

# Foreclosure Addendum

Subject Address: \_\_\_\_\_

## Things you need to know when buying a Foreclosure

*A foreclosure property can be a very lucrative way to invest but it carries certain guidelines and restrictions. Agents, please read the following, share with your client, sign and return to our office with the offer you are submitting time is of the essence, we receive many offers each day. In order for this process to go smoother please help us help you.*

- FINANCING - A pre-approval from the lender stated in the agent's remarks of the MLS must accompany your offer. It does not matter if your client is pre-approved or has a loan commitment from another lender or a desk top underwriting approval, our client will not accept their offer if they do not comply. Your client is NOT obligated to use this lender this is a 2<sup>nd</sup> opinion. If no lender is mentioned any prequal from a direct lender is fine.
- LOAN COMMITMENT - A loan commitment letter must be received with in the timeframe specified in the offer to purchase. Failure to do so may result in buyer's earnest money becoming non-refundable should the home not close escrow due the inability to obtain financing.
- Copy of Earnest Money Deposit - Must accompany your offer – please make the Earnest Money out to Buyer's agent's broker. Once we have an accepted contract the contract may require a cashiers check or the check to be made out to another party. We will let you know at that time.
- Seller Identity - Please leave this blank, title records may not reflect the seller's proper identity.
- INITIALS: \_\_\_\_\_ Closing Dates - Closing on the last business day of the month will not be accepted by most of our sellers. Please put in an actual date and NOT the number of days on your offer. No automatic extensions are granted, if your escrow is getting close to being over the close date you will need to request an extension in writing on a CAR FORM. Most of our seller's charge a late fee per diem of \$50-\$150 and will not waive this if the late closing is due to buyers loan or fault.

## URGENT MESSAGE REGARDING CLOSING DATES AND LOAN LOCKS – PAY ATTENTION !

*\*\*Please make sure your client does not make moving arrangements pre-maturely. REO escrows sometimes do NOT close on time. It is best that moving is scheduled after the loan documents are signed and the SELLER/BANK has approved the final HUD 1 statement as this is generally where the back-up occurs.*

- *\*\*Tell the Buyer's lender to lock the loan in much longer than anticipated and beyond the closing date . The lender should allow for a potential late closing when locking in the buyer's loan. Many lenders are locking in the loans for too short of a period and when the transaction is late it costs the buyer thousands of dollars to re-lock the loan or the transactions fall apart*
- WRITING YOUR OFFER - To help us negotiate your offer more easily. Please fill in your offer completely. Please **DOUBLE CHECK** the following:
  - Write an actual closing date
  - Write any closing costs you are requesting the seller to pay on the first page. (item 2D)
  - Indicate special financing programs
  - Please indicate the type of loan your client is getting, this greatly affects how we present your offer. (For FHA/VA item check 2C2).
  - Make sure that you fill in the termite section properly. *IF YOUR CLIENT NEEDS OR WANTS A TERMITE CLEARANCE MAKE SURE TO CHECK ITEM 4a2 (page 2) AND INCLUDE CAR FORM WPA. OTHERWISE ALL THEY ARE REQUESTING IS AN INSPECTION AND THIS IS ALL THEY WILL GET AND WILL HAVE TO PAY REPAIRS THEMSELVES.*
- CONTINGENT OFFER ON SALE OF BUYERS PROPERTY - Very few of our sellers will consider contingent offers, please make your clients aware.
- INSPECTIONS - Our client will require that all inspections be complete with in 5-14 days (depending on seller). Some may allow even less.
- AS-IS and DISCLOSURES - All Sales are "as is" and the seller will not make any repairs unless noted in the MLS. The seller is exempt from disclosures and have never occupied the home. No history is available on previous owners. All known information has been provided in the MLS.
- OFFER SUBMISSION INSTRUCTIONS AND SELLER'S RESPONSE: submit your offer on line and upload all the required documents on line at [www.groupreo.com](http://www.groupreo.com)  
Incomplete packages will not be accepted. Please include:
  - This Foreclosure Addendum signed by you and your client
  - Purchase contract (with termite addendum if applicable)
  - Copy of Earnest Money Deposit
  - Pre-approval provided by the lender stated in the MLS agent's remarks
  - Cover sheet with your name, email, 2 phone #'s, fax and address.
- *\*\*please do not send any other company/office required disclosures - you can send those to us upon acceptance \**

- Upon receiving your offer you will receive a confirmation via email to the email you have provided on your cover sheet or on page 8 of the purchase contract. This will let you know your offer was received and will be submitted OR it will state that your offer is incomplete and will NOT be submitted. It will outline the items you are missing so that you may re-submit your entire complete package when it is ready. All communication will come to the buyers agent via EMAIL . If you do not receive a confirmation by the end of the business day after you send it to us, you will need to re-send it as this means we did NOT receive your first package. IF YOU DID NOT RECEIVE A CONFIRMATION FROM OUR OFFICE (SENDER WILL BE OFFERS@GROUPEO.COM) BY EMAIL, WE DID NOT RECEIVE YOUR OFFER.
- Most of our clients have a mandatory “hold” time before they will review offers or before they allow us to submit offers into their systems. Hold times may vary by seller between 2 days and 14 days. In addition many properties are subject to the "First Look Program". Please be aware that most of our sellers do not work week-ends and typically responses will not be received nor relayed during the week-end. PLEASE PREPARE YOUR CLIENT FOR THIS WAIT PERIOD. If your client decides to “drop out” please fax us or email us as many clients are probably waiting for the same house and it is not fair for us to have your offer accepted and then find out your client is not interested.
- COMMUNICATION REGARDING YOUR OFFER - We will email you (THE AGENT) information regarding your offer so please check your email frequently. If we have multiple offers we will alert you typically via EMAIL. If your offer is accepted we will send you contracts via email. Questions regarding your offer are best emailed to OFFERS@GROUPEO.COM . We receive many phone calls daily and are on the phone most of the day, email is quickest for your needs.\_
- MULTIPLE OFFERS - We will make you aware if there are multiple offers on a property, however we receive many offers all day long. In the morning there may be no offers and by days end five offers, our team tries to be accurate when we tell you if we have multiple offers but things change quickly. . When we receive multiple offers some of our sellers will ask your client to submit their HIGHEST AND BEST offer. This prolongs the process but is necessary. Prepare your client for this and discuss with them what their highest and best offer might be. If you know there are multiple offers be prepared so you will not have to call your client and play phone tag.
- ONCE WE HAVE AN OFFER THAT SELLER LIKES – All Offers NOT accepted will receive emails once we have a signed contract. We will alert all accepted offers by email most sellers will respond with new or revised addendum with their acceptance terms. Typically this acceptance does not have the seller’s signature. You will need to deliver hard copies to my office with-in approximately 48 hours of receiving acceptance (or as dictated by our client). In the event we have not received your paperwork in the stipulated time, the home will be put back on the market or the seller will choose to negotiate other offers they may have.

