

Index

• A •

accountant, hiring, 62
ACT computer program, 98, 137
activity schedule, foreclosure, 134–137
address of property, finding, 121–122
adjournment, 45, 172, 183
advertising, 107. *See also* marketing;
networking
affidavit for expenses, 26, 37, 263
affidavit of designee (buyer's affidavit), 200
Alabama foreclosure regulations, 328
Alaska foreclosure regulations, 328–329
amortization, 78
Annual Credit Report Request Service, 85
appliances, kitchen, 279
appreciation, showing, 99–100
Arata, Michael J. (*Preventing Identity Theft For Dummies*), 86
Arizona foreclosure regulations, 329
Arkansas foreclosure regulations, 329
assignment of interest, 246
assignment of lien, 246
attorneys. *See also* bankruptcy attorney
divorce, 91, 105
foreclosure, 105
handling evictions, 268
leads from, 105
mortgage company's, 117
probate, 105, 125
questions to ask, 178
real estate attorney, 58, 105, 136, 253–254
auctions. *See also* bidding at auctions
adjournment, 45
basics of, 178–179
dates, times and places, 178–179
defined, 14
following up after, 188–191, 261
maximum bid, 24, 49, 179–184, 206–207
opening bid, 50, 127, 178, 184, 193
overview, 32
packing for, 185

pros and cons of, 48–49
redemption period, 48
sealed bids, 187–188
sitting in on, 47, 186
audio recording, 136, 170, 302

• B •

Backpage (Web site), 288
balloon payment (cash call), 78
bankruptcy attorney
consulting with, 228, 232–233
hiring, 155
negotiating with, 235–236
networking with, 230–231
value of, 105, 227
bankruptcy property
buying, 227–228
Chapter 7, 226
Chapter 13, 226–227
contacting homeowners during, 228, 233
court-appointed trustees, 226, 230–231, 232
creditors (lenders), contacting, 233–234
delays in taking possession of property,
234–236
filing for, 35, 53, 155, 170
finding, 229–231
homeowners options, 317–318
laws governing, 226–227
notices, 229–230
overview, 225–226
banks. *See also* lenders; REO (Real Estate
Owned) property
buying property from, 17
conventional loans from, 76
FDIC (Federal Deposit Insurance
Corporation) property, 219
pitching an offer to, 208–209
preparing for meeting with, 87
property owned by, 50
basement, 277
bathrooms, 276

