

**The specific principles written in our 2 e-books were used to procure, facilitate and close this REO Transaction.**

**Case Study 1**

Bank Owned Listing Transaction – Listed / **SOLD**

Property Address: 4207 Loon Loop Big Lake, MN

Below the actual MLS (Multiple Listing Service) link for the property transaction that was used for this case study. It took place during the month of December 2006.

<http://matrix.northstarmls.com/Matrix/Public/Email.aspx?ID=2886840984>

(if this link is inactive, copy and paste it into your address bar)

Our team was assigned this property in July of 2006. This is a new client whom we had not worked with in the past. Although we are not certain how they found us, we believe it was through a generic search they conducted (for a Realtor in our area) through one of the REO Organizations (a complete list is available in Chapter III of the REO Book).

When assigned, the subject property was about 30 days post Sheriff Sale. Redemption expired on apx. November 10, 2006. Between the days the property was assigned and the day it was listed my REO team performed the following duties:

- 1) Occupancy Status/Check
- 2) Lock Change / lock box installed
- 3) Trash Out
- 4) Broker Price Opinions (x 3)
- 5) List property

Although our BPO value came in at \$145,000 the bank chose to list it for \$175k, I believe an amount they received from an independent appraisal. The “upside” or “repaired” value of this property was apx. \$195k. It required about \$20k in repairs to bring up to retail standards. The vast majority of the target market for a property in this condition are investors. Investors that are working the "buy/flip model" need a minimum of 15% profit margin. Hence our price of \$145k.

We had an investor (procured from our web site [www.mnbankhomes.com](http://www.mnbankhomes.com)) that made an offer immediately of \$155,000. That offer was rejected. Soon thereafter a higher offer came in from another agent. After some back and fourth, an agreement was reached.

The property closed on December 28, 2006. This particular bank (our client) paid out 6%. 3% to each side.

The reason we got this business (and client) was because we make every effort to register with REO organizations. Banks are constantly looking for new agents for two basic reasons:

- (1) Because they are not satisfied with their existing REO agents and
- (2) Because their existing agents are over loaded with too much inventory.

Since receiving our 1st property from this bank, they have assigned 7 other properties to us...due to be put on the market in April and May of 2007.