as an Agent:

1. Make inquiries concerning the Trustee's authority to market, sell and even purchase real estate before agreeing to help the client
2. Letters of Authority, which gives you the ability to sign the title work, or whatever needs to be signed to then sell the property
3. Communication with the attorney to gain access to those letters. They typically have them within 30 days.

SPECIAL TYPES OF PROBATE

All probate is handled at the *county* level. Court confirmation will vary by state and some states require an overbid in the court confirmation process. If a person dies without a will, the court appoints a Probate Inheritance Referee, in addition to the administrator. The referee will evaluate the real and personal property in the estate.

To find the guidelines for court confirmation in your state, contact your state's association of REALTORS® and ask for the legal hotline. Be sure to ask the following questions:

- In a probate transaction, does this state require court confirmation for sale of a real property?
- How do I know which cases need court confirmation and which cases don't?
- If a property needs court confirmation to be sold, what does that process look like?
- If an opportunity for overbids is part of the process, is there a specific formula to calculate the amount of the overbid?
- Do I need a special contract for the court confirmation sale?
- What is the deposit required in a probate transaction without court confirmation?
- When does escrow open in this process?
- When does the final transfer of title place?
- Are there any differences between the commissions paid in a standard transaction vs. a probate transaction?
- Who is responsible to publish this?

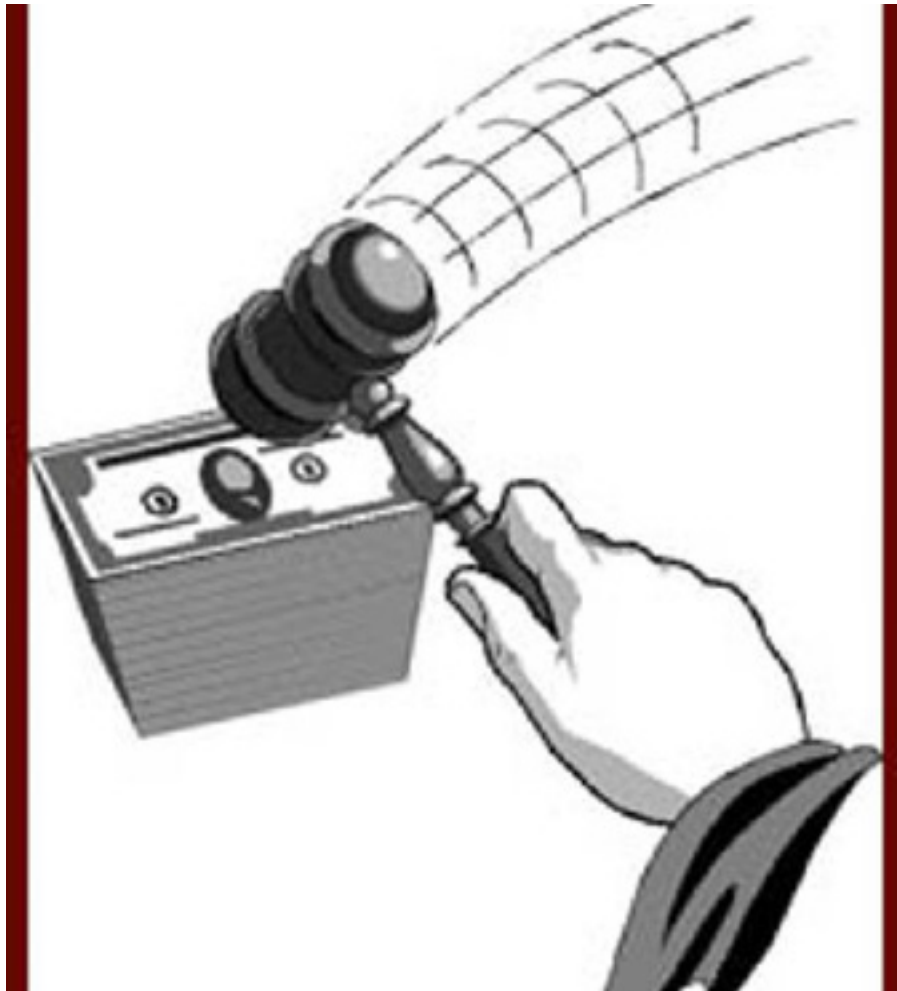
If I'm coming to the court confirmation hearing with a buyer, what do we need to participate in the overbid?