- bedrooms, 276–277
 - bidding at auctions. *See also* auctions
 - governor (restrainer), using, 185
 - maximum bid, 24, 49, 179–184, 206–207
 - minimum bid raises, 179
 - mistakes to avoid, 15–16, 322–323
 - opening bid, 50, 127, 178, 184, 193
 - overbidding, 15, 185, 309
 - overview, 13, 46–49
 - packing for auction day, 185
 - Purchase Price Estimator (Web site), 182
 - sealed bids, 187–188
 - strategies for, 186–187
 - billboards, 107
 - broker's price opinion (BPO), 194
 - Bucci, Stephen R. (*Credit Repair Kit For Dummies*), 87
 - building permit, 65, 126
 - bullet loan, 79
 - bundle purchases, avoiding, 201
 - business cards, 93, 95–96
 - buy-and-hold strategy, 292–293
 - buyer's affidavit (affidavit of designee), 200
 - buyer's agent, 69, 284
- C ●
- cabinets, refinishing, 278
 - California foreclosure regulations, 330
 - capital gains tax, 292
 - case or reference number, 116
 - cash. *See also* financing
 - advantages of, 18–19, 73
 - amount needed, 48, 74–75, 179
 - certified funds, 19, 179
 - closing a deal with, 208
 - defined, 19
 - for keys, 264–265
 - offer, 152, 165–166, 169
 - cash back at closing deals, illegality of, 290
 - cash call (balloon payment), 78
 - cashier's check, 179, 185
 - cashing out. *See also* selling a property; short sales
 - leasing the property, 153–154, 234, 292–293, 299–300
 - leveraging your position, 303
 - offering a lease-option agreement, 300–302
 - overview, 26–28, 281
 - refinancing to cash out the equity, 28, 295–296
 - selling senior lien to a junior lien holder, 302–303
 - cell phone, 96, 144
 - certified funds, 19, 179
 - Chapter 7 bankruptcy, 226
 - Chapter 13 bankruptcy, 226–227
 - church affiliations, 106
 - classifieds, 288
 - closing. *See also* possession of the property
 - auction properties, 261
 - costs, 78, 181
 - date, 172–173, 289
 - pre-auction properties, 260–261
 - redemption period (length of time for), 40
 - REO (Real Estate Owned) property, 209
 - selling a property, 291–292
 - clubs, leads from, 107
 - clutter, removing, 286
 - code violations, 127
 - collateral, 77, 79
 - Colorado foreclosure regulations, 330
 - communication. *See also* letters to homeowners; telephone
 - foreclosure investor's talent for, 4
 - with homeowners after the sale, 264
 - with homeowners during redemption period, 136, 201, 265
 - including spouse in, 145
 - legal and ethical rules for, 136
 - tape recording, 136, 170, 302
 - community, giving back to, 100. *See also* neighborhood
 - computer, 96
 - con artists. *See also* fraud
 - detecting, 322
 - “equity stripping” the homeowners, 297
 - illegal flipping schemes, 94
 - living off overbids, 265
 - mortgage fraud, 124
 - quit claim deed scams, 34, 154
 - stealing homes, 312
 - unethical actions of, 324–325
 - conditional clause (weasel clause), 171, 289
 - condo lien, 52
 - condominium association, 52
 - congratulation letter, 139, 144
 - Connecticut foreclosure regulations, 330–331

- construction (mechanic's) lien, 239, 247
 contact information, managing, 98–99
 contingency clause, 202
 contingency plan, 83
 contractors and subcontractors, 64–68
 conventional loans, 76, 83–87
 costs. *See also* holding costs
 closing, 78, 181
 contingency plan for, 83
 estimating, 74
 marketing, 74
 overruns, 83
 price for property, 74, 123
 Purchase Price Estimator (Web site), 182
 real estate agent, 71
 real estate attorney, 58
 reimbursement for, 263
 repairs and renovations, 74, 83, 180, 272–274
 county
 clerk's office, 121
 courthouse, 117
 drug enforcement agency, 51
 legal news, 110
 property worksheet, 126–127
 sheriff's office, 51, 178
 tax assessor's office, 126, 138
 treasurer's office, 222
 where property is located, 116
 covenants on the land, 61
 craftsmanship, 94
 Craig's list (Web site), 107, 288
 credit card loans, 76, 81–82
Credit Repair Kit For Dummies (Bucci and Savage), 87
 credit report/history, 85–87, 167
 credit reporting services, 85
 credit score, 86–87
 creditors, 233–234
 cross-collateralization, 79
- **D** •
- date of possession, 171
 deal analysis
 cash offer, calculating, 165–166
 closing time, 172–173
 Deal Analysis Worksheet, 163
 homeowner's credit health, 167
 homeowner's equity, 162, 164
 homeowner's gross monthly income, 168
 homeowner's options, 168–170
 homeowner's wants, 168
 loan status, 166
 purchase agreement, 170–172
 risk level of loan, 166–167
 death certificate for deceased owner, 125
 deed in lieu of foreclosure, 35–36, 154, 170, 319
 deed to the property
 failure to redeem, 190
 lender's request for, 79
 names on, 123
 obtaining a copy of, 261
 recording, 25, 117, 188–189, 220, 261
 REO (Real Estate Owned) property, 200
 deed warranty names, 123
 deeds
 mortgage, 327
 quit claim, 34, 154
 tax deed or tax certificate, 255, 256
 of trust, 327
 Delaware foreclosure regulations, 331
 delays
 anticipating, 325
 bankruptcy, 234–236
 contingency plan for, 83
 department of transportation (DOT)
 property, 51, 222–223
 deposits for contractors, 67
 digital camera, 130
 dishonesty, 265, 266
 dishwasher, 279
 District of Columbia foreclosure regulations, 331
 divorce attorney, 91, 105
 doing nothing, 155–156, 170
 Don't Borrow Trouble (Web site), 13
 dontwannars (don't want her)
 property, 108
 dossier. *See* property dossier, creating
 DOT (department of transportation)
 property, 51, 222–223
 drug enforcement agency property, 51
 due date on sale clause, 299
 dumpster, 267
 Dyszel, Bill (*Outlook 2007 For Dummies*), 98

