

REO PROCEDURES

A. REO PRE-LISTING PROCEDURES.

HomeEq property preservation contractors will be responsible for re-keying REO properties. The Agent is required to drive to the property within 24 hours of receiving an interior BPO order for the listing. The Agent will confirm that the property is vacant and has been re-keyed. Should either of these not be true, the Agent will notify HomeEq immediately for further instructions.

1. Occupied Property

- a. Agent is required to notify HomeEq that property is occupied within 24 hours of receiving the interior BPO order. In some instance, the property preservation contractors will already have notified HomeEq of occupancy. HomeEq will contact the agent should this occur.
- b. HomeEq will cancel the REO Interior BPO order.
- c. If a value has not been received on the property within the last six months, the agent will receive an order for an REO drive by BPO from HomeEq.
- d. Agent will be responsible for assisting the HomeEq Eviction Department with Cash for Keys, weekly occupancy checks, Sheriff Lock-Out, etc.
- e. Agent will receive another REO Interior BPO request when the property is vacant.

NOTE: Due to corporate guidelines, properties containing more than \$500.00 of personal property must be sent to the eviction department. The property cannot be considered vacant if the amount of personal property exceeds \$500.00

2. Vacant Property

- a. Property should have been re-keyed to Kwik Set key code 44535. Either, a key will be taped under the electrical box, or the property will have a lock box with combination 4453. Notify HomeEq should this not be true.
- b. Contact HomeEq if the property is not properly secured and winterized.
- c. Check for property damage (i.e., broken water pipes, fire, vandalism, mold etc.), and report immediately to HomeEq. (Provide photographs for insurance claim purposes.)
- d. Complete REO Interior BPO with interior photos and submit to HomeEq within seven days of order being placed.
 - If the subject would not qualify for financing in its current condition, this should be specifically noted in the comment section or in an attached addendum.
- e. Turn utilities on in listing broker's name.
- f. Allow appraiser selected by HomeEq to complete an interior inspection.
- g. Order and submit repair bids as follows:
 - **Repairs under \$1,500 require 1 bid.**
 - **Repairs from \$1,501 – \$5,000, obtain 2 itemized comparable bids.**
 - **For repairs in excess of \$5,000, obtain 3 itemized comparable bids.**

B. LISTINGS

*The HomeEq Master Listing Agreement must be signed and returned to HomeEq or accepted on the HomeEq website before an agent accepts a listing from HomeEq.

1. Properties are to be entered into MLS within 48 hours of receiving Listing Agreement.
2. Place **“For Sale”** sign in yards along with lock box for access.
3. Place **“Ownership”** card in window.
4. Place all required notices in home.
5. Ensure that the house is clean and in presentable condition.
6. Ensure initial yard service is completed by Property Preservation Vendor and ensure all recurring lawn maintenance is completed by listing agent This includes maintaining lawn, shrubs, trees, etc in accordance with your city codes.

Monthly Status Reports (copy on HomeEq web site) due to assigned HomeEq REO Marketing Representative every 30 days.

C. **REPAIRS**

Agent will be notified by HomEq if repairs provided need to be completed. If HomEq has approved repairs, agent must inspect repairs upon completion and take photographs to send to the HomEq REO Marketing Representative. Repair Work Inspection Certificate and Contractor Bill (or monthly Broker bill_ also need to be sent to the HomEq REO Marketing Representative. Pictures and Repair Work Certifications will be required on any repairs prior to receiving reimbursement.

D. **CONTRACT NEGOTIATION**

All contracts must be presented to appropriate HomEq REO Marketing Representative **immediately** with buyer qualification documentation. Contracts will be negotiated verbally until final Agreement of both parties. All deadlines on verbal negotiations must have a response. HomEq requires the fully negotiated contract in our office within 48 hours of verbal acceptance (except in status/areas that are attorney generated).

FHA Contracts: Seller agrees to pay no more than \$750.00 for all lender-required “junk fees”. Lender by accepting the processing of the FHA loan further warrants that it is a FHA Direct Endorsement Mortgagee. Junk fees include and can be called any or all of the following:

1. Processing or application fees
2. Underwriting fees
3. Tax service fees
4. Funding or wire transfer fees
5. Courier fees
6. Amortization schedules
7. Photo fees
8. Assignment fees
9. “Special” services

NOTE: LISTING AGENT OR ATTORNEY MUST REVIEW CONTRACT FOR ACCURACY PRIOR TO SUBMISSION.

We require utilization of express mail, courier service, or personal delivery to meet this deadline. **This is a Broker’s attorney expense and will not be reimbursed.**

E. **CONTRACT PACKAGES**

The contract package must contain the following documents:

1. Contract Cover Sheet
2. Contract (with original signature)
3. Property condition Addendum (if applicable)
4. Water District Notice (if applicable)
5. Copy of Earnest Money Check
6. Disclosure, inspections, and/or addendum (if applicable) Example: roof, structural inspection, asbestos, etc.
7. Buyer qualification documentation
8. Addendum 1 signed by buyer (must be most recently updated version)

F. **REPAIRS PER EARNEST MONEY CONTRACTS**

It is the Broker’s responsibility to make the Buyer aware that their inspections must be performed as soon as possible. Broker must then obtain bids per Buyer’s inspections and for any lender-required repairs. If “Repairs” exceed \$1,500, two (2) bids are required. If amount referenced in the Earnest Money Contract, Buyer must be asked to prioritize the items up to Repair limit. Forward completed bids, **lender appraisal**, and repair requirement and buyer inspections to REO Marketing Representative for authorization to complete repairs once loan has been approved. Do not forward above items separately, forward a complete package.

G. **FALLOUTS**

Must be reported to HomEq **immediately** with mutual release of contract signed by all parties, and completed Earnest Money Release.

H. **LOAN APPROVAL**

Must be reported to HomEq REO Marketing Representative **immediately** to coordinate closing and commencement of repairs. No Repairs will be done after closing.

I. **CLOSING**

All bills(with the exception of final utility bill(s)) must be submitted at closing on the HUD-1. Final utility bill(s) must be submitted within 30 days of closing using the REO expense reimbursement form. **Final utility bill(s) not submitted within 30 days of closing will not be paid.**

J. **ON-GOING BILLS DURING LISTED PERIOD**

Cleaning, utilities, winterization, etc.

1. All bills must be attached to our HomEq REO Expense Reimbursement form with a copy of your check to show you paid bill on your behalf and a completed W-9 if one is not on file.

2. All Broker bills should be faxed to: **HomEq.**
Attention: Finance Department
1-866-877-3158

K. **SERVICE RELEASE LOANS-FINAL BILLS**

If you are notified a property is been service released, you must have all invoices in before the service release date. Bills not submitted before the service transfer date will be forwarded to new servicer for payment.

L. **LISTING COMMISSIONS**

Commission rates above our standard commission rate of 5% or \$1500.00 (minimum), need to be addressed prior to your accepting the pre-listing assignment from our Pre-Marketing Department. All commission negotiations will pertain to the specific subject property being marketed at that time. NOTE: COMMISSION RATE INCREASES ARE REVIEWED ON A CASE BY CASE BASIS.