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Ten common questions and answers that make buying a foreclosure property easier:

1. What is a foreclosure/REO property?
 - A foreclosure/REO property refers to real estate that a bank/corporation has acquired through foreclosure, and intends to sell and convert to cash.
2. How are contracts submitted?
 - Contracts are submitted through an online system.
3. How are offers negotiated?
 - Offers are negotiated verbally. Once both parties come to an agreement on all terms the addendums will be sent to the buyer. At that time, the buyer will need to sign and send back the sales contract, the addendums, and earnest money.
4. What are the addendums?
 - The addendums are conditions and terms that are added to the contract to protect the seller and inform the buyer. All terms in the addendums that contradict the sales contract, supersede the sales contract.
5. What is the per diem?
 - The per diem is a charge to the buyer for each day after the agreed upon closing date that the sale is not closed. This is only charged to the buyer if the delay is caused by the buyer.
6. Can the buyer do inspections?
 - Yes. The buyer is allowed to do inspections within an agreed period of time.
7. Will the utilities be turned on in the home?
 - Maybe. Some entities will turn them on for you. Some will make the buyer turn them on at the buyer's expense.
8. Will the seller do any repairs?
 - The seller prefers to sell most of the properties as-is. However, depending on the condition of the home and what the issue is, they may consider the repairs. Other solutions are to deduct the price of the repair from the price of the home in lieu of doing the work, or add the repair to the price of the home and make the repair if the repair is necessary for the buyer to receive financing.
9. Will the seller pay any closing cost?
 - Yes, if the buyer is an owner occupant. The amount varies, but may not exceed 3% of the purchase price. Please remember that what ever the amount, it will be deducted from the amount of the buyer's offer and in some cases affect commission payout.
10. Can we use any title company to close this sale?
 - This is a particular sticking point with the seller. The seller would prefer for you to use their title company. As an incentive, they will pay for all of the title work, but not the survey. However, they cannot force you to close at their title company.