

What Are Bank REO (Real Estate Owned) Properties?

Benefits of buying a Bank foreclosure

Positives:

1. Equity
2. Sometimes the bank will hold the financing and give you a preferred rate.

Negatives:

1. Nonrefundable deposit
2. Lots of work and no guarantee the house will ever be sold.

The most time consuming and most complicated foreclosures to become involved in. Time consuming because no information is easily obtainable. A great deal of research is required and the only way to do it is to spend countless hours in the county courthouse. Or you can search for REO properties at reozone.com

There is a financial risk as well because after the research is done and the potential purchaser is prepared to go to the auction a nonrefundable cashiers check is required for normally 10 to 50 thousand dollars. It is possible to find the higher price ranges in this arena but the house may not be vacant and gaining access is sometimes difficult.

Most Bank REOs have a third-party manager who is responsible for the upkeep of the property while the bank owns it, and they are your liason with the bank. Offers must be made through them, and they will relay counter-offers from the bank. In general, banks do not negotiate much on prices, so if you offer less than asking price be prepared to go through the negotiation process several times for a minimal discount.

USHUD.com obtains its bank REO lists from the following sources:

- [Bank of Ocwen \(Residential Properties\)](#)
- [Bank of America](#)
- [First Union Bank \(Property Finder\)](#)

There are different financing options and incentives from time to time for different properties. For the best strategy to meet your particular needs contact the [REOA.com Expert](#) in your area or contact CS@REOA.com or 510-490-9990.