To sell the property when a court confirmation is needed, there must be a petition to the court for Confirmation of Sale of Real Property. After the legal notice for the Confirmation of Sale of the Real Property has been published, there will be a meeting in open court before the judge.

The judge will then proceed with the confirmation. In some states, there may be an opportunity to overbid and in other states, the judge will simply confirm the sale.

In situations that include an overbid opportunity, anyone can bid. After receiving the first overbid, it is up to the judge to decide in what increments the second bid must be. The highest bidder is awarded the property.

Commission standards vary for each state. Be sure to check with your local REALTOR® association for specifics in your area.



Chapter 3: Communicating with Individuals Involved

COMMUNICATION WITH THE PERSONAL REPRESENTATIVE

These individuals have quite a bit of responsibility and have a different mindset when selling a property than if they were selling their own property. They usually want to settle the estate quickly because potential insurance problems could exist and the bills that the estate must pay puts extra pressure on this person to sell quickly.

PR Duties:

- Completing an inventory of all the deceased's possessions
- Determining what bills, taxes, and other debts need to be paid
- Maintaining the property while in probate process
- Selling the real estate and personal property
- Settling estate and paying debts

It's your job to help them with the liquidation of the real estate. To communicate effectively with the PR, you'll want to find their number. You can do so in the following places:

Whitepages.com

Zabasearch.com

Anywho.com

Google

Facebook

***These are all free sites.**

***These are all fee-based sites.**

PeopleFinders.com

Spoked.com

Tryda.com

Privateiee.com

Theultimates.com

411.com

Pipl.com

Findtheseller.com

Yellowbook.com

Switchboard.com

If you Cannot Find the Personal Representative's Number:

First, get creative. The number might be listed under the PR's name, or the name of their partner or spouse. Try using a Reverse Address search on Whitepages.com. This provides you with where they live and phone number. Also, try to contact an heir to get in touch with PR if you cannot contact them directly.

These are great resources to utilize: Zaba.com, FreeLunch.com, TaskRabbit.com, Odesk.com

After Getting Ahold of the Personal Representative:

1. Find out if estate is selling the property, keeping it as a rental, or a relative/friend will move in. If the property is not currently for sale, ask if it will be in the future.
2. Build a relationship with this individual. Become a trustworthy source of information for anything they need and explain how you are available to help with other services they may need in the process.
3. Make an appointment to meet the PR to see the property. Be sure to take photos inside and out.

4. Along with calling them, you'll also want to send them a letter and/or other marketing material once a month.

5. Remember to keep following up with them throughout the process, being helpful and available in anyway that you can.

Be sure to stay in touch. It is all about follow up! Make it clear you are there to help the estate. Your job is to be a problem solver.

If the Personal Representative Lives out of the Area

You might have to arrange to meet with a neighbor, friend, or even relative of the house. If that's not possible, keep in touch with the PR by phone and make it a priority to meet with them at the property when they are in town.

MEETING WITH THE PERSONAL REPRESENTATIVE

If it's possible, do a drive by before meeting at the property or use internet sites like Google Maps to give you an idea of the condition of the property. This will help you identify potential buyers and investors.

Also, be sure to market yourself as the Certified Probate Real Estate Specialist. It's critical to let them know that you specialize in probate properties and are extremely knowledgeable in helping them settle this portion of the estate.

Provide them with an updated market analysis, especially if they do not live in the area. When looking at comparables, keep in mind that most probate properties have been vacant for a while/or the person living there may have been elderly so repairs may have not been completed in years. Keep in mind, most properties are sold "as is" because the owner is no longer alive.

