

## **Foreclosures – What you need to know**

*Creating a better MLS experience for all subscribers!*

Having a home in Foreclosure is a sensitive issue. This course will educate you on the foreclosure process and what you as an agent need to know and understand while working with buyers or sellers when dealing with and searching for foreclosure property.

### **Course Overview**

- Overview of what is a foreclosure
- Agent Resources
- Foreclosure terminology & Process
- Short Sales and REOs
- Customer resources
- Advantages/Disadvantages
- How to search for foreclosure properties

### **Why this class?**

- Understanding of the foreclosure process on a home to better assist your buyers and sellers.
- Understanding resources available in foreclosure situations
- General understanding and empathy when dealing with foreclosure properties.

### **Agent Resources:**

- Your board/association offices usually have affiliation directories to help you locate experts in legal and financial areas.
- Florida Realtors Legal Hotline (407) 438-1409 is available Monday-Friday 9am to 4:45pm
- Individual County Property Tax sites can usually offer additional information relating to permits, auctions and bidding requirements.

## **Foreclosures**

### **What is a foreclosure?**

- The process in which a lienholder/bank attempts to gain property to satisfy a debt.
- For banks, usually 180 days or more
- Average foreclosure process can take 8 – 14 months depending on court and other factors

### **What is a Lien?**

- A lien is a legal claim or right on a property to secure a debt. Any lien holder can request foreclosure if you do not pay the debt.
- There are various types of liens:
  - Mortgage
  - Code Enforcement
  - Tax
  - Mechanical
  - HOA
  - Other

### Foreclosure terms:

- **Pre-Foreclosure/Lis Pendens** – The time from when the suit is filed to when the final determination is made (pre-foreclosure)
- **Pending Foreclosure** – The time after the court order is granted but the sale has not yet taken place
- **Foreclosure sale/Auction** – The actual sale of the home (this cannot take place earlier than 20-35 days after the judgment by the court)

### Short Sale and Real Estate Owned (REO):

- **Short Sale** – When a lender allows a property to be sold for less than what is owed (usually due to the value of the property being less than owed)
- **REO** – When the lender is the highest bidder at the property sale/auction and takes ownership of the property (bank owned)

### Foreclosure Process:

- The debt becomes delinquent
- Notice of default is sent to the debtor.
- The lien/mortgage holder must file a suit with the court requesting foreclosure on such property and the reason for the request (*pre-foreclosure*)
- Borrower has 20 days to respond to the filed suit.
- The judicial system must approve the request before the home can be foreclosed upon (*judicial foreclosure*)
- Once the judicial system decides a judgment, a court summary judgment order is entered, and the bank can schedule the sale of the property (no earlier than 20-35 days) from the judgment (*foreclosure sale*)

### After the Sale:

- **10-day redemption period** – the homeowner usually has 10 days or until, the deed is recorded after the sale to redeem the property and pay the debt in full
- **Deficit & Surplus** – A deficit is a difference between the debts and the sale price of the property (if less). A surplus is when there are excess proceeds after the debts are paid from the sale (if more). If there is a surplus, the owner is entitled to such funds less any expenses.
- **Possible Eviction** – If the previous owner is still residing in the home, you may need to take measures to remove them.

### Customer Resources (by foreclosure stage):

#### Pre-Foreclosure

- Loss Mitigation – Where the borrower and lender work together to avoid foreclosure
- Loan Re-Instatement – The owner can bring the default balance current on the loan
- Property Sale – selling the property before the foreclosure sale
- Service Member Civil Relief Act – provides legal protections to military service members who are in danger of foreclosure\*

#### Auction:

- Property Redemption – Paying off the entire mortgage prior to the foreclosure sale of the property

### Bank Owned:

- Purchase the home back from the bank

*The customer will need to speak with their lender, financial expert or an attorney for any other financial/legal options that may be available*

**Disclaimer: These are not the choices/opinions/recommendations of Stellar MLS or its staff. These are public resources available for all customers and all customer options should be discussed with an attorney or other financial licensed professional without the influence of a real estate professional.**

