

BUYER'S CHECKLIST

Buying Foreclosures

The legal process by which an owner's right to a property is terminated, usually due to default.

NOTES	The simple four-step checklist below provides recommendations that will get you started if you are interested in purchasing a foreclosure:
	☐ Visit www.foreclosure.com and search America's most comprehensive foreclosure database for available listings, public auction schedules and contact information.
	Learn the procedures to participate in a public foreclosure auction, including bidding, legal requirements, minimums and documentation required, by attending a few auctions to examine the process before engaging in one yourself.
	☐ Identify a title agent or attorney who can run a title search on the property in which you are interested. This will help you learn whether or not there are any liens on the property or other "hidden" costs that may negatively affect your purchase.
	Review the title report with a title agent or attorney to discuss the results of the title search. More often than not, he or she will be able to advise you on how to move forward based on the title report and your personal situation.
	Once you have gathered and reviewed this information, and you are satisfied to the point that you would like to continue pursuing the transaction, we recommend that you do a little more homework to ensure that you make a sound purchase.

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NOTES	Real Estate Taxes
	Even though you may be the successful bidder at a public foreclosure auction, you may be responsible for having to pay any outstanding real estate taxes associated with the property, which could very well be more than your bid. Contact the local tax collector/assessor to get answers to the following questions:
	What is the total amount of the delinquent taxes owed on the property? \$
	Have the delinquent taxes already been sold at a tax sale? Yes □ No □ If yes, \$
	What is the interest rate of the tax sale certificate?
	Municipal Assessments and Utilities
	on a foreclosure property for which you are the successful bidder if they have not been paid. Or, in some cases, you may need to also pay for and contribute to sewer system hookups or
	Are there any unpaid assessments? Yes □ No □ If yes, \$
	• Are there any pending assessments? Yes □ No □ If yes, \$
	Are there any unpaid water and sewer charges? Yes □ No □ If yes, \$
	Environmental Issues
	Although uncommon in residential foreclosures, it is important to find out any environmental issues that may exist with respect to a property. Contact the local health department and get answers to the following questions:
	$ullet$ Are there underground storage tanks (heating oil) on the property? Yes \Box No \Box
	 Is the property near a potentially contaminated site such as a gas station or dry cleaner? Yes □ No □
	■ Is radon present in the area? Yes □ No □
	 Is lead-based paint prevalent in the area? Yes □ No □

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NOTES	Zoning
	Contact the local zoning or building official and get an answer to the following question:
	What is the current zoning designation of the property?
	☐ Request a letter from the zoning department that details how the property is zoned
	Flood Zone
	Visit the FEMA Web site — www.fema.gov/nfip — or contact your title agent to get an answer the following question:
	• Is the property in a flood zone? Yes \square No \square
	Wetlands
	Contact the local building inspector and get an answer to the following question:
	 Are wetlands present on the property? Yes □ No □
	Historic Property
	Contact the local zoning or building official, or possibly the local historic preservation society, to get an answer to the following question:
	Is the property historic? Yes □ No □
	Riparian Rights
	Visit The U.S. Army Corps of Engineers Web site — www.usace.army.mil — and get answers to the following questions:
	• Are there riparian rights associated with the property? Yes \square No \square
	$ullet$ Are there docks, marinas or bulkheads associated with the property? Yes \Box No \Box