Your duties as the agent include:

- Identifying the highest need and motivation to settle the estate
- Determining how you can help them
- Explaining your experience/knowledge can help sell the property of the estate efficiently
- Showing them the benefits of working with you
- Guiding them through the probate process

Walking the Property

When walking the property, check out the condition both inside and out. Determine if there is a benefit for the executor to invest some money into the property to be able to sell it for a higher price. They may have money to get the home back into marketing condition from some of the estate money.

After explaining all the options, then ask for the listing. Keep in mind, the PR has the final say about what can be done on behalf of the estate.



CONTACTING THE ATTORNEY

If you cannot get ahold of the PR, try giving the lawyer a call. Use your State Bar Association Membership Directory or attorney registration office to search for attorney contact information. Do not call them unless you do not already know someone in their firm. Otherwise, it's best to stop by in person (you could even meet them for coffee).

Once you have built that relationship and received the referral, keep them up-to-date with the process on a weekly or bi-weekly basis. This not only keeps you top of mind for the attorney, but also lets them know you are doing what you promised. Having a referral relationship with a probate attorney could benefit you for years.

Things to keep in mind:

- Be professional; give them your name
- Let them know you specialize in probate and want to help the estate
- It's important to help them understand how you can make their lives easier and take responsibilities off their plate. You are a huge help to them!
- Be prepared with the case number and name of the decedent in case you need to refer to it
- Focus first on building opportunities for them before you ask for their help

COMMUNICATION SCRIPTS

Calling Scripts for the Personal Representative

Once you get the probate lead, if you need to call the PR, use the following example:

"Mr/Mrs. _____,

This is _____ with Probate Navigators, and I understand that it can be overwhelming with all you have to do with the house, its contents, the piles of paperwork, and the calls with the attorney, so.....

I have a free Probate booklet to help give you a clear picture of all your options so that you feel you are making the right decisions along the way. What is your email? I will send it to you for free!"

Texting Scripts for the Personal Representative

"Mr/Mrs. _____,

This is _____ from Probate Navigators. It's overwhelming with all you have to do with the house, its contents, the piles of paperwork, and calls to the attorney.

I have a booklet to help you....."

After using these methods, if they seem reluctant or hesitant try using a few questions to get the discussion going:

- *What is the biggest challenge you have encountered so far in the process?*
- *What are your plans for the home?*
- *Do you need help with cleaning or trash removal?*

If they still refuse, just call them again in the future and follow up, demonstrating how you can help. Following up consistently is how you can improve your niche.

Alternative methods for contact

You can also leave a voicemail, door knock, utilize direct mail, or even existing clients. Use those existing clients to your advantage. You can contact your sphere of influence, client database, etc.

Here is a script example to use when speaking to an existing client:

“Hi John,

This is _____ from _____. I just wanted to let you know that we created a real estate book on how to help people dealing with probate and I was wondering, who do you know who needs a clear picture of all their options, so that they feel they are making the right decisions with their probate?

If you know of anyone, please ask them if I may contact them and provide me with their email and phone number.

If you or your family are in need of probate help, please let me know so I can send you or them a copy of our booklet right away!”



Open Houses

Open houses are a great way to differentiate yourself from other agents because they are great conversation starters. During the showings, you can ask: *who do you know that may need help with probate?*

You can also inform them you just wrote a book about probate and want to pass it along to as many people as possible. This provides them with a clear picture of all their options so that they know they are making the right decision.



BLUE RIBBON VENDORS LIST

This item can assist individuals involved in the process by informing about a Blue Ribbon List of Vendors that can easily help them. It is similar to a menu of helpers that are licensed/insured in fields individuals may need.

