

Buying a Foreclosed Property

What are foreclosed properties?

- A foreclosed property – also known as a Real Estate Owned (REO) or bank-owned property – is a home that was once customer owned but is now owned by the mortgage holder.
- A foreclosure can occur when mortgage payments are not made over a period of time and efforts to resolve the default are unsuccessful.

How quickly can I take ownership?

- The home appraisal, inspection and financing processes are similar to when you buy a traditional home. It is usually with 30 days after lender approval.
- If it is a cash sale, it could be done as quickly as 10 days after Bank or REO approval.

Are bank owned properties sold at a discount?

- Most banks are using fair market values that reflect the local market and property condition.
- Properties range in condition from fully distressed to move-in ready.
 - A distressed home may be sold at a slight discount if it is sold “as-is” with no repairs.
 - Move-in ready homes are typically priced at market value.

Do homebuyers get an advantage over investors buying foreclosed properties?

- Some lending institutions provide a special five-day window that provides owner occupant buyers with a chance to bid on a home before we accept offers from investor buyers.