● E ●

EMD (earnest money deposit), 171, 289
 emotions, 42–43, 323–324
 employment, assisting homeowners with, 314, 318
 encumbrances, 21
 equity in home
 calculating, 162, 164
 cashing out, 28, 295–296
 “equity stripping” the homeowners, 297
 as investment capital, 75, 76, 81
 escrow account, 254
 evicting residents, 38, 267–268
 exterior of property, 274–275

● F ●

family and friends
 financial help from, 75, 314–315
 leads from, 106
 networking with, 97
 selling a property to, 299
 Fannie Mae properties, 216–217, 218–219
 FDIC (Federal Deposit Insurance Corporation) properties, 219
 FHA (Federal Housing Authority) loans, 212, 213
 financial advice, homeowners need for, 313–314
 financing. *See also* cash; equity in home; loans
 buyer’s, 289
 credit cards, 76, 81–82
 insufficient, 19, 307–308
 minimizing risk, 76
 networking for, 91–92
 options, 73, 75–77
 overview, 18–19
 personal, 75, 79–83
 during redemption period, 48
 retirement savings, 82
 savings, 81
 finder’s fee, 52
 first mortgage (senior lien)
 bidding on, 184
 buying, 115, 246–247
 contacting the lender, 158
 defined, 15, 47

 hierarchy of, 238
 junior lien versus, 15, 37, 48
 protecting, 251–252
 selling to junior lien holder, 302–303
 fiscal calendar, 204
Flipping Houses For Dummies (Roberts and Kraynak), 3, 52, 108, 285
 flipping properties
 described, 281
 illegal schemes, 94, 270
 quick flips, 88
 TV shows, 271
 Web sites, 182, 204, 220
 FlippingFrenzy (Web site), 204, 220
 Florida foreclosure regulations, 332
 For Sale by Owner (FSBO) property, 108–109
 For Sale signs, 27, 109, 288
 forbearance, 14, 33–34, 150, 169
 foreclosure attorneys, 105
 foreclosure by advertisement
 (trustee sale), 30
 foreclosure information sheet, 119–120
 foreclosure investor. *See also* options for homeowners
 assisting homeowners, 313–318
 dealing with homeowner distress, 42–43
 helping homeowners retain their property, 40
 negative stereotypes, 1, 326
 offering the best service, 200–201
 phonies, 47
 presenting options to homeowners, 40
 providing guidance to homeowners, 41–42
 reputation, building, 93–94
 successful, 1, 2, 4, 43, 121
 wholesalers, 52
 foreclosure notice
 deciphering, 111–112
 described, 31–32, 328
 example, 118
 finding, 109–112
 foreclosure information sheet, 119–120
 information listed in, 116–118, 121–125, 178
 online listings, 109, 110, 111
 waiting for, 44–45
 foreclosure process
 activity schedule, 134–137
 financing, obtaining, 18–19
 foreclosure notice, posting, 44
 judicial sale (judicial foreclosure), 30, 327