Communicate that these specialists may not be needed, but if they are, we have their numbers and in most cases have already negotiated their best discount for you:

- **Auctioneer**- will sell your things online, remove the remainder ,and leave the home broom clean
- **Bugs**- if you have them, he will find them, kill them, give a warranty
- **Garage sale coordinator** -will price, advertise and distribute the reminder to charities, leaving home broom clean
- **Home inspector** -will find what, if anything needs repaired before a buyer asks for a more expensive fix
- **Locksmith** -if needed, we have one
- **Home stager**- a little something to perk up the house or couple of rooms
- **House cleaner**- thorough cleaning of rugs, walls, appliances, woodwork, etc.
- **Well and septic**- opens septic tank, photographs it, and will tell you what to do to fix it, before a buyer asks for replacement



Chapter 4: Promote Yourself as a Specialist/Develop your Niche

GOAL SETTING

Probate clients aren't like other real estate clients. You'll meet a variety of clients when you start specializing in probate real estate. Some will be grief-stricken over the loss of a parent and the loss of the family home. Others are happy to help you sell the home in the shortest amount of time possible.

You have to be sensitive to people's needs; listening more than talking and being empathic towards the situation. When goal setting for probate, take the following actions:

1. Determine how many hours a week to commit to the process; 4-8 hours per week is typically the minimum for getting started.
2. Prepare to spend a lot of time learning about probate to become a specialist, even if it's learning some of the same things over and over again until it's ingrained in your head.
3. Set yourself up and create a plan that entails what you are currently doing now.

GETTING STARTED

Once you have goals in place, then get started. Choose a county you're interested in and start by calling the probate court for that particular county. Ask how you can obtain a list of probates or visit the local courthouse in your county to pull leads.

Keep in mind: it's okay to ask for help during this time. Introduce yourself. Inform them of what you are hoping to learn and be able to assist members in your community. Also, visit at least once every other week.

Then, get to know the most active attorneys in your area who deal with probate. Search for the Personal Representative on a probate case by looking up their name, address, and phone number if possible.

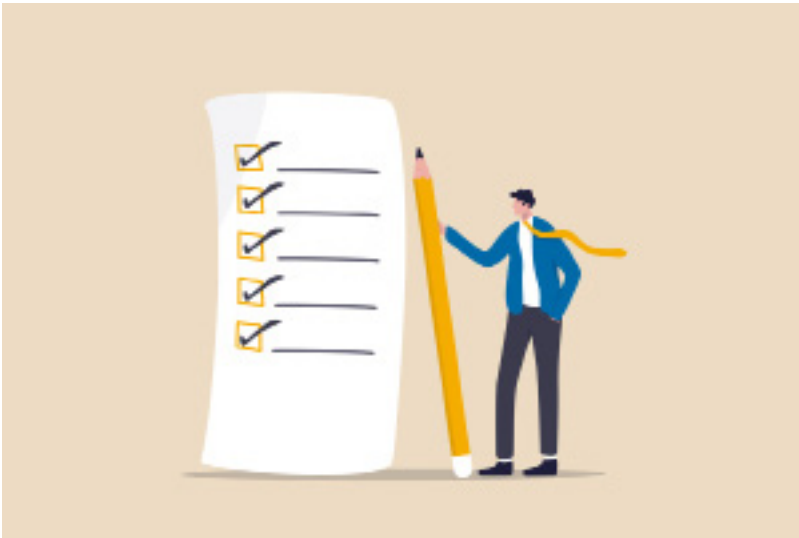
Next, send out your first marketing letter and then continue to follow up with each individual lead with at least one letter every month. Start making your phone calls once you learn more things about these individuals. Be sure to learn more about the family, the property, and the attorney involved. Keep them updated throughout the process. This means how you're going to help their client from start to finish and take whatever you can off their plates.

Set the appropriate appointments to meet. Finally, get the listing. Keep in mind: if you're going to be the telemarketer, you get a lot of people hanging up on you, angry. If the person/family is not ready to sell, you can get their contact information and stay in contact for later on down the road.

Then, close the escrow, and build your database of attorneys.

