



HOW TO BUY AN REO PROPERTY

*These are the steps that **MUST** be followed in order to get your offer approved. Failure to follow these steps will result in your offer not being considered.*

All financed offers must be accompanied by a pre-approval letter, generally from a specific lender, if a specific lender is required your agent will be able to give you the lenders information so that you can contact them and get your pre-approval.

All cash offers must be accompanied by proof of funds, the easiest way to do this is with a bank statement with the account numbers blacked out or a letter from the bank on their letter head showing the current balance in the your accounts.

REO companies always chooses who they will use for Title & Escrow. Often, the Escrow will be handled out of town with a courtsey signing held at a local company of the sellers choice. Your agent will be able to tell you who the seller has chosen for title & escrow.

REO companies will not sell a property to a company, corporations, lles, etc.

REO companies will not sell a property to a and/or assigns buyer.

REO companies will not take a contingent offer, not even if it is only contingent on a pending sale.

REO companies will not do an owner contract.

Earnest money is required for all P&S on REO properties. The general rule for the amount of earnest money is 1% of the purchase price but your agent will be able to tell you the specific requirements for each property.

REO companies have their own addendums they have to have signed, sometimes you get these ahead of time the majority of time you don't get them until the bank approves your offer. Do not make any changes to these addendums, if you make changes they will reject your offer.

REO companies sell their homes **AS IS**. Inspections are for your peace of mind so that you know what they are getting yourself into.

Counter offers are not done on official forms, in fact, the majority of the time they are done through email between the buyers agent and the sellers agent.

REO companies don't sign P&S contracts until there is mutual acceptance through the email/online process and all required bank addendums have been signed by the buyer. Then, they sign the entire contract package at one time.

Once mutual acceptance happens, we have 24 hours to upload or email a complete contract package to the REO company for their signatures and it usually takes a couple of days to get the signed package back from them.

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