

USA Property Acquisition - Our Process



1

Understand the Offer

Please carefully read all of the information on our website and provided during the process. Do not sign anything that you have not read and understood fully.

2

Contact a Certified Practicing Accountant

Speak to a qualified CPA about your interest in offshore property investment.

You will save time and fees and gain more accurate advice if you speak with a firm that is already familiar with US property investments and the associated tax issues for your location. Offshore property investment is a specialist area that some locally practicing CPA's cannot advise you on.

Our recommended CPA's are happy to advise you directly or to work with your existing CPA or financial planner in this specialist area.

3

Establish your US investment vehicle

The simplest set up is to invest in your own name but may have limitations.

However there are a number of options including using a Limited Liability Company (LLC) or a Self-Managed Superannuation Fund (SMSF).

A LLC or SMSF are excellent options, but the type and location of your investment vehicle will depend on your personal financial situation. Your internationally experienced CPA will advise the best course of action for your particular needs.

We have associations with local CPA's and overseas CPA's to provide an investment overview that can provide you with a general understanding of US investments for your tax position.

Please note that this referral is a general information service only and does not constitute a recommendation or substitute for your need to get expert personal advice through a qualified professional CPA that is fully versed in your individual financial circumstances.

4

Apply for a US based bank account

If you prefer to have your rental income paid into a US based bank account with a global access Visa debit card here is a simple way to set this up.

5

Allocate investment funds to USD

There are a number of options available to you to transfer money overseas

We suggest Ozforex for AUD/USD exchange rate transactions.

Ozforex can provide you with significantly better exchange rates than retail banks in either Australia or the USA. Ozforex provides a fast, efficient exchange service for AUD to USD and back again. Once registered and identified over the phone you can use their online system to lock into exchange rates, transfer AUD and they will wire the proceeds in USD to your US bank account or any other USD account you choose.

6

Select your investment properties

Ask us to provide our current property inventory.

Please do not ask us for a current inventory before you are able to demonstrate that you have initiated the steps above. We have limited inventory which often changes daily. We therefore only make properties available to those who are ready and capable of immediate purchase.

7

Receive Sale and Purchase Agreement

On making a selection our office will arrange via email a Sale and Purchase Agreement for your selected property(ies). Sign and return the Agreement via Email or post. Once we receive the signed agreement, we remove your selected property(ies) from the market.

8

Arrange an Independent inspection (Optional)

Within the Sale and Purchase Agreement you will be given the option to purchase a property inspection for your selected property at a cost of \$350USD per property. Selecting this option will authorize an independent property inspection company to provide you with a full report detailing the functionality and live-ability of each room and area of the property. This option provides you with a back-out clause if you not wish to continue with the purchase after receiving the report. The reporting process takes up to five days.

9

Receive Closing Documents

We will then arrange for a US Title Company (similar to Aust. Conveyancer) to supply Closing Documents which will include:

- Wiring and contact instructions for the Title Company
- Property Transfer Affidavit
- Copy of Deed of Ownership to Property
- Real Estate Settlement Statement (HUD-1 Form)

The Real Estate Settlement Statement is a list of your property costs plus your closing costs from the independent escrow company (like a solicitor's trust account) that is handling the property sale and purchase. The costs you will see on the Real Estate Settlement Statement will include:

1. Purchase price
2. Transfer tax
3. Title fees
4. Property taxes to June 30 or December 30 of current year

10

Sign and send copies of Closing Documents

You then need to sign, and fax or email copies of all the Closing Documents to us. We will forward them to the US Title company handling your transaction.

11

Wire settlement

After signing and sending copies of all the Closing Documents, you need to wire the total amount on the Buyer Settlement Statement to the US Title company that is handling the transaction. This is the firm that acts in the same manner as a Conveyancer/Solicitors Trust Account in Australia.

12

Fedex the signed original Closing Documents

Sign the original Closing Documents and forward to our office. We will courier them to the US Title company handling the transaction via Fedex. The Title Company will not begin the Title transfer until they receive the total funds and the original signed Property Transfer Affidavit.

13

Title transfer completed

On receipt of the funds and the signed original Closing Documents, the Title company will record the Deed of Ownership with the County, pay out the stamp duty and transfer ownership to you.

14

Take care of management of the property and income

We will arrange for the forms for a Property Management Agreement with a locally based Property Management company for the management of your new property. These forms include authorising payment of rent to your nominated account.

15

Your recorded Title Deed will be mailed to you

A copy of the recorded Deed of Ownership to each property is mailed to you by the county or city office. This process can take a significant period of time depending on the county involved. It does not affect your legal ownership of the property or receipt of income