



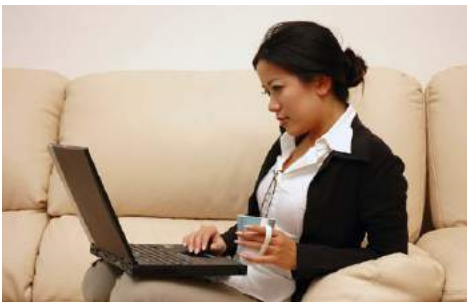
Buying an REO or bank owned property differs from a short sale because the original homeowner no longer owns the home. The bank has completed all legal collections and processes to foreclose on the previous owner and has acquired ownership. It also means the home was not sold in a public auction and is being sold on the open market.

When you are purchasing an REO, you will be dealing with the bank or an asset manager facilitating the sale. They do not have the same emotions a homeowner would have about the property and are often focused on the numbers. The purchase steps and action items will primarily be like a regular resale, but there are important factors to keep in mind.

A bank owned property does not provide you with historical information on the home. You won't get insights or disclosures by a previous homeowner

who has lived in the property. Often the homes have had more damage, or need more tender loving care. While you should be diligent with buyer inspections for any property purchase, you should take extra caution with an REO and consider all repairs or upgrade costs.

Bank owned properties are typically sold "as is." You won't have guarantees or warranties above what is required by law. REO sellers are less inclined to fix items or spend any money on the property other than what is absolutely necessary.



If you decide to buy a bank owned property, be **diligent** and thorough!