Before you send money: deal checklist

Use this on every deal, from any source. Investor to Investor connects you with sellers; verifying the deal is up to you.

The seller

- [ ] Confirm who you're dealing with: full name, company and a phone number you've called.
- [ ] Ask for their role: owner, contract holder or licensed agent. If a contract holder, see the contract and confirm it can be assigned.
- [ ] Check the owner of record on the county assessor or recorder site matches the seller or their contract.

Title

- [ ] Order a title search through a title company you chose: liens, judgments, back taxes, HOA dues.
- [ ] Make sure the title company can insure the sale before your inspection or exit deadline passes.

The property

- [ ] Walk it yourself or send someone you trust. Photos can hide roof, foundation, water and sewer problems.
- [ ] Confirm occupancy. If tenants live there, get the leases, rent amounts and deposits in writing.
- [ ] Check zoning, permits and any open code violations with the city.

Your numbers

- [ ] Pull your own comps for after-repair value. Don't rely on the seller's estimate.
- [ ] Build your own repair budget with a cushion of at least 10 to 15 percent.
- [ ] Run the deal in the flip calculator: holding and selling costs, profit and your maximum offer.

The money

- [ ] Send earnest money only to a licensed title, escrow or closing company you verified yourself.
- [ ] Never wire funds based on emailed instructions alone. Call the title company at a number you looked up and confirm before every wire.
- [ ] Get a receipt for every payment, and keep copies of everything.

The paperwork

- [ ] Read the purchase contract or assignment before signing: price, earnest money, inspection period, closing date.
- [ ] Know your exit: what happens to your deposit if you walk away, and by what date.
- [ ] Have an attorney or experienced investor review anything you don't understand.

If something feels rushed, slow down.

Pressure to wire money fast, skip the title company or decide before you've seen the property are the most common signs of a bad or fake deal.

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