- You will be given the name of our transaction coordinator for this file upon acceptance. After acceptance my transaction coordinator will be your contact regarding all matters pertaining to the escrow. If you call me or email me regarding a new transaction, paperwork, deposits, time frames, etc. I will forward your message to my transaction coordinator for her to return. My transaction coordinators are awesome and can do everything I would do, please call them on all matters after the contract is negotiated.
- \_\_\_\_\_ ALL COUNTERS AND ADDENDUM WHETHER VERBAL OR IN WRITING ARE SUBJECT TO FINAL APPROVAL BY THE SELLER'S MANAGEMENT. UNTIL THE SELLER SIGNS THE COUNTER/ADDENDUM OR CONTRACTS PLEASE DO NOT CONSIDER THE CONTRACT APPROVED.
- ONCE WE HAVE WRITTEN ACCEPTANCE - You will be notified by email and a copy of the completed package with seller's signatures will be emailed to you at this time. We typically do not receive hard copy signatures. At this time you will be told who the escrow, title and other service providers will be. **DO NOT CALL US AND ASK US WHO ESCROW WILL BE, IF WE KNOW WE WILL HAVE ALREADY PROVIDED YOU WITH THIS INFORMATION.** When we receive the contracts back the bank provides us with this information. This can take up to two weeks. Prepare your buyer and lender accordingly.
- BUYERS INSPECTIONS AND FINANCING – Order inspections and send a copy of the preliminary contract to your lender immediately. Contact my transaction coordinator prior to inspections to confirm if utilities are on, some are off at the electric panel and some are not on. We may need 24-48 business hours to have utilities turned on. Some of our clients do not turn on gas and sometimes there are conditions with the home that preclude having utilities on.
- INITIALS \_\_\_\_\_ SIGNS, LOCKBOXES AND KEYS - We will remove signs and lockboxes with-in 72 business hours of closing. If they are not removed promptly please contact our office. Please **DO NOT** remove them yourself. If we do not find them when our representative goes to pick them up, you (the agent) will be charged \$35 per sign and \$35 per combo box and \$110 per MLS lockbox. If the buyer needs to remove the doorknob to rekey please have them leave our sign and/or lockbox by the front door. Buyers agent may remove the key from the lockbox upon confirmation of recording. These are the only keys that will be delivered to the buyer and it is the buyer's agent responsibility to retrieve them. Keys to mailboxes, gates, association keys, gate codes and GARAGE DOOR OPENERS are not provided. If the keys or garage door

openers were at the home at the time of viewing and are NOT at the home at closing we DO NOT replace garage door remotes nor know of their existence. UPON CLOSING CONFIRMATION - PLEASE RETRIEVE THE KEY FROM THE LOCKBOX FOR YOUR CLIENT, WE WILL NOT BE SENDING YOU A KEY. PLEASE LEAVE THE BOX ON THE DOOR.

- UTILITIES - Any utilities must be transferred into buyers name with-in 24 hours of closing. Any bills beyond this timeframe will be buyer's responsibility and forwarded to the buyer or buyer's agent for payment. The buyer agrees to pay any utilities beyond the closing date. \_
- CONFIRMATION - Listing broker not it's agent has made any representation as to the condition or functioning of any of the home or it's systems. This includes, HVAC, plumbing, electrical, gas, septic, well, or any other system or issue with the home. All information the listing agent has provided has been based on public records or past MLS history and has not been confirmed by our office or agents. There may be cases where the city, county or utility companies have made inspections on this home and the listing agent is unaware of it's existence.. The buyer is solely responsible to investigate all matters regarding this home. Closing and recordation signify that the buyer has thoroughly investigated the condition of this home and any matters pertaining to this home and is 100% satisfied with the condition of the property.
- It is understood that the buyer's agent is responsible to confirm any information provided in the MLS or through any other sources prior to submitting this offer. Listing agent does not guarantee, square footage, age, property boundaries, property condition, septic/well existence or location, systems, acreage, lot size.
- Some seller's pay commission based on net sales price (purchase price less concessions).

I HAVE READ AND UNDERSTOOD ALL THE INFORMATION CONTAINED IN THIS FORECLOSURE ADDENDUM :

Buyers Signature: \_\_\_\_\_ Buyer's  
Signature: \_\_\_\_\_

Buyer's Agents Signature: \_\_\_\_\_ Date: \_\_\_\_\_