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This document was created to help you understand more about buying a foreclosed home. This document also contains valuable information that will help you complete a successful transaction on a bank owned property.

The Seller: The Seller is an out of State Corporation, usually a bank. When borrowers default on home loans, the bank is left with little alternative than to reclaim their interest in the property through foreclosure. The seller will normally not attend the closing.

The Property: Lenders sell their foreclosed properties through in house portfolio managers, or outsource companies, who in turn, hire local realtors to represent them. Bank properties are almost always sold “**AS-IS**”. In many cases, a buyer will have a right to inspect the property (usually within 5 days of the binding date), and may request to terminate the contract **WITHIN THE INSPECTION PERIOD**. The seller is not responsible for making repairs, and in most cases, inspection issues are not negotiable.

Financing: You should have your financing in place **prior to submitting an offer**. A copy of earnest money and prequalification letter is required for all offers. No offer will be considered or presented without it. Cash offers require proof of funds statement not more than 60 days old. Most bank addendums **remove financing contingencies 14-21 days after the binding date**. It is the buyers' responsibility to ensure that their lender processes their financing in a manner consistent with the terms of the contract. **Changes in financing after the 5 day application period will require renegotiation of the contract!!!** We cannot guarantee the same terms or price if financing is changed.

Offers: All offers must be presented in writing. Corporate addendums vary from one client to client and may be attached before or after negotiations, again, depending on the client. Most negotiations are verbal and subject to management approval. We will email or fax all of their negotiations or counters so you will have something in writing to respond to. Please be aware that it may take up to a week to receive corporate approval from the Seller. Once we have approval, no changes can be made to the final contract. Upon successful negotiation, the Selling Agent should deliver 3 final contracts, signed in blue ink to our office Remax of Atlanta, Tucker, GA 30084 no later than 24 hours from the time we send the documents to the Selling Agent. Earnest money should be made payable to **Re/max of Atlanta**, and delivered with the contracts.

The Closing: In most cases the Seller allows 30 days for closing (for Buyer to obtain financing). However, you should be aware that in rare cases, there may be title issues that need to be cleared up before closing. **This can delay closing**. Another common mistake is that lenders order title work and other items that are handled by the corporate attorney. Communication with the corporate attorney will insure unnecessary costs are not incurred. The Closing Attorney usually needs 3 business days (from the time the closing package is received) to set up the closing. **DO NOT** expect a closing on the same day the closing package is received. Communication between lender and attorney is crucial for a smooth closing. Normally the closing will take place at the Sellers Attorney's Office. We will make sure that the termite letter (if any) is delivered to the closing attorney if we can not be present.

Occupancy: The Purchaser may not take possession, alter, or store any personal belongings in the property prior to closing and funding of the loan under any circumstances. Failure to adhere to these requirements constitutes trespassing and may result in prosecution. The Purchaser should have all utilities put in their name as of the day of closing to avoid interrupted service.

Agent Information: We require all Selling Agents to be present with their client anytime the buyer enters the property prior to closing. Commission structures vary from corporate client to client. Most commissions are paid on the net sales price (sales price – costs paid for buyer+ net sales price) Please do your part in providing updates regarding loan approvals, appraisals, inspections, etc. Working together insures a smooth transaction.