- length of time for, 39, 327
- missed-payment notice, 31
- nonjudicial, 327
- overview, 12–13, 327
- point of entry, 13–17
- possession of a property, taking, 24–26
- previous owners vacating the property, 38
- proceeding to the foreclosure sale (auction), 32
- researching property and owners, 19–24
- setting maximum bid, 24
- stopping or delaying, 33–37
- team of experts and advisors, building, 17–18
- foreclosure property. *See also* auctions; bankruptcy property; post-auction property; pre-auction property
 - advertising for, 107
 - buying “as is,” 63, 162, 164
 - finding, 20–21
 - inspecting, 22
 - market value, 22–23
 - networking leads, 104–108
 - price range, choosing, 74
 - tracking, 137
- foreclosure regulations
 - Alabama, 328
 - Alaska, 328–329
 - Arizona, 329
 - Arkansas, 329
 - California, 330
 - Colorado, 330
 - Connecticut, 330–331
 - Delaware, 331
 - District of Columbia, 331
 - Florida, 332
 - Georgia, 332
 - Hawaii, 332–333
 - Idaho, 333
 - Illinois, 333
 - Indiana, 334
 - Iowa, 334
 - Kansas, 334–335
 - Kentucky, 335
 - Louisiana, 335
 - Maine, 335–336
 - Maryland, 336
 - Massachusetts, 336
 - Michigan, 337
 - Minnesota, 337
 - Mississippi, 337–338
 - Missouri, 338
 - Montana, 338–339
 - Nebraska, 339
 - Nevada, 339
 - New Hampshire, 340
 - New Jersey, 340
 - New Mexico, 340–341
 - New York, 341
 - North Carolina, 341
 - North Dakota, 342
 - Ohio, 342
 - Oklahoma, 342
 - Oregon, 343
 - Pennsylvania, 343
 - Rhode Island, 343–344
 - South Carolina, 344
 - South Dakota, 344
 - Tennessee, 344–345
 - Texas, 345
 - Utah, 345
 - Vermont, 346
 - Virginia, 346
 - Washington, 346–347
 - West Virginia, 347
 - Wisconsin, 347
 - Wyoming, 348
- foreclosure wholesalers, 52
- forms. *See also* letters
 - authorization to release information, 150
 - Deal Analysis Worksheet, 163
 - Exterior Property Evaluation, 129
 - foreclosure information sheet, 119–120
 - homeowner information sheet, 148
 - Interior Property Evaluation, 157
 - payoff calculations, 244
 - proof of insurance, 68
 - property worksheet, 126–127
 - release form, 150
 - Renovation Planner, 273
 - sample phone script, 145
 - tracking adjournments, 183
- fraud. *See* con artists; scams
- Freddie Mac properties, 216–218
- FSBO (For Sale by Owner) property, 108–109
- furniture, 286–287
- future value (or repaired value) of a property, 59

• G •

Georgia foreclosure regulations, 332
 GetFlipping (Web site), 182
 get-rich-quick schemes, 221, 321–322
 Ginnie Mae properties, 216
 goals
 profit, 165
 realistic, 323
 repairs and renovations, 274
 Google Earth (mapping program), 122
 go-to guy image, 107, 313
 government loans, 76
 government property
 county sheriff's office, 51
 department of transportation (DOT), 51, 222–223
 Fannie Mae and Freddie Mac, 216–219
 FDIC (Federal Deposit Insurance Corporation), 219
 finding and buying, 17, 51–52, 219–224
 HUD (Housing and Urban Development), 51, 212–215
 law enforcement, 224
 overview, 51, 211–212
 state or county drug enforcement, 51
 US Treasure Customs Seizures, 223
 USDA Real Estate for Sale, 223
 VA (Veteran's Administration), 51, 212, 215–216
 Web sites, 223
 governor (restrainer), at auction, 185
 greed, avoiding, 312
 Griswold, Robert (*Property Management For Dummies*), 293
 grout cleaning, 276
 GuthyRenkerHome (Web site), 111

