



# Buying an REO Property

IN ARIZONA

THINK FIRST. THINK FIRST AMERICAN.



*First American*  
*Title Insurance Company*

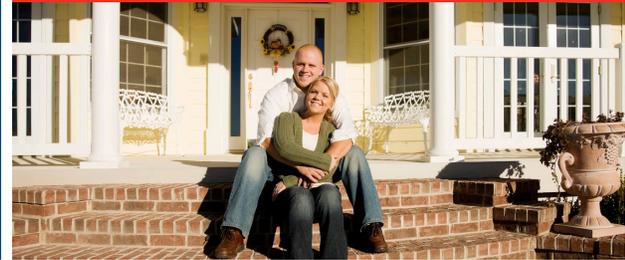


**If your clients are shopping for a new home or investment property,** an REO (Real Estate Owned) or bank owned property can be an excellent choice. Although the REO home buying process is similar to other homes, there are some significant differences. Should the seller of the property handle their transactions through First American Title, the following guidelines will assist in a successful close of escrow.

## CONTRACT ACCEPTANCE

The listing agent may notify the parties once the offer has been accepted verbally by the Seller. Allow 2-3 business days for the initial response. The written acceptance from the seller may take 5-10 business days. Prepare the buyer upfront, a verbal offer is not binding until the sellers have signed the acceptance.

The seller will present the buyer with a Counter Offer/Addendum with additional terms and notices specific to REO transactions. Please review all terms and conditions of the Counter Offer/Addendum as it typically alters many terms of the AAR contract. Specific terms may include inspection periods, removal of contingencies and/or warranties, closing costs and close of escrow date.



## OPENING ESCROW

To open escrow, provide First American Title with a copy of the complete contract, counter offers, addendums, LSR and MLS listing printout with the earnest money check. ALWAYS reference the subject property address on all delivered documents.

Upon receipt, First American Title will forward all documentation and earnest money to our REO center for immediate data processing. Within 48 hours your transaction will be partnered with the original foreclosure file. The earnest money will be deposited and a formal receipt issued to all parties. Based on the zip code of the subject property, a branch location and Escrow Officer will be assigned. The Escrow Officer and their branch team will be your primary source of information and service contact throughout the transaction.

## FINANCING

If the purchase of the property is based upon the buyer obtaining new financing, be certain that the buyer works very closely with the lender. Submit all required documentation to the lender as soon as possible. Delays with the lender may prevent the home from closing on time or at all.

Upon approval of the loan, the lender will provide First American Title with loan documents to prepare a preliminary settlement statement. Preparation of the settlement statement should take place within 24 hours after receipt of the documents from the lender. Upon completion, the statement will be forwarded to all parties for review and scheduling of the signing appointment. It is at this time that the Buyer will receive the final dollar amount required for closing.



## AFTER SIGNING SELLER ACCEPTANCE

There are specific documents that the seller must review and approve prior to closing escrow. This process can not begin until the settlement statement is complete. For this reason, it is recommended that the loan documents be delivered to First American Title a minimum of 5-7 business days prior to close of escrow.

Upon receipt of the sellers approval, the escrow officer will contact the lender to fund the loan. Once we are in receipt of all funds, the transaction will be sent to record. Upon recordation, all parties will be notified and all funds disbursed.

We at First American Title are working toward the very best home buying experience. We hope that these details help provide answers to many questions. Please contact any representative at First American Title with additional comments or questions.

Call your local First American Title location or visit

[www.ThinkFirstAmerican.com](http://www.ThinkFirstAmerican.com)



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Please provide the following when opening escrow with First American

- Full copy of your contract
- Earnest Money Check
- First American REO Cover Sheet
- MLS Property Plano (optional)

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9000 East Pima Center Parkway, Scottsdale, AZ 85258

[www.ThinkFirstAmerican.com](http://www.ThinkFirstAmerican.com)