



1031 Exchange Checklist

This 1031 exchange checklist is intended to provide a brief overview of the steps involved in an IRC Section 1031 tax-deferred exchange and when The 1031 Exchange Group should be contacted throughout the process. This checklist does not address all issues involved in an exchange.

1. **CONTACT a trusted CPA:** to determine if a Tax Deferred Exchange is the right option for your circumstance and tax situation.
2. **CONTACT the 1031 Exchange Group:** Contact us as far in advance as possible before closing.
3. **SALE CONTRACT:** Enter into a contract to sell the relinquished property and include the 1031 exchange clause.
4. **EXCHANGE SET-UP:** the 1031 Exchange Group will prepare the exchange documents for the relinquished property sale.
5. **RELINQUISHED PROPERTY CLOSES:** the 1031 Exchange Group is assigned into the transaction by the seller before the sale closes.
 - A sub-account is created to hold the exchanger's funds. Exchange proceeds are transferred directly into the 1031 Exchange Group's Trust account via wire transfer by the title company.
6. **IDENTIFICATION PERIOD:** Both the 45-day identification period and exchange period begin.
 - Although it is the sole responsibility of the exchanger to meet all identification rules, The 1031 Exchange Group will forward confirmation of the exchange proceeds received, the timelines for the 45-day identification period and 180-day exchange period (or the date the tax return is due, whichever is earlier), the identification requirements and the identification rules.
7. **PROPERTY IDENTIFIED:** Exchanger properly identifies replacement property by midnight of the 45th day.
8. **PURCHASE CONTRACT:** Enter into a contract to purchase replacement property and include the 1031 exchange clause. Send the 1031 Exchange Group a copy of the contract.
9. **EXCHANGE PAPERWORK PREPARED:** the 1031 Exchange Group will prepare the exchange documents for purchase.
10. **REPLACEMENT PROPERTY CLOSES:** the 1031 Exchange Group is assigned into the transaction and purchase closes.
 - The 1031 Exchange Group wires exchange proceeds to the closing officer.
11. **COMPLETION:** If all exchange funds are used to acquire the replacement property or properties, and all the exchange requirements are met, the exchange is complete. Any unused exchange funds are returned to the exchanger – any tax consequences to be confirmed by the exchanger's tax advisor.

As a Qualified Intermediary, the 1031 Exchange Group cannot provide tax or legal advice. Investors should always seek the advice of their tax and/or legal advisors regarding their specific situation.