

REALsmart Real Estate School

Temporary Occupancy Client Checklists Full Version

Use when possession does not align with closing.

SELLER STAYING AFTER CLOSING (Buyer Owns | Seller Occupies)

Step 1: Occupancy Terms

- Daily rent – Rent is not in the possession form because buyer's who are getting an owner-occupied loan cannot collect rent under conventional lending guidelines
- Security deposit addressed – The standard special stipulation specifies security deposits, if they are added to the agreement, are paid by the seller to the buyer.
- Written agreement in place – The standard GAR contract documents include a possession form that is added to the agreement as an exhibit.

Step 2: Insurance Questions

Buyer and Seller should get all information in writing from their insurance company

Buyer should ask:

- Does my policy cover non-occupancy?
- Limits due to seller occupancy?
- Coverage for seller-caused damage?

- Need landlord policy?
- Liability coverage in place?
- Any exclusions?
- Should seller carry specific coverage?

Seller should ask:

- Does policy remain after sale?
- Need renter's insurance?
- Is personal property covered?
- Liability coverage?
- Any coverage gaps?

Step 3: If Seller Does Not Vacate

- Tenant at sufferance status
- Holdover fees may apply
- Court order required for removal

BUYER MOVING IN BEFORE CLOSING (Seller Owns | Buyer Occupies)

Step 1: Occupancy Terms

- Move-in date defined – In the standard GAR possession agreement
- Rent agreed – In the standard GAR possession agreement
- Security deposit addressed – In the standard GAR possession agreement
- Utilities assigned – In the standard GAR possession agreement
- Written agreement in place – This is the standard GAR possession agreement

- Personal property covered?
- Liability coverage?
- Impact on future policy?

Seller should ask:

- Coverage for buyer damage?
- Liability extend to buyer?
- Exposure to injury claims?
- Need additional coverage?

Step 2: Insurance Questions

Buyer and Seller should get all information in writing from their insurance company

Buyer should ask:

- When does homeowner policy begin?
- Any coverage before closing?
- Need renter's insurance?

Key Issue

Buyer likely has no coverage before closing without renter's insurance.

Step 3: If Buyer Does Not Vacate or Close

- Tenant at sufferance status
- Court order required