

**Harper Real Estate**  
**Wesley Harper -Broker/Owner**  
**475 Tribble Gap Rd, Ste 302, Cumming GA 30040**  
**Office-770-579-8020 and fax-770-579-1770**  
[Wesley@Georgiareos.com](mailto:Wesley@Georgiareos.com)  
[www.GeorgiaREOs.com](http://www.GeorgiaREOs.com)

## **Purchasing REO Properties**

**Please submit ALL offers with our Offer Cover Sheet  
(Included in this document)**

**• OFFER CHECKLIST. Offers will not be considered without these items: \*(included in this document)**

- 1. Offer Cover Sheet
- 2. GAR form
- 3. Contract Addendum
- 4. Pre-Qualification letter or proof of funds if “all cash”
- 5. Copy of an earnest money check made **PAYABLE TO Harper Real Estate**
- 6. Financing Contingency #F60 (if applicable)\*
- 7. Instructions to closing attorney #F32\*
- 8. Lead Based Paint Exhibit #F54 (if applicable)\*
- 9. Existing Condition Acknowledgement\*
- 10. Copy of Articles of Incorporation and Corporate Seal (ONLY if Corporate Purchaser)

### **1. Important Things to Know Prior to Writing an Offer on an REO (foreclosure) Property**

- **SUBMITTING AN OFFER:** It is best to EMAIL your qualified offer to [Wesley@Georgiareos.com](mailto:Wesley@Georgiareos.com). If necessary, you may fax your offer to 770-579-1770, however, email is the preferred form of submission. A “qualified” offer will include all of the items referenced in the above paragraph.
- **COUNTEROFFERS:** We will EMAIL all counteroffers to you. The seller will NOT issue a written rejection or counteroffer. Be 100% certain that we have an email address for you that you check regularly.
- **OFFER STATUS:** Dealing with a bank is much different than dealing with a retail seller. Our clients manage hundreds of properties at once. At very least you should expect a minimum of 2-3 business days and up to 1 week for a response. Please prepare your buyer for this at the time of writing the offer. It is not necessary to call us to check the status of an offer. We will email you promptly once we receive a response. Your offer is NOT being ignored.
- **FINAL SIGNATURES:** Negotiations are typically verbal until we have reached an agreement. At that time ONLY, the contracts will be finalized and sent to the seller for signatures.
- **TIME LIMIT: Once terms are accepted verbally, the corrected contract and all addenda MUST be signed by the buyer and delivered to our office WITHIN 24 HOURS or the seller may instruct us to cancel your contract. We receive multiple offers on many properties, and the seller requires that your accepted deal be returned quickly. DO NOT DELAY.**

- If we receive multiple offers on a property, the purchaser(s) may be asked to sign a Multiple Offer Addendum and will be asked at that time for their highest and best offer.
- **“AS-IS”**: Most offers are submitted over the Internet or faxed using a web form or negotiation log. The contract is rarely sent to the seller during negotiations. Please DO NOT include a litany of special stipulations, comps to justify your offer or a list of repairs. The home is sold “AS-IS”.
- **CONTINGENCIES**: Seller will NOT consider a contract contingent upon the sale of another home under any circumstances. Please do not ask!
- **TERMITE INSPECTIONS**: The seller does NOT provide a property disclosure, termite letter or survey.
- **DEED**: The seller obtained the property through foreclosure. Therefore the seller will convey title as a “Limited Warranty Deed”.
- **REASONABLE OFFERS – VERY IMPORTANT!**: While this is a foreclosure, the seller has had an appraisal and a minimum of 2 Broker Price Opinions completed prior to establishing a highly competitive listing price for the property. **Any needed repairs, upgrades or replacement of appliances and fixtures have ALREADY been factored into the price. Contrary to how many buyers may perceive REOs, you cannot “Double Dip” the bank.** Offers based on “\$.50 on the dollar” will be rejected. Many agents fail to properly set the expectations of their REO buyers and spend time writing offers that do not come to successful agreement. Save yourself time and effort by educating your buyer before preparing your offer. In today’s market these properties are already priced to SELL.  
**There is not a huge margin for negotiation and the best homes go very quickly at the bank prices.**
- **COMMISSION**: Some banks do not offer compensation to agents purchasing properties for themselves.

## 2. Financing/Pre-Qualification/Cash Requirements

- **FINANCING CONTINGENCY GUIDELINES**: A pre-qualification or a pre-approval letter is **required** before any offer that is contingent upon financing can be submitted. **Typically, the REO seller will allow 7-14 days for financing contingencies.** Please do not submit offers with extended financing contingency periods. They will not be accepted. Have your buyer pre-approved or a least solidly pre-qualified and ready to go.
- **PREQUALIFICATION REQUIREMENTS**: Some corporate sellers require all potential buyers to be pre-qualified with a preferred lender regardless of their pre-approval status. Please refer to the FMLS/MLS comments for this information. **WE CANNOT SUBMIT OFFERS WITHOUT THIS!!**
- **CASH OFFERS**: If you are presenting an “all cash” offer, proof of funds is required. A letter from the Buyers bank or a bank statement stating that funds equal to or greater than purchase price are available to the buyer will be sufficient. Account numbers must be blacked out prior to sending.
- **FHA and VA FINANCING**: Most properties will NOT qualify for FHA or VA financing. Please make sure the lender is aware of the property condition and refer to the MLS comments.