### **Working with Buyers:**

- Cash or pre-approvals are required to place an offer (funding needed for most auctions day of)
- Usually very little room for negotiations
- AS-IS
- Consider the future value
- Additional paperwork is often required by the bank
- Time-consuming
- Recommend using a real estate attorney or other licensed real estates professional for best results
- Eviction may be necessary

### **Working with Sellers:**

- The agent must work with the bank/bank contact for approval of listing agreements/offers
- Processing time can be lengthy
- Broker approval and disclosures
- Always research your subject property listing to see if in foreclosure or ask if the mortgage is current.
- A listing in foreclosure or pre-foreclosure status has additional requirements that may be required before listing the property – discuss with your broker

### **Advantages**

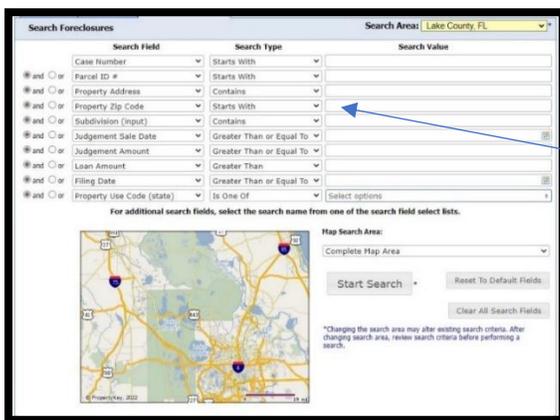
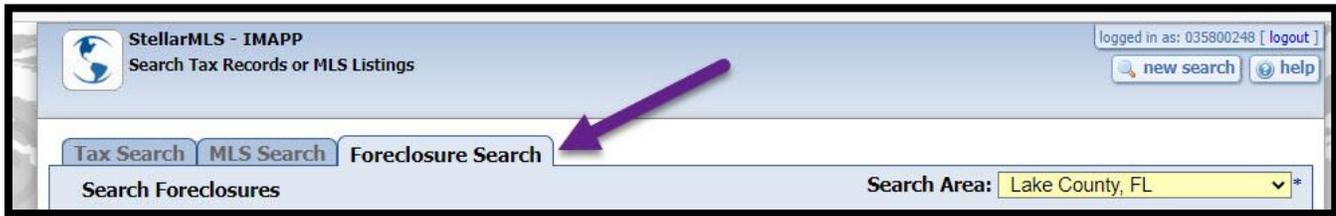
1. Sellers are more motivated to sell (usually in pre-foreclosure status)
2. Many times, have clear titles and vacant
3. May get a better price
4. Financing is usually available for Foreclosure, Short Sale and REO properties

### **Disadvantages**

1. More paperwork can be required by the bank
2. More time waiting for bank approvals, etc.
3. Homes are usually AS-IS with no repairs made by the bank
4. No Disclosures available
5. Unknown property issues
6. May need to evict resident

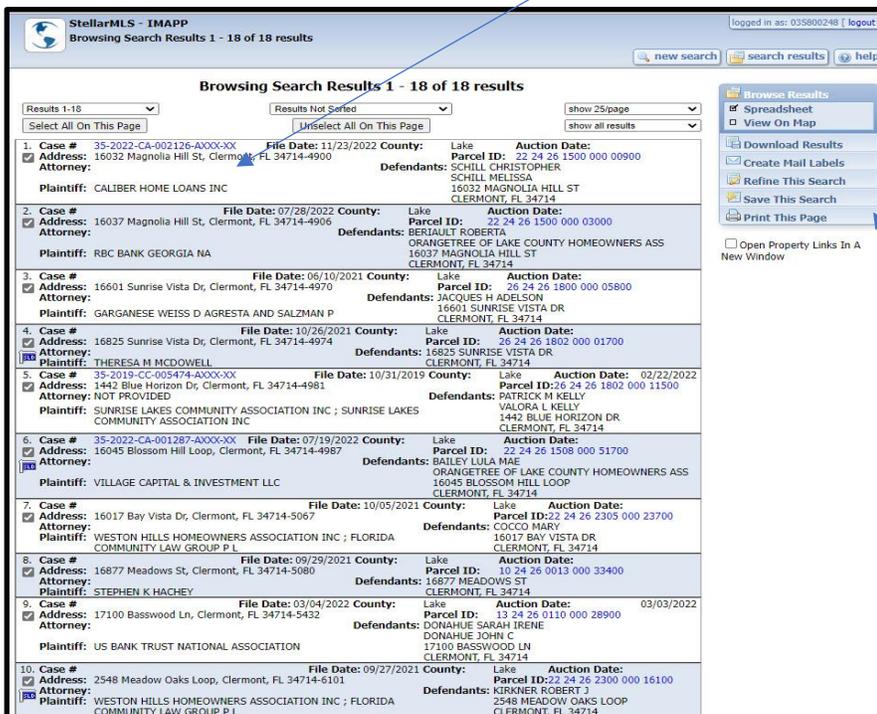
## Searching foreclosure properties in IMapp:

To search for properties using Imapp, open the Imapp from your products and services page. You will select the foreclosure tab at the top and enter your search fields.

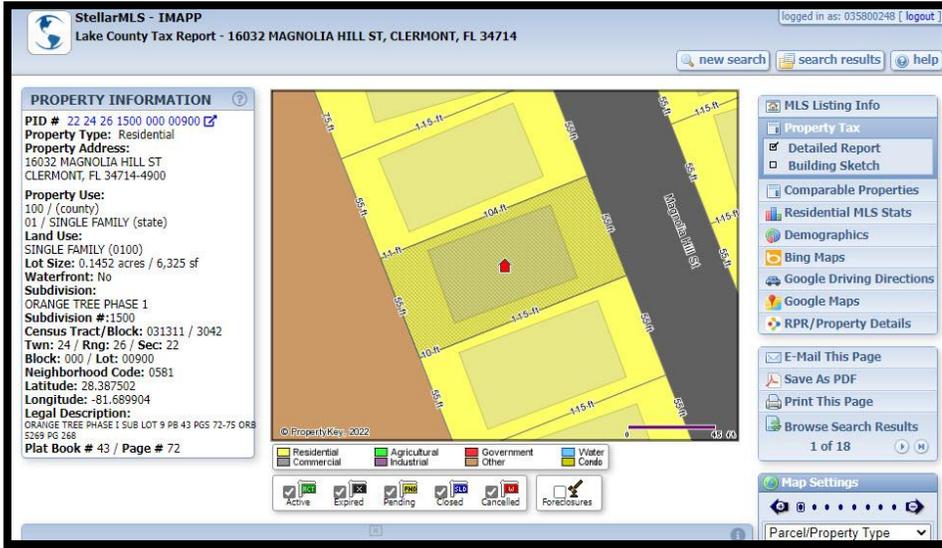


Use the drop down next to the criteria category to select how you will enter the information. *For example: to look at a specific zip code, drop down the box to say equal to in the zip code field and enter the zip code you want to search.* Once you have entered your search criteria, hit Start Search.

Once you have your search results, click on the parcel number to get more details about a specific property or choose from the menu options on the right.



From the results list, you can select the properties by checking the box next to the address and select the menu option of the task you wish to complete. If you want to print mailing labels, select this option from the menu



**PROPERTY INFORMATION**

PID # 22 24 26 1500 000 00900  
 Property Type: Residential  
 Property Address:  
 16032 MAGNOLIA HILL ST  
 CLERMONT, FL 34714-4900

Property Use:  
 100 / (county)  
 01 / SINGLE FAMILY (state)

Land Use:  
 SINGLE FAMILY (0100)  
 Lot Size: 0.1452 acres / 6,325 sf  
 Waterfront: No

Subdivision:  
 ORANGE TREE PHASE 1  
 Subdivision #: 1500  
 Census Tract/Block: 031311 / 3042  
 Twn: 24 / Rng: 26 / Sec: 22  
 Block: 000 / Lot: 00900  
 Neighborhood Code: 0581  
 Latitude: 28.387502  
 Longitude: -81.689904  
 Legal Description:  
 ORANGE TREE PHASE 1 SUB LOT 9 PB 43 PGS 72-75 ORS  
 S359 PG 268  
 Plat Book # 43 / Page # 72

**MLS Listing Info**

- Property Tax
- Detailed Report
- Building Sketch
- Comparable Properties
- Residential MLS Stats
- Demographics
- Bing Maps
- Google Driving Directions
- Google Maps
- RPR/Property Details

E-Mail This Page  
 Save As PDF  
 Print This Page  
 Browse Search Results  
 1 of 18

Map Settings  
 Parcel/Property Type

Once you select the property the information populates, and you have more menu choices on the right side

## Searching in Matrix:

To search for REO and Short Sale properties using Matrix, open a residential search. Start by adding the statuses of Active, TOM and Pending, and then select your location criteria (County, City, Zip, etc.)