• H •

handymen, 64, 68
 hard-money loans, 75, 77–79
 Hawaii foreclosure regulations, 332–333
 health code violations, 127
 holding costs
 closing costs, 78, 181
 defined, 180
 estimating, 74, 180–181
 underestimating, 308–309

unforeseen expenses, 326
 water bills, 181, 260
 home equity line of credit, 81
 home equity loan, 76, 81
 home inspector, 63–64
 home interior, 156, 157, 275
 HomeInfoMax (Web site), 122
 homeowner association, 61, 105–106
 homeowner information sheet, 148
 homeowners. *See also* letters to
 homeowners; options for homeowners
 avoiding the situation, 40, 104, 137
 bending the truth, 311–312
 benefits of seeking help early, 13
 contacting during bankruptcy, 228
 contacting during redemption period, 136, 201, 265
 contacting their lenders, 315
 convincing them to seek help, 149
 credit report/history, 167
 deceased, 125
 distress of, 42–43
 “equity stripping,” 297
 evicting, 267–268
 family and friends helping, 314–315
 feedback from, 146
 filing bankruptcy, 317–318
 financial advice needed for, 313–314
 finding, 137–138
 gross monthly income, 168
 guiding to good decisions, 41–42
 informing about redemption, 189–190, 191
 investigating, 23–24
 job search assistance for, 314
 moving out, 26, 171–172, 267
 mutually beneficial solutions for, 4–5
 nonredemption certificate, signing, 264–266
 overbid money of, 139, 189, 325
 property dossier profile, 147
 property rights of, 76
 purchase agreement with, 170–171, 172, 243
 reasons for foreclosure, 1, 29
 recording conversations, 136, 170, 302
 redemption rights, 265
 repeating the same mistake, 301
 retaining possession of their property, 14, 40
 selling before foreclosure, 317
 short sales, signing release for, 242–243
 taking advantage of, 324–325
 tax lien redeemed by, 255–256
 vandalizing the property, 16, 268

walking away, 319
wants of, 168
homeowner's insurance, 16, 261
homeownership, 4
HomeSteps (Web site), 217–218
house-jacking scam, 220
housing market, health of, 164
HUD (Housing and Urban Development)
properties
finding, 51
online listings, 214–215
overview, 212–213
real estate agent for, 213–214
HurryHome (Web site), 111, 164, 201, 274

• I •

Idaho foreclosure regulations, 333
identity theft, 86
Illinois foreclosure regulations, 333
income of homeowners, 168
income tax lien, 47, 189
Indiana foreclosure regulations, 334
insertion date, 116
inspecting the property
before the closing, 260–261
contingency clause, 22, 202
drive-by, walk-around, 22, 128–130
home interior, 22, 156, 157
importance of, 15, 310, 322
REO (Real Estate Owned) properties, 201–202
insurance. *See also* title insurance
buying back the property with the
proceeds, 299
contractors and subcontractors, 67, 68
homeowner's, 16, 261
life insurance, 298, 299
paying, 25–26
personal injury, 67
proof of insurance form, 68
property, 189
during redemption period, 16, 262–263
integrity
acting with, 40, 93, 265
attracting leads through, 313
avoiding greediness, 312
investing with, 324–325
interest rates
credit card, 82
FHA loans, 213

hard-money loans, 78
loans, 117
net worth's influence on, 84
nonconforming loan, 153
refinancing a mortgage, 153
tax liens, 256
interior of property, 275
investment capital. *See* financing
investment team. *See also* real estate agent;
real estate attorney
building, 17–18, 92
contractors and subcontractors, 64–68
home inspector, 63–64
mortgage broker (loan officer), 59–60,
75–76, 87, 105
partnerships, 71–72
seller's agent, 68–71, 181, 284–285
tax accountant, 62
title company, 60–62, 173, 189
Iowa foreclosure regulations, 334
IRAs, self-directed, 82
IRS liens, 47, 239, 246
IRS properties, 189, 221

• J •

John T. Reed's Real Estate Detection B.S. List
(Web site), 322
judicial sale (judicial foreclosure), 30, 327
junior liens. *See also* second mortgage
bidding on, 310–311
buying and selling, 252
contacting the lender, 158–159
defined, 47
home equity loan, 76, 81
wiped out, 155, 249