## 3. Earnest Money

- **FINANCED DEALS**: An earnest money deposit of a **MINIMUM OF 1% or Min. \$1000** is required for most REO properties. E.M. should be made **PAYABLE TO Harper Real Estate** in **certified funds** after acceptance. (this does not mean send certified mail)

- **“ALL CASH” DEALS:** Contracts require an earnest money check, equal to a **MINIMUM OF 2%** of the purchase price, made **PAYABLE TO *Harper Real Estate*** in certified funds.
- **COPY OF E.M. CHECK:** A copy of the check **MUST** accompany all offers. (no exceptions) You can send just a copy of the buyers check filled out for now and we will get the Certified check when the offer is accepted.
- **NON-REFUNDABLE EARNEST MONEY:** Earnest money becomes nonrefundable after the Financing Period (if applicable) and Inspection Period (if applicable) have expired.
- **EARNEST MONEY DEPOSIT DATE:** Earnest Money will be deposited within 24 hours of **VERBAL ACCEPTANCE** of offer. It is imperative that E.M. is delivered within 24 HOURS of verbal acceptance.
- **WHERE TO SEND E.M.-VERY IMPORTANT!:**

Deliver your Earnest Money check to : **(Certified Funds Only)...****NOT certified mail!**  
*Harper Real Estate*  
 475 Tribble Gap Rd, Ste 302  
 Cumming GA 30040

#### **4. Signatures and Title**

- **“ORIGINAL” CONTRACTS:** We do not require and have no use for original copies of the offer for Negotiations. Most of our banks require offers and counter-offers to be submitted by fax or on-line.
- **WHEN YOU WILL RECEIVE SIGNATURES FROM BANK:** The seller will NOT sign anything until the buyer has fully signed ALL documents.
- **ASSIGNMENT:** “Assignment” language is NOT permitted under any circumstances.
- **CORPORATIONS:** If the buyer is a LLC or Corporation, then you must also include the individual’s name and he/she **MUST** be listed as an officer of the company and articles of incorporation.
- **EXACT NAMES:** The name of the purchaser who is taking title to the property **MUST** be **EXACTLY** the same name that appears on the contract, addendums, pre-qualification letter/proof of funds, and E.M. check.

#### **5. Addendums**

- **REQUIRED:** The bank has its own Addendum to Purchase Contract. They will counter back with the addendum so that it can be reviewed by the buyer.
- **NO CHANGES:** If any language in the purchase contract and the addendum are in conflict, the Addendum language always prevails. There can be **NO** changes to the seller addendums!
- **AS-IS:** All sellers’ addendums will state that the property is being sold **“AS IS”**. Please inform your buyer that the home will be sold in its present condition, without repairs (again, repairs have been deducted from and calculated into the list price.) There may be exceptions for FHA loans.

#### **6. Inspections and Due Diligence Period**

- **NO “DUE DILIGENCE” PERIOD:** REO sellers do NOT allow a “Due Diligence Period”. They DO however, allow for an “Inspection Period”.
- **INSPECTION TIME FRAMES:** Inspections **MUST** be completed during the inspection period which will be outlined in the Seller Addendums.

**VERY IMPORTANT: The Inspection period begins on the date of VERBAL ACCEPTANCE of the offer by either buyer or seller for most sellers.** It does not begin on the “Binding Date” as in typical real estate contracts. If you wish to perform an inspection, be ready to do so very quickly. Normally, a bank will allow 7-14 days for inspection.

• **AS-IS:** The inspection period allows your buyer time in investigate the home they are purchasing. **It is NOT however an opportunity for buyer to request a list of repairs. The property is sold “AS-IS”.**

• **UTILITIES FOR INSPECTIONS:** If the buyer is conducting inspections that require utilities to be connected, then buyer’s agent is responsible for verifying that all breakers and faucets are in the “OFF” position prior to the utility connection date (supplied after a verbal agreement has been made). Our office will order utilities to be connected, **HOWEVER**, buyer’s agent is asked to cooperate in monitoring utility connection prior to the inspector visiting the property so that buyer will not incur a trip from the inspector for utility connection failure. If the property has been winterized, the buyer will need to pay a **\$75 dollar fee to de-winterize the home** for the inspection. This fee will be paid to Harper Real Estate Services and is non-refundable. Fee is due at when earnest money is delivered and must be a separate payment from the Earnest Money

### **7. Possession**

• **EARLY MOVE-IN OR REPAIRS:** Purchaser may NOT make any repairs or “move just a few things in” prior to closing. Please don’t ask!

• **DEED RESTRICTIONS:** Some banks impose deed restriction that limits the conveyance or Encumbering the property for the first 60-90 days of ownership, please ask list agent about each Individual property.

