



REO FAQs

(AGENT FOCUSED)

REO Companies:

- Do **NOT** allow **early occupancy** under any circumstance (do not ask)
- Do **NOT** allow **storage agreements** for interior/exterior (do not ask)
- Will **NOT** accept a **contingent offer**, even if the buyer's property is pending.
- If the REO company counters your offer, they will attach their REO company addendum with their terms. Most of the time **if you change their addendum** they will **NOT** accept your offer.
- It has been our experience the REO companies will **NOT** accept an offer with an **escalation clause**.

What to Include:

- **Include a 90 % letter or proof of funds** or the REO company will not accept your offer
- **Include a waiver or the property disclosure** with your offer.
- It is recommended to **put ASAP as a response time** to your offer. REO companies will respond in their time unless there is a bid opening. This way your offer will stay open and not expire.
- If the buyers want to do a **right and duty of inspection** ask for it in the offer. Usually it will be the buyer's responsibility and cost to de-winterize the property by a licensed bonded plumber.

General Facts:

- **Can we make repairs** to the property prior to closing? No (*that means smoke and CO as well*)
- **DO NOT take the keys out of the lockbox** or give the keys to the buyer without permission.
- What **closing costs does the seller pay** for? Typically, only Owner title & half recoding fee. (*depends on seller & choice of title company*) Please refer to seller's addendum once in contract.
- How long is the **due diligence period**? Typically, 7 days from Ratified contact. Please refer to Seller's addendum once in contact.
- Does the house include **garage door openers**? No (*unless already in the house*) Seller will not purchase new ones.
- Are there **disclosures available**? No
- Has an **inspection been completed** on the property? No
- If the **financing type** is not in Flex that your buyer needs, then the property will not go that type of financing. *We did not forget to put it in flex.*
- Will the seller **owner finance**? No
- What forms do I use to write submit a contract? **Use standard MLS forms.**
- Every time the buyer/home inspector/vendor accesses the property, **you MUST accompany them.**
- Most REO are sold as-is, so **make sure Buyers Lender & underwriter are aware of the property condition.**