



PROCEDURE FOR SUBMITTING OFFERS ON FORECLOSURE HOMES

Thank you for your interest in our REO (Bank-Owned) properties. To assist you in getting your offer accepted, we have prepared some important information and instructions to help you get your buyer to a successful closing.

- **REO or FORECLOSURE SALES:** Your offer will be submitted as “Foreclosure Sale”. REO may take more time than the average seller for review of your offer, so please be patient. REO property is different from buying an owner occupied property. You and your buyer should know: The seller has never seen the property. They use multiple photos, CMAs, BPOs and Appraisals to determine the price. The bank’s representative works 9 to 5 Monday to Friday. They have NO personal feelings about this property, you or your buyer, beyond the buyer’s ability to complete the purchase. Each asset manager handles over 400 properties all over the U.S. in their portfolio of work. Your offer will likely be one of 100 or more they look in a day; they are unbelievably busy.
- Your offer frequently goes through several departments and people in different parts of the country before an answer will be given. It can take 4 to 5 business days for them to get an answer to us. We will then email or phone you with the response. Offers will only be presented during business hours.
- Your offer must be complete before it can be presented. Use the attached to make sure you have included all forms and information for a complete offer.
- If you have a finance contingency, FHA or VA form, make sure it is included. If your buyer is paying cash, they MUST have a proof of funds letter from their bank. Specific banks may also have additional special requirements, so please check the MLS listing for those instructions.
- An offer without a Finance Contingency will be considered to be cash, and will require a Proof of Funds letter from the buyer’s bank. Cash offers require 10% of purchase price as Earnest Money to be held by Seller’s designated closing attorney. All documents must have recent dates, phone numbers and/or emails and be signed. By the listing bank’s specific instructions we cannot present incomplete offers. All attachments have to be included.
- Because REO properties are such great deals, there are often competitive offers, and sales go to the highest and best offer. We must be able to reach you to permit your buyer to participate. If we are not able to reach you on a deadline, you may not be able to buy the house.
- An accepted offer results in Seller Addenda being sent to you via email. When you have received the Seller Addenda, you must return them correctly signed and initialed, along with the correctly signed and initialed contract. The certified funds must be sent to the closing attorney within 48 hours of Binding Agreement Date.
- **APPROVAL & ‘UNDER CONTRACT’:** Once the seller has approved a sale, the listing will be placed “Under Contract with a Contingency”. The seller and lien holders are free to look at competing offers until an offer is fully accepted.
- **SPECIAL REQUESTS:** If the buyer is requesting a seller contribution for closing costs, a home owners warranty, other special requests or contingencies, please make sure they are included in the special stipulations section. Closing costs and upgrades are deducted from the sales price for commission accounting. Any closing costs paid by the seller are not commissionable.
- **PRE-APPROVAL FOR MORTGAGE:** If your purchaser is financing the property sale, they MUST have a pre-approval for the specific purchase through our preferred lender: Lisa Armistead, Atlanta Mortgage Group, 678-615-5226. A letter to that effect must accompany all offers. Offers without a pre-approval cannot be submitted to the bank or owner. This requirement applies regardless of which mortgage company will actually do the loan for your buyer. It will not negatively affect your client’s credit rating to shop a mortgage through additional companies.

- **MOLD STIPULATION:** Your offer must have the language involving MOLD as follows:
“The listing broker may unknowingly list properties, and the selling broker may unknowingly show properties, which contain mold. Molds are naturally occurring organisms which may potentially cause harm to humans. The brokers are not experts with regard to molds or the health effects of mold exposure. It is the sole responsibility of the Buyer to retain the services of appropriate professionals to inspect any property they contemplate purchasing to determine the presence of any mold.”
- **EARNEST MONEY STIPULATION:** Your offer must have the language involving EARNEST MONEY as follows:
“All parties agree that earnest money shall be delivered to holder within 48 hours of Binding Agreement Date”
- **EARNEST MONEY GUIDELINES:** (may be specified differently by lender):
 - For Financed Sales:
 - Homes listed under \$100,000, suggested earnest money between \$500 and \$1,000 (or more)
 - Homes listed over \$100,000, suggested earnest money between \$1,000 and \$3,000 (or more)
 - For All-Cash Sales:
 - 10% of Purchase Price (minimum)
- **NO SELLER DISCLOSURE:** The seller of the home may not have occupied the home, and there will not be a Seller Property Disclosure form. Once you are under contract, buyers may have an inspection of the property
- **‘AS IS’ SALE:** All properties are sold ‘as-is’. If there are appliances or other personal property in the house after it has been “trashed-out”, cleaned or repaired, they will remain with the property, however the seller will not warrant them and will not acknowledge them as remaining with the property.
- **INSPECTIONS ARE INFORMATION ONLY:** Any inspections are for your buyers information ONLY! Do not send any inspection reports to the listing agent, as they will be destroyed immediately without being read. The seller will generally not consider repairing any conditions unless they affect the home’s habitability or the occupant’s safety. Please plan accordingly!
- **UTILITIES:** This process may take a few days, so plan ahead. We turn on all utilities at the main (but not necessarily inside the house). ***IT IS IMPERATIVE THAT YOUR INSPECTOR IS ABLE TO LIGHT PILOTS, TURN ON WATER, AND FLIP CIRCUIT BREAKERS.*** It is your responsibility to see the utilities are on inside the house for FHA/VA. Once the inspection is completed all utilities must be returned to “off” and we must be informed by the buyer’s agent all inspections have been completed so that we can have the property re-winterized. At some “at risk” properties the banks do not permit utilities to be turned on at all.
- Utilities will be disconnected effective on the scheduled closing day. If your purchaser needs a final walk-through on the day of closing, utilities may not be on. Your purchaser should have all utilities placed in their name as of the date of closing. If utilities are disconnected and closing is delayed due to buyer or buyer’s lender, we will not be responsible to reconnect utilities.
- **WINTERIZATION:** Properties which have been ‘winterized’ will require two days notice and a fee of \$300 for us to have the winterization reversed and restored for a buyer inspection. The fee must be received before the instructions will be sent for reversal.
- **RE-KEYING:** The property has likely been rekeyed to a master key system. The buyer must immediately have the locks changed upon closing. We assume no liability for issues related to rekeying.
- **TERMITES:** The property may or may not have been inspected for termites and other wood-destroying organisms. Responsibility for any inspections and warranties will remain with the buyer. The seller will not inspect or pay for any treatments, nor will they provide any letters required by the purchaser’s lender.
- **CONTINGENCY CONTRACTS:** The seller is not able to accept any contingency contract based on a buyer selling their home. If the buyer’s primary home is currently under contract (with no additional contingencies) and is waiting for successful closing, it may be possible to have a contingency contract. You will be required to provide documentation of the contingency contract’s status to satisfy the seller’s concerns.