### **8. Closing attorney**

• **CLOSING ATTORNEY:** Seller ALWAYS chooses the Title Company and Closing Attorney. (no exceptions)

• **LATE PENALTIES:** When proposing a closing date please be 100% certain that you are leaving ample time for the lender to close the loan. The seller will charge a per diem penalty of \$25-\$250 if the closing is delayed at no fault of the seller.

• **CLOSING DOCUMENTATION DEADLINE:** Please inform your client’s lender that the loan package MUST arrive at closing attorney’s office **at least 48 hrs** prior to the scheduled closing.

*Again, please prepare in advance, as REO homes differ greatly from the sale of traditional homes.*

*This is a guide to serve as informational purposes only. Please refer to the information above in order to assist you in getting your offer successfully accepted. All terms and agreements of each offer/contract are subject to Seller’s Purchase and Sales Addendums. Please call our office if you should have further questions.*

## OFFER COVER SHEET (all information is Required)

### ***PRINT CLEARLY!***

Date: \_\_\_\_\_

Property Address: \_\_\_\_\_

Selling Agent Name: \_\_\_\_\_

Selling Broker Firm: \_\_\_\_\_

Selling Brokers address \_\_\_\_\_

Office Phone: \_\_\_\_\_

Cell Phone: \_\_\_\_\_

**\*\*\*Email:** \_\_\_\_\_ (This is how we communicate with you)

**COUNTEROFFERS AND CONTRACTS WILL BE SENT VIA EMAIL**

BUYER Name: \_\_\_\_\_

(EXACTLY as it appears on contract)

**\*\*\*BUYER Type (check one):**  **Investor**  **Owner Occupant (required)**

**\*\*\*HAS BUYER PREVIOUSLY PURCHASED A FANNIE MAE PROPERTY?**

**YES**  **NO**

Buyers address \_\_\_\_\_

Buyers Phone Number \_\_\_\_\_

LENDER Name: \_\_\_\_\_

Company Name \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

**\*\*\*Please be sure to attach a copy of Earnest Money AND Prequal/Proof of Funds.**

MESSAGE:

**EXISTING CONDITION ACKNOWLEDGEMENT**

Addendum to Purchase and Sale Agreement dated \_\_\_\_\_, for the property located at \_\_\_\_\_

BUYER is aware that SELLER has acquired property by way of FORECLOSURE and that SELLER is selling and BUYER is purchasing the property in its "EXISTING CONDITION" WITHOUT REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE.

Buyer acknowledges for Buyer and Buyer's successors, heirs, and assignees, that Buyer has been given a reasonable opportunity to inspect and investigate the property and all improvements thereon, either independently or through agents of the Buyer's choosing, and that in purchasing the property buyer is not relying on Seller, or its agents, as to the condition or safety of the purchase property and/or improvements thereon, including, but not necessarily limited to: WINDOW COVERINGS, FLOOR COVERINGS, ELECTRICAL, PLUMBING, HEATING, SEWAGE, SEPTIC, ROOF, AIR CONDITIONING, IF ANY, FOUNDATIONS, SOILS AND GEOLOGY, PRESENCE OF SOIL AND/OR WATER CONTAMINATION OF ANY KIND, LOT SIZE, OR SUITABILITY OF THE PROPERTY AND/OR ITS IMPROVEMENTS FOR ANY PARTICULAR PURPOSES, LEAD CONTENT OF THE PAINT OF WALL COVERINGS, OR THAT APPLIANCES, IF ANY, PLUMBING AND/OR UTILITIES ARE IN WORKING ORDER, AND/OR IN COMPLIANCE WITH THE CITY, COUNTY, STATE AND/OR FEDERAL STATUTES, CODES OR ORDINANCES.

Any report(s) that is required by the Buyer's lender is to be the sole responsibility of the Buyer. Buyer shall neither make nor cause to be made: (i) invasive or destructive investigations or (ii) inspections by any governmental building or zoning inspector, unless required by law. Buyer is not allowed to perform, order or otherwise cause and repair(s) and/or work to be done on the property prior to closing without the express written consent of the seller.

Seller does not warrant existing structure as to its habitability or suitability for occupancy. BUYER(S) ASSUMES RESPONSIBILITY TO CHECK THE APPROPRIATE PLANNING AUTHORITY FOR INTENDED USE AND HOLDS SELLER AND BROKER HARMLESS AS TO THE SUITABILITY FOR BUYER(S) INTENDED USE.

Buyer(s) further states that they are relying solely upon their own inspection of the property and not upon any representation made to them by any person whomsoever, and are purchasing the subject property in the condition in which it now is, without any obligation on the part of the Seller to make any alterations, or repair thereto.

The CLOSING OF THE TRANSACTION shall constitute as acknowledgement by the Buyer(s) that THE PREMISES WERE ACCEPTED WITHOUT REPRESENTATION OF WARRANTY OF ANY KIND OR NATURE AND IN ITS PRESENT "AS-IS" CONDITION BASED SOLELY ON BUYER'S OWN INSPECTION.

\_\_\_\_\_/\_\_\_\_\_  
BUYER DATE

\_\_\_\_\_/\_\_\_\_\_  
BUYER DATE