**Status - Date or Range**  
[Select All](#) [Select None](#)

- Active
- Pending
- Temporarily Off-Market
- Canceled (WDN-U)
- Withdrawn Conditional
- Sold
- Expired
- Leased

**Contract Status**

- Appraisal
- Financing
- Inspections
- Kick Out Clause
- Letter Of Intent

And  Or  Not

**Special Sale Provision(s)**

- Auction
- Bank Owned/REO
- Government Owned
- Probate Listing

And  Or  Not

**Property Style**

**Map Search:** No Map Selected

Within  miles of  [My Location](#)

St #	Dir Pfx	Street Name	St Type	Dir Sfx	Unit #
<input type="text"/>					

[More](#)

**State:**

Or  Not

**County:**

Or  Not

**MLS Zip:**

- 33765 - Clearwater/Sunset
- 34713 - Clermont
- 34712 - Clermont
- 34711 - Clermont
- 34714 - Clermont

Or  Not

**City:**

Or  Not

**Legal Subdivision Name:**

After you have selected the basic criteria, you can search for bank-owned and auction properties by selecting from the Special Sale Provision(s) field.

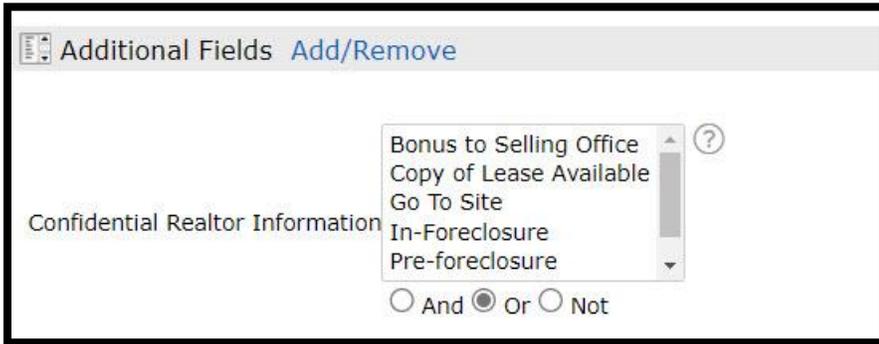


**Special Sale Provision(s)**

- Auction
- Bank Owned/REO
- Government Owned
- Probate Listing

And  Or  Not

To search for pre-foreclosure and in-foreclosure properties actively listed for sale, remove the special sale provisions and add the additional field “Confidential Realtor Information”.



