

## REO PROCEDURE AND INFORMATION

Buyer and Agent acknowledge disclosure of property acquired in foreclosure. The title has been cleared. There is no mortgage to assume. A Special Warranty Deed will be issued at closing.

Acceptance of an offer to purchase is subject to approval by several levels of management within the structure of the institutional Seller. In the best interests of all concerned, time of acceptance on the contract form should be left blank. Anticipate time of acceptance on an offer at no less than 5 working days. If an offer is less than the full asking price, negotiation may exceed 5 working days.

Offers to purchase are presented to the Seller by telephone, fax or electronic mediums. Due to time constraints and guidelines set by the Seller, cooperating Agents will not be invited to be present when an offer is presented. Under no circumstances shall the Agent or the Buyer contact the Seller and shall so instruct the Broker and the Lender.

All offers to purchase must be written on the FAR BAR "AS IS" contract form. The appropriate REO Addendums and special contract forms with all blanks completed or marked NA are the only additional acceptable forms for offers to purchase. Changes or deletions on any section of these forms are not acceptable and will cause the offer to be rejected. A separate standard addendum should be used to clearly outline any and all concessions and contingencies.

All offers to purchase must be accompanied by a pre-qualification letter from a recognized lender. The name and telephone number of the Lender/Loan officer must be provided. Sellers may suggest the Buyer be pre-qualified by a known Lender at no cost or obligation. For all cash offers, a verification of source of funds is required. Per Seller instructions offers to purchase can not be presented without these documents. Verbal offers are not acceptable unless expressly stated during negotiations.

Offers to purchase must be accompanied by a minimum \$500 escrow deposit unless stated otherwise. A copy of the check must be submitted with the offer to verify placement in escrow. The Seller will designate the closing Agency.

Most institutional Sellers require a minimum number of days on market to insure adequate exposure before any offer can be presented. The exposure period varies from 72 hours to 10 days. All offers to purchase are time and date stamped in the order received by the Listing Agent. In the event of simultaneous offers, the Seller's procedure is discretionary. DSEAYCOM can neither predict nor outline the criteria under which one offer may be selected over another.

Offers contingent upon the sale of an existing home or another property will not be considered.

Fully negotiated offers must be neat and legible, and in most cases typed, before forwarding to the Seller. It may be necessary to re-write the contract in its final form for the Buyers' original signature before forwarding to the Seller. Completed original contracts must be received by the Listing Agent within 72 hours of verbal negotiation unless otherwise accepted up front for special circumstances such as out of area buyer. Failure to deliver an original contract within this time frame will cause the negotiations to be null and void.

Contracts are forwarded to the Seller by over-night express or e-mail. It may take two weeks or more for the originals to be returned with corporate approval. Contingency periods including, but not limited to, inspections and financing begin at verbal acceptance by the Seller. Most Lenders are familiar with this procedure and should proceed to process the loan. A form confirming verbal acceptance subject to corporate approval can be provided.

Initial \_\_\_\_\_ Initial \_\_\_\_\_

**Institutional Sellers typically include a "per diem" or dollar amount per day penalty for every day beyond the negotiated closing date the contract is extended – provided the Seller agrees to any extension. The Agent, the Buyer and the Lender should be aware of penalties for failure to meet the closing date and make every effort to insure the negotiated closing date is met. The Buyer will be ultimately liable for per diem penalties.**

**Corporate Owned and REO properties are offered "as is, where is, as seen" with all repairs or dollar amount allowances for repairs negotiated up front. The Seller does not automatically pay for Lender required repairs. The Lender must sign the pre-qualification form verifying that repairs are NOT a contingent of loan approval. All inspections must be completed within 5-10 days of verbally accepted offer as negotiated. No warranties are offered by the Seller.**

**The Seller has not personally inspected the property and; therefore, no property condition disclosure is available.**

**All personal property on site is left "as is" including appliances. The Seller will not warrant the presence or condition of any personal property at closing.**

**Occupancy of the property by persons or personality prior to closing will not be considered. This is a firm rule and there are no exceptions.**

**REO properties remain actively on the market until official notification of the Buyer's loan approval. Back-up offers are encouraged at the request of the Seller.**

**FHLMC (Freddie Mac) and FNMA (Fannie Mae) by law cannot pay State and County taxes including the documentary stamps on the deed, documentary stamps on the mortgage and intangible tax. The Buyer will be liable for these costs at the closing of FHLMC and FNMA properties. Agents should not assume that any institutional Seller will automatically pay "customary" Seller closing costs.**

**FHLMC and some other institutional Sellers close in a 72 hour process. Keys to the property and occupancy is delivered within 72 hours of the Buyer's closing. Every effort is made to expedite this process.**

**REO properties are master keyed (separate disclosure provided). The Buyer should have locks changed or re-keyed after closing.**

**Agents are invited to take advantage of DSEAYCOM's experience in drafting the offer to purchase and assistance in explaining the special contracts and addendums. A private conference room is available to cooperating Agents as a courtesy.**

**The Buyer and the Agent acknowledge the negotiation and purchase process is "different" for REO and Corporate Owned properties and understand that additional patience is required. Cooperation and good communication is appreciated and will make this a successful process to closing.**

\_\_\_\_\_  
Buyer Signature                      Date

\_\_\_\_\_  
Agent Signature

\_\_\_\_\_  
Buyer Signature                      Date