RESPONSIBILITIES TO FULFILL FOLLOW UP

1. Be prepared to gather information to prepare your prospects: a Probate Comparable Market Analysis
2. Create a list of professionals in your area that can assist all prospects in probate
3. Create a form where your prospects can log in personal property to maintain inventory
4. Be prepared to show and explain your marketing program when listing probate properties
5. Be prepared to provide a probate broker price opinion



COMMON QUESTIONS/CONCERNS BY FAMILIES AS THEY PREPARE TO SELL THEIR HOMES

Here are common questions that may be asked as families prepare to sell their homes and response examples:

1. How much is the home worth?

Response: *"We can prepare for you a complimentary estimate of the value of the property in today's market."*

2. It's old and outdated. Would selling "as is" be better than fixing it up?

Response: *"Let us look at the property and provide suggestions on what to do to enhance the value. If after receiving those suggestions, you still want to sell "as is", we will help you price it accordingly."*

3. We don't live in the area. Do you have someone who could assist with the work suggested?

Response: *"We can recommend some licensed and insured individuals who can help."*

4. Do you know anyone who can help us clean out the house?

Response: *"Yes, they will also be licensed and insured."*

5. Do you think any of the household items can be sold?

Response: *"We have a couple of options if you would like to sell these items. Show us what you are interested in selling and we can discuss your options for moving forward."*

6. How quickly can you put the house on the market?

Response: *"We can work with you to get it ready for showing and prepared for the market as quickly as possible."*

7. Our family has a friend who is also a REALTOR®. Why should we use you?

Response: *"I would be happy to explain my sales strength and what I can bring to the table to help you reach your goal of a hassle-free sale at the highest price."*

8. Our remaining parent cannot move until we obtain the equity from the property, can you show it while they are in the house?

Response: *"Yes, we can. We can arrange to show the property in a manner that is most comfortable for them."*

Chapter 5: Addressing Potential Buyer Concerns Regarding Properties in Probate

WHAT YOU FIND IN PROBATE

Probate sales are often tricky, complex, and drawn-out transactions that can present additional challenges for a would-be buyer. This can often result in a significant bargain for the buyer, as they are usually priced low. The procedure for buying probate real estate is different in each state.

That being said, the first step to buying a house in probate is to educate yourself on the matter. Only those that know what to expect from the process will be able to navigate it successfully.

These are common properties you may find you are working with in probate:

- Fixer uppers
- Duplexes, triplexes, or apartments
- Out-of-the-area personal representations
- Properties to be donated to charity



PERSONAL PROPERTY

Inspecting the Personal Property

When inspecting the personal property, remember to bring your essentials. This includes cash, a camera, phone numbers for the people on your personal property expert team, and your copies of the Personal Property Inventory and Appraisal Form.

Also remember to search for treasures. Go through everything and look at every single part of the property, including garages and sheds. The best items are often in the most unexpected, out-of-the-way places.

These are some of the items to look for:

- Name brands, like a company logo
- Antiques
- Jewelry
- Vehicles

Items to avoid include:

- Damaged goods
- Incomplete sets
- Outdated items



Take notes and photos of the items that the client is interested in selling.

Buying the Personal Property

Before you buy the property, you might want to have the item appraised. You will want to bargain with the personal representative and use deposits to postpone your purchase. In doing so, make sure you leave the right amount, always get a receipt, and come back for the item as soon as possible.

Selling the Personal Property

When selling the personal property, keep in mind to value those items and if you want top dollar, they must be in great condition. Also, try to get 3 value estimates before selling expensive items.

Some of the places you can sell personal property include:

- Consignment or antique shops
- Estate sales
- Flea markets
- Auction houses
- Garage sales
- Internet

Inheritance Funding

Inheritance Funding is when Inheritance Funding Companies provide a service for heirs where they can actually get a cash advance on their inheritance before the estate is settled. They charge a fee for their service, and the fee charge can depend upon complexity, if real estate is involved, or the amount of time for the court to distribute funds.

Inheritance Funding is usually an option to save the equity in a property when there is a mortgage in default, to do repairs on a property to raise the value, when one or more of the heirs are in need of cash; for example, one of the kid's college payment is due or if a loan is like a assignment. We must find out about it for each state.