- **SUBMITTING YOUR OFFER:** Your offer must be accompanied by a fax cover page (must be completely filled out—the fax cover form is attached)
- **Your offer must include:**
 1. Completed **PURCHASE & SALE AGREEMENT** (GAR contract form) showing Closing Attorney as holder of the earnest money, and paragraph 7 showing “**SELLER TO SELECT CLOSING ATTORNEY**”.
 2. Your special stipulations must include the **MOLD STIPULATION** (mentioned above), and if required, the **ADDENDUM TO PURCHASE** must be included as one of the Exhibits to the Agreement.
 3. Buyer-signed copy of **LEAD-BASED PAINT DISCLOSURE**— Exhibit C
 4. Signed and Initialed **BUYER ACKNOWLEDGEMENT** form
 5. Copy of **EARNEST MONEY CHECK** payable to **KEY REALTY**
 6. Copy of **MORTGAGE PRE-APPROVAL LETTER** for financed sales or **PROOF OF FUNDS LETTER** for cash sales
- Please submit your offer via email to info@keyrealtyatlanta.com or fax to 404-381-8071. Please call to insure the offer has been received.

Thank you,





BUYER ACKNOWLEDGEMENT FORM

Purchaser (s): _____

Acknowledge, understand and accept the following requirements which are made an integral part of the Purchase and Sale Agreement to purchase the property at:

_____, _____, GA _____

Buyer (s) must initial each blank:

_____ **APPROVAL & 'UNDER CONTRACT'**: Once the seller has approved a sale, the listing will be placed "Under Contract with a Contingency". The seller and lien holders are free to look at competing offers until an offer is fully accepted.

_____ **NO SELLER DISCLOSURE**: The seller of the home may not have occupied the home, and there will not be a Seller Property Disclosure form. Once you are under contract, you may have an inspection of the property

_____ **'AS IS' SALE**: All properties are sold 'as-is'. If there are appliances or other personal property in the house after it has been "trashed-out", cleaned or repaired, they will remain with the property, however the seller will not warrant them and will not acknowledge them as remaining with the property.

_____ **INSPECTIONS ARE INFORMATION ONLY**: Any inspections are for your information ONLY! Do not send any inspection reports to the listing agent, as they will be destroyed immediately without being read. The seller will generally not consider repairing any conditions unless they affect the home's habitability or the occupant's safety. Please plan accordingly!

_____ **UTILITIES: (this section does not apply to short sales!)** : Will be turned on at the mains but not necessarily inside the house because they are vacant properties. IT IS IMPERATIVE THAT YOUR INSPECTOR BE ABLE TO LIGHT PILOTS, TURN ON WATER, AND FLIP CIRCUIT BREAKERS. It is your responsibility to see the utilities are on inside the house for FHA/VA. Once the inspection is completed all utilities must be returned to "off" and we must be informed by the buyer's agent all inspections have been completed so that we can order the re-winterization. At some "at risk" properties the banks do not allow us to turn on utilities at all. Utilities will be disconnected effective on the scheduled closing day. If your purchaser needs a final walk-through on the day of closing, utilities may not be on. You should have all utilities placed in your name as of the date of closing. If utilities are disconnected and closing is delayed due to you or your lender, we will not be responsible to reconnect utilities.

_____ **WINTERIZATION: (this section does not apply to short sales!)** Properties which have been 'winterized' will require two days notice and a fee of \$300 for us to have the winterization reversed for a buyer inspection. The fee must be received before the instructions will be sent for reversal.

_____ **RE-KEYING: (this section does not apply to short sales!)** The property has likely been re-keyed to a master key system. You must immediately have the locks changed upon closing. we assume no liability for issues related to rekeying.

_____ **TERMITES**: The property may or may not have been inspected for termites and other wood-destroying organisms. Responsibility for any inspections and warranties will remain with you. The seller will not inspect or pay for any treatments, nor will they provide any letters required by your lender.

This BUYER ACKNOWLEDGMENT FORM MUST be included in your initial offer to purchase. If this form is not completed and sent in along with the initial offer it may delay presenting your offer. Thank you, and we look forward to working with you.

