

IMPORTANT INSTRUCTIONS

Thank you for writing an offer on one of our REO properties. We want to work with you to make the transaction as smooth as possible. Below are some tips to assist you in writing the offer on this property.

This is a foreclosed property. Specific bank addenda are required along with the GAR. Please read and understand the addendum. There can be no alterations to these documents.

The Bank has never lived in or seen the property and are exempt from the seller's disclosure statement.

If it is October – April, the property has been winterized. If you are having an inspection, please make sure you contact the agent well in advance of the inspection date so they can have it de-winterized.

Please fax the contract, addendum, pre-qualification letter and copy of earnest money check to the listing agent. Our REO seller will not begin to negotiate unless all of the above items are in our hands.

Once the contract is received, negotiations will continue verbally. Please be patient. Some banks reply within an hour and others will take up to 48 hours!! We WILL call you as soon as we have a response.

Signed contracts back from the seller may take up to 7 business days. Again, please be patient and make your lender and buyer aware of this up front.

All REO homes have been keyed to a master key. Please make sure that you take the key out of the lockbox on or a day before closing to make sure the buyer has a key to the property at the closing table. We do not have extra keys, garage door openers, appliance manuals, etc. for buyers – this is a foreclosure. We strongly suggest your buyers have the home re-keyed after closing (Fannie Mae homes will be re-keyed before closing at the buyer's expense of \$120).

When writing the contract, please do not assume that the seller is performing or paying for any items that you believe "customary" on other deals. If you want a CLEAR termite letter at closing, for example, specify that!

On these foreclosed properties, it is the BUYER'S and the BUYER'S AGENT'S responsibility to obtain and review any homeowner association/condominium documents or covenants and restrictions. We will do our best to give you any information we may have obtained on the association or fees and assist you if we can.

ON THE GAR CONTRACT:

GAR #8 (Seller's Property Disclosure) – Strike, not applicable, foreclosed properties are exempt. Buyer must initial.

GAR #19D (Survival of Agreement) – Strike completely. Buyer must initial

GAR #20 – Make sure you list all addenda that are a part of the contract. List the Fannie Mae addendum and the Fannie Mae Lead Paint addendum here. Please add:

Pursuant to section 28 of the Real Estate Purchase Addendum, this document is subject to all terms and conditions set forth in the Real Estate Purchase Addendum.

*** It is mandatory that we receive a strong pre-qual letter or proof of funds if it is a cash offer. It is important that the lender state that the credit report, cash to close, income verification and debt ratios have all been reviewed. ***

Fannie Mae Addendum Notes:

#1) This will be where you fill in the date of verbal acceptance by Fannie Mae. Your clock starts ticking as of this date for inspections, loan approval, etc.

#2) Per Diem ...Make sure you have spoken with the lender and have a realistic closing date. Fannie Mae expects \$100 per day.

#5) Inspections – To be completed within 10 days of VERBAL ACCEPTANCE date. If property is winterized, (usually October – March), purchaser will be required to pay for de-winterization (\$100) for inspection. If HOA, PUD or condominium, it is the Purchaser's responsibility, at their own expense to obtain and review any documents, covenants, restrictions, bylaws, conditions, etc.

****SELLER IS EXEMPT FROM DISCLOSURE STATEMENTS.**

#18) Please review the conditions of seller's performance a-g.

#23) Keys – no mailbox keys, recreation keys, gate cards or automatic garage remotes will be provided by seller as this is a foreclosure. These items will be the responsibility of the purchaser. In addition, property is currently keyed to a master key. At closing, the exterior doors will be re-keyed and purchaser will be charged \$120 on the HUD.

#24) Nothing survives the closing. Delivery of deed is deemed to be full performance and discharge of all seller's obligations.

#38) Additional Terms – This area should be used to reiterate any seller paid requests in the GAR contract. In addition, if the buyer is utilizing Express Path Financing or if the buyer is an LLC, special verbiage would go here as well.

Thank you again for submitting an offer on this Fannie Mae Property. Our goal is to work with you in making it a smooth and happy transaction for all parties!

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