

# BANK AND GOVERNMENT FORECLOSURES

## Advantages of Bank Foreclosures

Banks want to stay away from foreclosures. Real estate is not their primary business

- You get a clean title. Bank is the legal owner of the property. You do not deal with the original owner and to evict anybody.
- You do not need to worry about taxes as the bank has already made such payments when it owned the foreclosed property.
- You do not need to rush for appraisal and inspection. You will have enough time to do whatever you want to make sure that it is a good real estate investment for you.
- You may even ask for a loan from the same bank to finance the foreclosure investment property.

**Bank Foreclosure Process**  
A bank owns a foreclosure home when the owner cannot pay back his or her loan installments in three consecutive periods. When the bank gets the deed of the foreclosed home, selling it as soon as it is possible is its top priority as it needs the money not the illiquid foreclosure property. Any amount that you offer over the amount of mortgage loan will make the bank happy.

Banks love people who know what they are doing. Prepare a simple plan summarizing your actions after you buy the bank foreclosed home and show your profits. This will make the bank feel comfortable as they want to make sure that you will be able to repay the money you borrowed. You can create a lucrative real estate investment business by consistently investing in government foreclosure homes offered every single day.

## Government Foreclosures

The best part of government foreclosure business is the fact that the government agencies are not interested in making profit in selling foreclosure properties. They want to get rid of them as soon as possible. They simply want to replenish their resources to insure new home loans.

Government agencies such as HUD, VA and others are willing to help you in finding financing and give you allowance for repairs, if any.

If you do not like to fix up and repair homes, look for properties that only need cosmetic repair. If you intend to fix up the foreclosure property or you have a handyman friend, consider government foreclosures that need extensive repairs. You need higher profit margin to justify the cost of repair and your time. Consequently, you make more profit.

## How to Find Government Foreclosure Homes

- Focus on one area where real estate property values are going up and that you feel comfortable with.
- Gather as much information as you can. There are foreclosure listing companies that offer free listings of government foreclosures. Try free trial before you commit yourself to one-year or monthly subscription
- Review the prices of comparable properties in the same area. Try to figure out how much money you can make after you complete the repairs.
- Before you make your offer, set a ceiling price for government foreclosure home. Make sure that there is no additional cost item other than repairs. Do not get crazy about getting the first government foreclosure property. There are plenty of them. Never exceed the ceiling price that you set.