**Additional Fields** [Add/Remove](#)

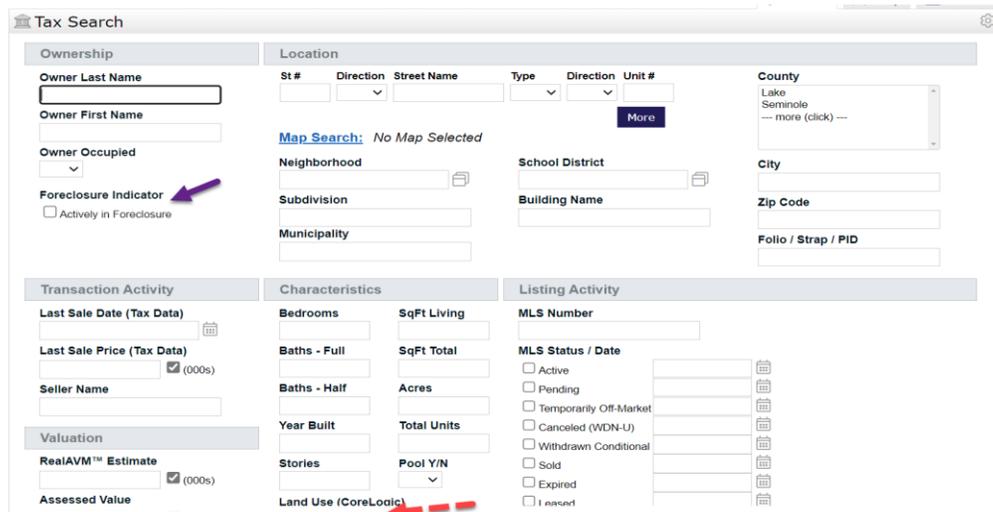
Confidential Realtor Information

- Bonus to Selling Office
- Copy of Lease Available
- Go To Site
- In-Foreclosure
- Pre-foreclosure

And  Or  Not

You can then select In-Foreclosure and Pre-Foreclosure if you want both and be sure to select the “or” radio button.

You can also do a general public records search to find properties in foreclosure and not yet listed. Using the public record search option, select “in foreclosure” (see below) and enter any other criteria. Be sure to use the Land Use (Core Logic) field and select **SFR** for Single Family Residence. Click results.



**Tax Search**

**Ownership**

Owner Last Name:

Owner First Name:

Owner Occupied:

Foreclosure Indicator:  Actively in Foreclosure

**Location**

St #:  Direction:  Street Name:  Type:  Direction:  Unit #:  [More](#)

County:

City:

Zip Code:

Folio / Strap / PID:

**Transaction Activity**

Last Sale Date (Tax Data):

Last Sale Price (Tax Data):  (000s)

Seller Name:

**Valuation**

RealAVM™ Estimate:  (000s)

Assessed Value:

**Characteristics**

Bedrooms:  SqFt Living:

Baths - Full:  SqFt Total:

Baths - Half:  Acres:

Year Built:  Total Units:

Stories:  Pool Y/N:

Land Use (CoreLogic):

**Listing Activity**

MLS Number:

MLS Status / Date:

- Active
- Pending
- Temporarily Off-Market
- Canceled (WDN-U)
- Withdrawn Conditional
- Sold
- Expired
- Leasur

The results will have color coded tags based on foreclosure status. You will also want to look at the tear drop status. If Green, they are actively listed in the MLS. ***\*Color codes may vary between platforms***