This type of funding provides multiple benefits for the heirs, including:

1. Facilitating an "immediate" advance of cash from an estate.
2. Providing cash from \$5,000 to \$250,000 usually within 5-7 days of receiving the application
3. The amount advanced is not more than 30% of that heir's inheritance
4. They must be receiving at least \$17,000
5. Money is free and clear to the heir with no payments
6. No loan qualification or credit check because it is not a loan; it's a cash advance and they do not check employment status or income history
7. Does not require any loan points because it is not a loan

ISSUES THAT MAY ARISE WITH PROPERTIES IN PROBATE

1. One issue that may arise is negotiating the price of a probate property. This isn't nearly as straightforward as a conventional home sale. Not only must the seller and buyer agree on a price, the price sometimes must be confirmed by the court overseeing the probate process.

The process is even more complicated if there are multiple beneficiaries who have to come to a consensus or there are beneficiaries who disagree about selling the property.

2. In a conventional home sale, the buyer and seller can choose a mutually beneficial closing date and write it into the contract, but the waiting period for probate is longer. After waiting, the buyer interested in the property must still go to court and participate in an auction.

3. Buyers may also be reluctant about the deposit. There's uncertainty involved and they have to wait a substantial amount of time before they can take ownership. There may be required consents from the decedent's beneficiaries or approval that could be required by the probate court.

During that time, they do not know whether or not the property will be theirs or if they'll end up in bidding wars.

4. A buyer is just as likely to end up with a top-of-the line freshly remodeled home as they are to end up with a home that hasn't seen updates in half a century. Often times, probate properties are "fixer uppers" or have been neglected for years and are often sold "as is."

5. Finally, not having a team of experts assisting you can cause issues. Remember that probate goes through a court process and if you don't have the right team, you might cause undue stress for everyone involved.



ADDRESSING PROPERTY CONCERNS

To address these concerns with the buyer, inform the client they might not know everything that's wrong with the home and they could potentially buy property that has a lot of issues. Encourage them to do their due diligence sooner rather than later.

Let them know it's really important to take their time and learn as much as they can about the property. It's crucial to get a home inspection if possible because again, a lot of these homes are fixer-uppers or may need a lot of updating.

Hiring an expert is also important to help assist buyers with the process. Emphasize that you are a real estate agent who has experience and specializes in your state's probate laws and procedures. An attorney should also be involved.

How many probate transactions have you handled?

What's the difference between probate and traditional real estate sales?

Are you certified or educated in probate?

Having an excellent professional in probate real estate will help them complete the buying process quickly and easily.

Finally, make it very clear that the process can take longer than a normal home sale due to extra hurdles. This can frustrate the buyer if they want to move quickly. Inform clients that they need a place to stay while they wait since the process is so lengthy.



Probate Glossary

Beneficiaries: someone named in the descendant's will who has been selected to receive assets, but not necessarily a relative

Conservatorship: the legal term for when a probate court appoints a responsible person or organization to manage the daily life/finances of an individual who is unable to take care of themselves due to physical or mental abilities

Inheritance Funding: the Inheritance Funding Company provides a service for heirs where they can actually get a cash advance on their inheritance before the estate is settled

Intestate: when an estate has no existing will

Irrevocable Trust: a trust that cannot be modified, amended, or terminated without the permission of the grantor's beneficiary

Living Trust: a legal document created during an individual's lifetime where a designated person (the trustee) is given responsibility for managing the assets for the benefit of the beneficiary

Personal Representative: the individual placed in charge in settling the estate after death

Petition for Administration: official documents that grant an individual permission to access and manage an estate after someone dies

Probate: a legal process that occurs when a person dies that involves the validation and administration of the will

Probate Clerk: the individuals that will assist you in finding the paperwork and will also complete the filing of the paperwork at the courthouse

Probate Inheritance Referee: the court-appointed individual who evaluates the real and personal property in the estate

Revocable Trust: a trust whereby provisions can be altered or canceled depending on the wishes of the grantor or the originator of the trust