

## Standard Resale Transaction vs. REO (Bank Owned) Transaction

### *What You Need to Know*

#### Normal Escrow

#### REO Escrow

<p><b>TRADITIONAL SELLER</b></p> <ul style="list-style-type: none"> <li>Usually an individual owner that has employed a professional real estate agent to sell the property.</li> <li>Selling one home and is personally impacted by the sale.</li> </ul>	<p><b>Buyer &amp; Seller</b></p>	<p><b>BANK ENTITY SELLER</b></p> <ul style="list-style-type: none"> <li>Usually a large corporate lending institution, dealing with a huge volume of properties.</li> <li>Typically employ a large staff and an Asset Management Company with no personal interest.</li> </ul>
<p><b>TRADITIONAL CONTRACT DELIVERY</b></p> <ul style="list-style-type: none"> <li>Buyer and seller directly responsible for Negotiating, executing and signing.</li> <li>Changes and addendums are made directly.</li> </ul>	<p><b>Contract</b></p>	<p><b>NON-TYPICAL CONTRACT DELIVERY</b></p> <ul style="list-style-type: none"> <li>Negotiating done by one department, then the File is moved to another department to close.</li> <li>Changes are difficult and time consuming.</li> </ul>
<p><b>PRODUCED LOCALLY</b></p> <ul style="list-style-type: none"> <li>Title report produced locally on all Washoe, Carson City, Lyon, &amp; Storey County Properties.</li> <li>Report arrives within 5-8 business days.</li> </ul>	<p><b>Title Report</b></p>	<p><b>PRODUCED LOCALLY OR OUT OF STATE</b></p> <ul style="list-style-type: none"> <li>Title report could be produced locally or out of state by a company dealing with multiple institutional sellers, in multiple states.</li> <li>Report can, at times, take up to 7 days or more.</li> </ul>
<p><b>HOA USUALLY CLEAR</b></p> <ul style="list-style-type: none"> <li>HOA information is normally known within 24 hours of opening.</li> <li>HOA payments are usually up to date and Clear well before closing.</li> </ul>	<p><b>HOA</b></p>	<p><b>HOA OFTEN IN COLLECTION</b></p> <ul style="list-style-type: none"> <li>HOA information is not normally known until title report arrives.</li> <li>HOA has often gone to collection attorney HOA demand document can take 10 days or more to obtain by escrow.</li> </ul>
<p><b>LOCALLY PROCESSED</b></p> <ul style="list-style-type: none"> <li>Deed is prepared and executed by the escrow Officer and selling parties locally.</li> </ul>	<p><b>Deeds</b></p>	<p><b>PROCESSED OUT OF STATE</b></p> <ul style="list-style-type: none"> <li>Asset management entity often must gain signature of deed from financial institution.</li> <li>Can take a week to 10 days (<b>or longer</b>) to be returned to escrow with signatures.</li> <li>Often double deeds must be signed from one Bank entity to another which doesn't become known until several days after first deed was sent.</li> <li>New deeds must then be prepared.</li> </ul>
<p><b>HUD APPROVAL SIMPLE AND SHORT</b></p> <ul style="list-style-type: none"> <li>HUD statement is prepared and submitted to Buyer/Seller &amp; Real Estate Agents for final approval well before closing.</li> <li>Changes to contract and commissions are quickly approved by agents on a local level.</li> </ul>	<p><b>HUD Approval</b></p>	<p><b>HUD APPROVAL COMPLEX AND SLOW</b></p> <ul style="list-style-type: none"> <li>HUD statement must be approved by asset management company and submitted to bank for approval. A minimum of 72 hours after submission must be allowed for receipt of approval. Commission and contract changes can cause delay, and can take 7 days or <b>more</b>.</li> </ul>
<p><b>SIMPLE TRADITIONAL SIGNING</b></p> <ul style="list-style-type: none"> <li>Escrow Officer signs parties, funding occurs, and sale is recorded.</li> </ul>	<p><b>Closing</b></p>	<p><b>COMPLICATED BY APPROVALS</b></p> <ul style="list-style-type: none"> <li>Lender doc changes require approvals of selling entities, causing closing delays.</li> <li>Lock Loans 45-60 Days (not earlier). Closing early can be a challenge. Asset Mgr. following closing date on contract (addendum).</li> <li>Consider the possibility of closing delay, especially if buyer is moving.</li> </ul>