• K •

Kansas foreclosure regulations, 334–335
Kentucky foreclosure regulations, 335
keys from sellers, 173
kitchen, 276, 278–279
Kitchen Remodeling For Dummies
(Prestly), 278
Kraynak, Joe
Flipping Houses For Dummies, 3, 52, 108, 285
FlippingFrenzy (Web site), 204, 220
GetFlipping (Web site), 182

• L •

- landlord, becoming, 292–293
- law enforcement properties, 224
- lawsuit, avoiding, 136
- leads. *See also* networking
 - from family and friends, 106
 - foreclosures and seized property, 20–21
 - from homeowner association, 105–106
 - maximizing, 313–319
 - pre-auction property, 104–108
 - from real estate attorney, 58
 - showing appreciation for, 99–100
 - sources of, 104–107
- lease-option (rent-to-own) deal, 153, 168, 170, 300–302
- leasing the property
 - becoming a landlord, 292–293
 - to foreclosed-upon homeowners, 153–154, 234, 299–300
- legal issues. *See also* real estate attorney
 - bankruptcy laws, 226–227
 - cash back deals, illegality of, 290
 - contacting homeowners, 136, 228, 229
 - giving advice to homeowners, 41
 - lawsuit, avoiding, 136
 - negotiating with lenders, 150, 164
- lenders. *See also* banks; REO (Real Estate Owned) property
 - buying foreclosure property from, 16
 - contacting, 156, 158–159, 200–201, 233–234
 - finding, 123
 - fiscal calendar of, 204
 - homeowners contacting, 315
 - homeowners permission to negotiate with, 150, 164
 - missed-payment notice from, 31
 - needs of, 205–206
 - pitching an offer to, 208–209
 - REO personnel of, 198–199
 - short sale negotiated with, 248–249
- letters. *See also* forms
 - to bankruptcy attorney, 231
 - to mortgage broker, 60
 - to REO officer, 198, 199
- letters to homeowners. *See also* communication
 - after the sale, 264
 - congratulations, 139, 144
 - follow-up, 139, 141–143
 - importance of, 138–139
 - introductory, 139, 140
 - result of the sale, 191
 - with return receipt request, 138
- liber, 117
- liens. *See also* first mortgage (senior lien); junior liens; mortgages; tax liens
 - buying, 46, 245–249
 - condo, 52
 - construction (mechanic's), 239, 247
 - dealing with lien holders, 303
 - hierarchy of, 238–240
 - homeowner association, 61
 - for homeowners buying back the property, 296
 - leveraging your position, 303
 - property tax, 238
 - researching, 125
 - types of, 46
- life insurance, 298, 299
- listening with compassion, 146
- listing the property
 - foreclosure property Web sites, 111
 - homeowner's option for, 151–152, 169
 - HUD (Housing and Urban Development) property, 214–215
 - Multiple Listing Service (MLS), 22, 92, 287–288
 - online listings, 288
 - REO (Real Estate Owned) properties, 205
- loan officer (mortgage broker), 59–60, 75–76, 87, 105
- loans. *See also* financing; mortgages
 - balloon payment (cash call), 78
 - conventional, 76, 83–87
 - credit card, 76, 81–82
 - delinquent, 166
 - FHA (Federal Housing Authority), 212, 213
 - government, 76, 212
 - hard-money, 75, 77–79
 - interest rates, 117
 - low-cost, 87–88
 - personal, 75, 91–92
 - reinstating, 149, 169
 - risk level of, 166
 - VA (Veteran Affairs), 215
- loan-to-value (LTV), 78, 166–167
- location of property, 121–122
- locking the doors, 263
- locks, changing, 173
- Louisiana foreclosure regulations, 335

