

# **Bank Owned Foreclosures**

## **Getting Offers Accepted**

- Be Prepared – Foreclosures can sell in a matter of minutes... literally! You need to be ready to move fast. Here is a list of things you should have ready:
  1. MONEY: how do you plan to pay for the property? Know before you go! Are you obtaining a mortgage, hard money, or paying cash. Have your proof available with your offer. Either a pre-approval letter (for financed deals) or a bank statement (for cash deals – black out any account #'s).
  2. WRITTEN OFFER: make sure you put your offer in writing. Don't leave blanks and don't leave generic responses (ex: closing date: ASAP). If you leave blanks or fill in ASAP, the listing agent is forced to put in the fields. Now who do you want determining what ASAP means? You or the listing agent....
  3. DISCLOSURES: make sure you've completed the necessary state disclosures and if the foreclosing bank requires any disclosures up front. Many times a buyers agent won't be aware of these bank documents, this can slow up the response time.
  4. CONCESSION: if you're asking for concessions... such as closing costs, repairs, appliances, etc... make sure you put a dollar figure in up front NOT A PERCENTAGE (such as 3% seller concession).
  5. HAVE YOUR TEAM READY: Know what attorney you'll be using, home inspector, mortgage loan officer, etc... Once the bank says yes, you need to be able to move quickly. If your attorney is going away from Thanksgiving to Christmas, you better know that now not after your offer's been approved and contracts have been drawn up.
- How much to offer? Don't just throw a real low number just to see if it will get accepted. I'm not telling you to pay list price. But have a reason for your offer. Whether you're using MAO or doing a detailed analysis to determine your offer price, make it reasonable. I see too many people just offer 50% of the asking price. Do your due diligence, know what its worth after its repaired, what the repair cost is and most importantly what is your exit strategy. Knowing these items before you make an offer will insure a reasonable number and keep you from over paying or not getting the property all together.
- Know the sellers requirements: For example, if you plan on obtaining financing, many banks will require you get pre-approved from a specific lender. You're not required to use that lender for your mortgage but you if you fail to follow this requirement your offer may be ignored entirely!
- Be prepared to jump through hoops! The bank will frustrate you from beginning to end. That's the price you pay for get a great deal on a house. They will give you unreasonable deadlines, expect you to sign a one sided contract and close on time or pay a penalty! Be patient, trust me you'll be well rewarded in the end!