**Yellow** – Pre-foreclosure

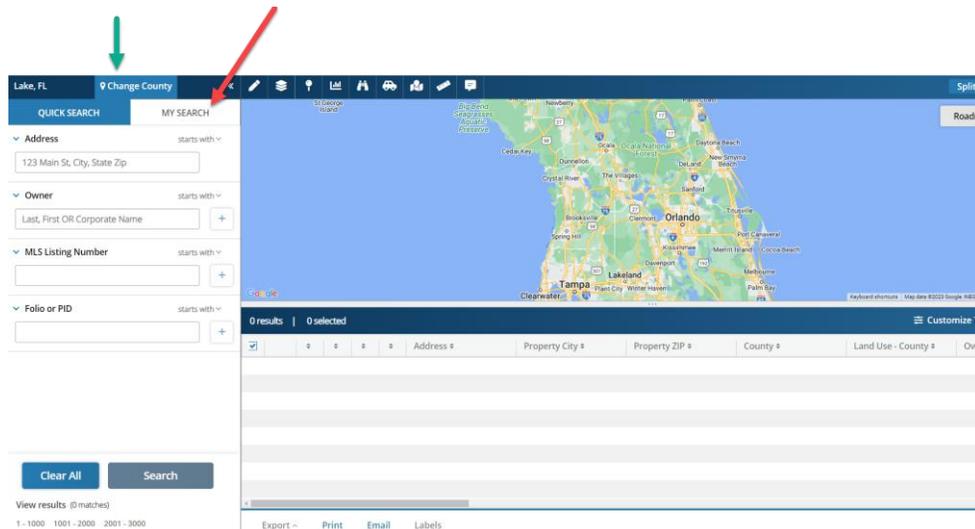
**Orange** – Auction

**Green** – REO

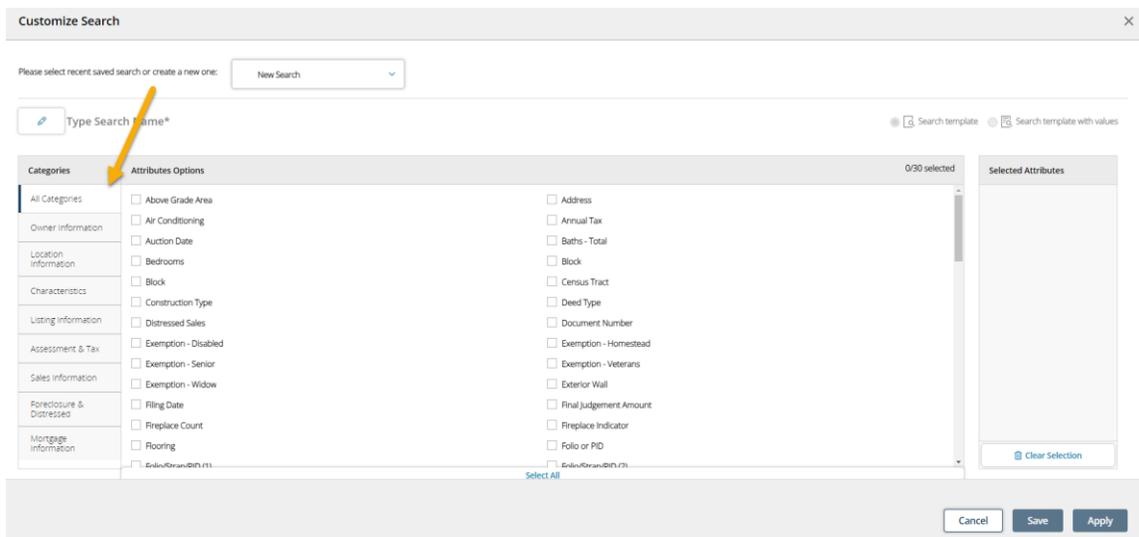
Select the properties you want and choose the print option, select label for owner @ tax address

### Searching in Realist:

You will begin your search in Realist using the My Search tab. Select the county/counties you wish to search.



Under my search, select create new search. We will select various filters from the categories on the left hand side menu (as shown below)



Start with location information and choose either city or zip code you wish to search and select the box.

Categories	Attributes Options	
All Categories	<input type="checkbox"/> Address	<input type="checkbox"/> Block
Owner Information	<input type="checkbox"/> Census Tract	<input type="checkbox"/> Folio or PID
Location Information	<input type="checkbox"/> Folio/Strap/PID (1)	<input type="checkbox"/> Folio/Strap/PID (2)
	<input type="checkbox"/> Lot	<input type="checkbox"/> Municipality
Characteristics	<input type="checkbox"/> Neighborhood	<input type="checkbox"/> Neighborhood Code
	<input type="checkbox"/> Property Carrier Route	<input type="checkbox"/> Property City
Listing Information	<input type="checkbox"/> Property Unit #	<input checked="" type="checkbox"/> Property ZIP
	<input type="checkbox"/> Range #	<input type="checkbox"/> School District Name
Assessment & Tax	<input type="checkbox"/> Section #	<input type="checkbox"/> Site Influence
Sales Information	<input type="checkbox"/> Street #	<input type="checkbox"/> Street Name
	<input type="checkbox"/> Street Post-Direction	<input type="checkbox"/> Street Pre-Direction
Foreclosure & Distressed	<input type="checkbox"/> Street Suffix	<input type="checkbox"/> Subdivision
	<input type="checkbox"/> Subdivision #	<input type="checkbox"/> Zoning

[Select All](#)

Next under the foreclosure and distressed tab, select Filing Date, Foreclosure Stage and Foreclosure indicator

**Customize Search**

Please select recent saved search or create a new one:

Categories	Attributes Options		4/30 selected
All Categories	<input type="checkbox"/> Auction Date	<input type="checkbox"/> Distressed Sales	
Owner Information	<input checked="" type="checkbox"/> Filing Date	<input type="checkbox"/> Final Judgement Amount	
Location Information	<input type="checkbox"/> Foreclosure Case #	<input checked="" type="checkbox"/> Foreclosure Indicator	
	<input checked="" type="checkbox"/> Foreclosure Stage	<input type="checkbox"/> Recording Date	
Characteristics			
Listing Information			
Assessment & Tax			
Sales Information			
Foreclosure & Distressed			
Mortgage Information			

