



The

REO TRANSACTION PROCESS

REO (Real Estate Owned) properties make up a significant portion of the inventory in the Puget Sound real estate market. As a reality of the current real estate industry, REO transactions draw plenty of confusion and frustration for many who are involved. Here at Ticor we've been handling a steady volume of REO properties and deal with some large REO accounts. Based on our experience with REO transactions we've produced the following outline.

Please understand the REO process described below represents an "average" experience and, many factors can affect time frames and conditions.

THE BEGINNING



Mutual acceptance of Purchase & Sales Agreement

DAY 1

Escrow is opened and title is ordered.
Earnest money is deposited.

DAY 2

Deed is prepared and sent to Seller.
Buyer's vesting info is taken from the purchase contract. If incorrect, the Seller will request proper vesting and an addendum will be required.

Buyer's Lender requests fees from Escrow.

DAY 3

Escrow orders HOA, lien demands and other money matters associated with the property.

DAYS 4-5

Seller will begin requesting weekly status updates from Escrow regarding specifics for the appraisal, inspections, earnest money deposits, and underwriting criteria for buyer's lender, etc.

THE MIDDLE



Underwriting

WEEKS 1-4

For the next 1-4 weeks the buyer's lender will work on underwriting the loan for the transaction and await approval to move forward.



Underwriting (un-der-writ-ing):

The process of analyzing a loan application to determine the amount of risk involved in making the loan; it includes a review of the potential borrower's credit history and a judgment of the property value.

THE END



Closing process

DAY 1

Buyer's Lender delivers loan documents to Escrow. Escrow completes an estimated HUD and sends to Buyer's Lender for approval.

DAY 2

Buyer's Lender approves estimated HUD and notifies Escrow. Upon Lender HUD approval, Seller's HUD is sent for signature.

DAY 3

Schedule Buyer to sign loan documentation.

DAY 4

Signed Buyer's documents are received in Escrow. Funding package is assembled and sent to Buyer's Lender for final funding approval pending Seller signed HUD.

DAY 5

Seller signed HUD is received by Escrow and forwarded to Buyer's Lender to accompany the funding package.

DAY 6

If the Buyer's Lender is satisfied with the funding package and conditions, the transaction will fund, the Deed will subsequently be recorded and the transaction will close.

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