

Standard Transaction Vs. REO Transaction *What You Need To Know*

Normal Escrow		REO Escrow
<p>TRADITIONAL SELLER</p> <ul style="list-style-type: none"> Usually an individual owner that has employed a professional real estate agent to sell the property. Selling one home and is personally impacted by the sale. 	<p>← Buyer & Seller →</p>	<p>NOT TYPICAL SELLER</p> <ul style="list-style-type: none"> Usually a large corporate lending institution, dealing with a huge volume of properties. Typically employ a large staff and an Asset Management Co. with no personal interest.
<p>TRADITIONAL CONTRACT DELIVERY</p> <ul style="list-style-type: none"> Buyer and seller directly responsible for negotiating, executing and signing. Changes and addendums made directly. 	<p>← Contract →</p>	<p>NOT TYPICAL CONTRACT DELIVERY</p> <ul style="list-style-type: none"> Negotiating done by one department, then file is moved to another department to close. Changes difficult and time consuming.
<p>PRODUCED LOCALLY</p> <ul style="list-style-type: none"> Title report is produced locally on Clark County properties only Report arrives within 24 hours. 	<p>← Title Report →</p>	<p>PRODUCED OUT OF STATE</p> <ul style="list-style-type: none"> Title report is produced out of state by a company dealing with multiple institutional sellers, in multiple states. Report can at times take up to 7 days.
<p>HOA USUALLY CLEAR</p> <ul style="list-style-type: none"> HOA information is normally known within 24 hours of opening. HOA payments are usually up to date and clear well before closing. 	<p>← HOA →</p>	<p>HOA OFTEN IN COLLECTION</p> <ul style="list-style-type: none"> HOA information is not normally known until out of state title report arrives. HOA has often gone to collection attorney. HOA demand document can take 10 days.
<p>LOCALLY PROCESSED</p> <ul style="list-style-type: none"> Deed is prepared and executed by the escrow officer and selling parties locally. 	<p>← Deeds →</p>	<p>PROCESSED OUT OF STATE</p> <ul style="list-style-type: none"> Asset management entity often must gain signature of the deed from financial institution. If title is clear, deed can be returned within 72 hours, however delays often occur.
<p>HUD APPROVAL SIMPLE AND SHORT</p> <ul style="list-style-type: none"> HUD statement is prepared and submitted to agents for final approval well before closing. Changes to contract and commissions are quickly approved by agents on a local level. 	<p>← HUD Approval →</p>	<p>HUD APPROVAL COMPLEX AND SLOW</p> <ul style="list-style-type: none"> HUD statement must be approved by asset management company and submitted to bank for approval. Commission and contract changes can cause delay, and can take 7 days.
<p>SIMPLE TRADITIONAL SIGNING</p> <ul style="list-style-type: none"> Escrow officer signs parties, funding occurs, and sale is recorded. 	<p>← Closing →</p>	<p>COMPLICATED BY APPROVALS</p> <ul style="list-style-type: none"> Lender doc changes require approvals of selling entities, causing closing delays Consider the possibility of closing delay, especially if buyer is moving.