

HOW TO USE THE CONFIRMATION LETTER (form letter is on page 2)

The confirmation letter is designed to memorialize client-agent discussions in regard to a real estate transaction or inquiry.

Q 1: What changes must be made to the letter to fit my situation?

A 1: Change the following: DATE, CLIENT, CLIENT ADDRESS, PROPERTY ADDRESS, SPECIFICS OF THE TRANSACTION, TRANSMISSION INFORMATION (I.E. SPECIFIC EMAIL, FAX INFO), YOUR NAME/COMPANY.

Q 2: Must the Client sign the confirmation?

A 2: No. Send the confirmation via 2 methods (i.e., fax AND email, email AND text, etc.) and keep evidence in your file (e.g., print sent mail, fax confirmations and fax covers). Be sure to use detailed information of where you sent the confirmation (the fax number, the email address).

Q 3: What should I do if I don't understand the client's questions or the topic?

A 3: Discuss with your Broker and/or the CAR hotline.

Q 4: When should I use the confirmation letter?

A 4: The following non-inclusive examples trigger the need for a confirmation letter:

1. Boundaries/Fences/Easements. Any discussion with either party or their agents about property boundaries, whether a fence is in the proper place, location of and/or scope of easements should be referred to qualified professionals.
2. Physical inspections/Reports. Conversations occurring at the inspection or related comments made by the parties, the agents, the inspector or others in attendance. (Best practice: Use the Receipt for Reports form AND the Confirmation Letter to show they: 1) signed for documents; and 2) you discussed the documents.)
3. Disclosures. Confirm the client received disclosures and has read those disclosures. (Best practice: Use the Receipt for Reports form AND the Confirmation Letter to show they: 1) signed for documents; and 2) you discussed the documents.) Ask if they have any questions. Read the disclosures yourself and point out areas of your concern. Discuss with client then confirm the basics of your conversation.
4. New Facts. Discovery of new facts may trigger the need for further inquiry. (e.g., the buyer notices odors for the first time at the walk-through and parties discuss that these odors may be from a nearby water treatment facilities, and send confirmation.)
5. Tax or Legal Inquiries. Anything pertaining taxes or to rights and obligations of the parties should be referred to appropriate professionals. It is not enough to rely on the language of the contract alone when a specific discussion arises. Discuss and confirm.
6. Zoning/Future Use. Anything pertaining to zoning ordinances, restrictions and/or future use should be referred to qualified professionals. Discuss and confirm.

Q 5: Isn't the Receipt for Reports enough notice for a buyer?

A 5: NO. The agent has a responsibility to advise and counsel their client to read and ask questions. The agent should point out "red flags" to their clients. CAVEAT: Do not exceed the scope of your expertise. The best practice is to use the confirmation letter to create a paper trail of your advice to further inspect, investigate or consult with a qualified specialist. Keep your confirmation brief and to the point.

Wednesday, February 03, 2016

Client Name Here
Client Address Here
City, State, Zip Code

VIA U.S. MAIL & FACSIMILE (000) 000-0000
(or E-mail address here)

RE: PROPERTY ADDRESS HERE

Dear Buyer/Seller Name Here:

As you know, my company (Name of Company Here) and I represent you as the Buyer/Seller in the purchase/sale of the above referenced property. This confirms our recent conversation wherein we discussed the WRITE HERE THE BASICS OF YOUR CONVERSATION – for example: various issues raised in the inspection report, the missing roof tiles, the stain on the kitchen ceiling, the crack in the garage floor, ETC. As we discussed, please follow up with a qualified specialist in regard to your own further investigations and inquiries to satisfy your understanding.

This is also to remind you that my company and I do not provide legal, tax or credit advice. Thus, it is important for you to direct such concerns to the appropriate professional according to your particular needs.

Please contact me after you have further investigated these issues if you have further questions. Thank you.

Sincerely,

Agent Name Here

cc: Broker/Manager; File