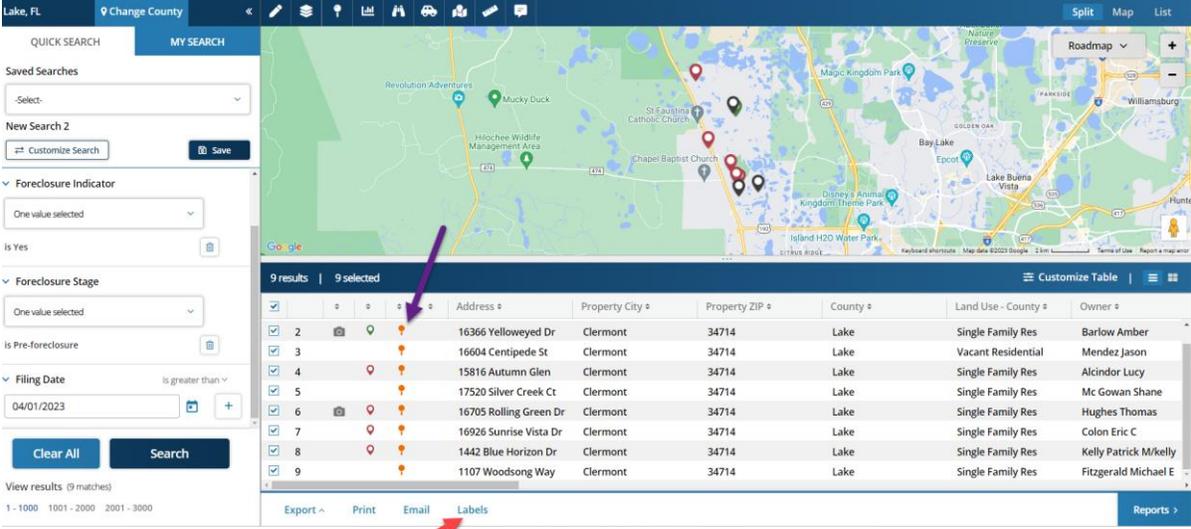
[Select All](#)

- Hit apply in the lower right corner to apply all filters
- From search tab now enter all filters (zip, foreclosure indicator – yes, select foreclosure stage you wish to search.
- For filing date change the in between to greater than and enter date

▼ Filing Date is between ▼

- Run your search

From your results you will see the foreclosure indicator and then you can choose to print labels and send correspondence to these customers.



The screenshot shows the StellarMLS search results interface for Change County, FL. The left sidebar contains search filters for Foreclosure Indicator, Foreclosure Stage, and Filing Date. The main area displays a map with 9 red location pins and a table of 9 results. A red dashed arrow points to the 'Labels' button at the bottom of the results table.

	Address	Property City	Property ZIP	County	Land Use - County	Owner
2	16366 Yelloweyed Dr	Clermont	34714	Lake	Single Family Res	Barlow Amber
3	16604 Centipede St	Clermont	34714	Lake	Vacant Residential	Mendez Jason
4	15816 Autumn Glen	Clermont	34714	Lake	Single Family Res	Alcindor Lucy
5	17520 Silver Creek Ct	Clermont	34714	Lake	Single Family Res	Mc Gowan Shane
6	16705 Rolling Green Dr	Clermont	34714	Lake	Single Family Res	Hughes Thomas
7	16926 Sunrise Vista Dr	Clermont	34714	Lake	Single Family Res	Colon Eric C
8	1442 Blue Horizon Dr	Clermont	34714	Lake	Single Family Res	Kelly Patrick M/kelly
9	1107 Woodsong Way	Clermont	34714	Lake	Single Family Res	Fitzgerald Michael E

When you select labels, choose the label information and then hit create. Labels will likely open in a new window or ask you to open the label document once it downloads.

You can save this search and run the same search again for a different foreclosure status