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BUYER TIP LIST

ITEMS TO CONSIDER WHEN MAKING AN OFFER:

PRE-FORECLOSURE (A/K/A "SHORT SALE")

- * SHORT SALES ARE A LONG PROCESS 3-6 MOS. AVG.
- * BANKS ARE NO DIFFERENT THEN A NORMAL SELLER EXCEPT THEY HAVE MUCH MORE REAL ESTATE EXPERIENCE
- * CASH OFFERS WITH MINIMAL CONTINGENCIES CARRY THE MOST WEIGHT
- * HOW MUCH DOES SELLER OWE IN TOTAL (aka PAYOFF AMOUNTS)?
- * USE FAR 9 SHORT SALE SPECIAL ADDENDUM
- * WHO WILL PROCESS SHORT SALE AND MITIGATE THE LOAN ?
- * WHO WILL PAY MITIGATION FEE?
- * REALIZE ONCE "BROKER OPINION OF TITLE" (BPO) IS ORDERED BANK MAY COUNTEROFFER
- * THE BANK MAKES THE RULES, NOT THE SELLER OR BUYER
- * AS HARD HIT AS BANKS HAVE BEEN, THEY FOLLOW INTERNAL POLICIES TO MAKE DECISIONS ON ASSETS THEY OWN
- * THE BANK DOES NOT HAVE TO ACCEPT YOUR OFFER
- * BEING PATIENT AND COURTEOUS WILL PAY OFF IN THE LONG RUN
- * OWNER AND PROPERTY IS INVOLVED IN A LAWSUIT/LEGAL MATTER
- * OBTAIN PRE-HUD
- * WHEN WAS LIS PENDENDS FILED?
- * HAS THE PUBLIC AUCTION BEEN SCHEDULED?

PRECAUTIONS:

- * THIS WILL BE A BUYER BEWARE TRANSACTION
- * HIRE AN ATTORNEY TO REPRESENT YOU
- * MAKE SURE A LIEN ,OPEN PERMIT AND CODE VIOLATION SEARCH
- * BUY TITLE INSURANCE
- * CONTRACT SHOULD BE PROPERLY EXECUTED WITH A FAR9 SPECIAL SHORT SALE ADDENDUM
- * ORDER A SURVEY
- * MAKE SURE NEW LENDER FOR BUYER WILL FINANCE PROPERTY IN PRE-FORECLOSURE
- * REVIEW RE-PRORATION CLAUSE IN CONTRACTS

TYPE OF TRANSACTION

REO / BANK OWNED PROPERTY

- * IF YOU OFFER CASH, YOU CAN GET A GREAT PRICE
- * CASH OFFERS WITH MINIMAL CONTINGENCIES CARRY THE MOST WEIGHT
- * IT IS HELPFUL TO KNOW ORIGINAL AMOUNT OF FORECLOSED MORTGAGE
- * FAILURE TO CLOSE WILL MOST LIKELY RESULT IN LOST DEPOSIT
- * REO BANK WILL LIKELY USE THEIR OWN SPECIAL ADDENDUM
- * REVIEW BANKS SPECIAL ADDENDUM CAREFULLY
- * KNOW THE ADDENDUM OVERRIDES THE MAIN CONTRACT
- * YOU WILL LIKELY BE REQD TO CLOSE WITHIN 30 DAYS
- * REO BANK SELECT AND PAY TITLE INS., LIEN AND CLOSING AGENT
- * REO BANK MAY TAKE A LONG TIME TO RESPOND TO YOUR OFFER
- * REO BANKS OUTSOURCE MOST CLOSINGS
- * COMMUNICATION AND RESPONSE TO QUESTIONS MAY BE POOR
- * BEING PATIENT AND COURTEOUS WILL PAY OFF IN THE LONG RUN

- * THIS WILL BE A BUYER BEWARE TRANSACTION
- * HIRE AN ATTORNEY TO REPRESENT YOU
- * MAKE SURE A LIEN ,OPEN PERMIT AND CODE VIOLATION SEARCH
- * BUY TITLE INSURANCE
- * HIRE YOUR OWN ATTORNEY TO REVIEW ALL DOCUMENTS
- * TRY TO NEGOTIATE THAT YOUR OWN TITLE CO. TO DO CLOSING
- * ORDER A SURVEY
- * MAKE SURE NEW LENDER FOR BUYER WILL FINANCE REO
- * RE-PRORATION AND OPEN PERMITS CLAUSES IN CONTRACTS