• M •

- Mackay, Harvey (*Swim with the Sharks*), 98
- mailing list, 110
- Maine foreclosure regulations, 335–336
- map of property, 122
- market value of property
- “as is,” 63, 162, 164
 - buying below, 156
 - estimating, 22–23, 127, 180, 289
 - improved value, 180
 - overestimating, 308
 - taxable, 126
 - Web sites, 164
- marketing. *See also* leads; networking
- billboards, 107
 - business cards, 93, 95–96
 - classifieds, 288
 - cost estimates, 74
 - family, friends, and co-workers help with, 97
 - For Sale signs, 27, 109, 288
 - guidelines and tips, 27, 96–97
 - keeping in touch with contacts, 97–98
 - must-sell ads, 104
 - online, 107
 - by seller’s agent, 69, 287–288
- Maryland foreclosure regulations, 336
- Massachusetts foreclosure regulations, 336
- maximum bid, 24, 49, 179–184, 206–207
- Michigan
- department of transportation (DOT)
 - property, 223
 - foreclosure notice, 134
 - foreclosure regulations, 337
 - recording a deed, 189
 - taping recording conversations, 136
 - tax sales, 189
- microwave oven, 279
- Minnesota foreclosure regulations, 337
- missed-payment notice, 31
- Mississippi foreclosure regulations, 337–338
- Missouri foreclosure regulations, 338
- mistakes
- beginner’s blunders, 307–312
 - blame and guilt, dealing with, 326
 - buying junior lien versus senior lien, 15, 37, 48
 - contingency plan for, 83
 - delays, not anticipating, 325
 - “equity stripping” the homeowners, 297
 - failure to inspect the property, 15, 310, 322
 - following bad advice, 115
 - get-rich-quick schemes, 221, 321–322
 - greediness, 312
 - insufficient funds, 307–308
 - junior lien bids and, 310–311
 - letting emotions drive decisions, 323–324
 - neglecting title research, 15, 309–310, 322
 - not following through after auction, 190
 - not knowing what you’re bidding on, 15, 48, 322–323
 - overbidding, 15, 309
 - overestimating profits, 307–308
 - redemption period, failure to account for, 15
 - renovating too soon, 311
 - setting unrealistic goals, 323
 - taking advantage of homeowners, 324–325
 - taking on too many projects, 307–308
 - trusting what homeowners tell you, 311–312
 - underestimating costs, 307–309
 - unforeseen expenses, 325–326
- MLS (Multiple Listing Service), 22, 92, 287–288
- money owed on property, 127, 164. *See also* financing
- Montana foreclosure regulations, 338–339
- mortgage broker (loan officer), 59–60, 75–76, 87, 105
- mortgage company attorney, 117
- mortgage deed, 327
- mortgage fraud, 124
- mortgage mortgagee (lender), 123
- mortgage note, assigning, 248–249
- mortgages. *See also* first mortgage (senior lien); refinancing the mortgage; second mortgage
- amount owed on, 117
 - bidding on first versus second mortgage, 184
 - date taken out/date recorded, 239
 - due on sale clause, 299
 - modification or repayment plan, 34–35
 - reinstating, 12, 33, 149, 169
 - sales date, 117
 - spouse signing, 76
- mortgagor (homeowner’s), 116, 123
- moving out, homeowners, 26, 171–172, 267
- moving truck, 267
- Multiple Listing Service (MLS), 22, 92, 287–288
- must-sell ads, 104

• N •

National Association of Certified Home Inspectors (NACHI), 63
 National Association of Realtors, 70
 Nebraska foreclosure regulations, 339
 neighborhood, 94, 108–109
 neighbors, 129–130, 138, 263
 net worth, determining, 84–85
 networking. *See also* leads; marketing
 benefits of, 89–93
 building a reputation through, 93–94
 with family and friends, 97
 lead generators, 104–107
 managing contact information, 98–99
 marketing yourself, 95–98
 Multiple Listing Service (MLS) for, 22, 92, 287–288
 REO officers and brokers, 199
 showing appreciation, 99–100
 staying in touch, 90, 97–98
 word-of-mouth leads, 21, 90, 104
 net-worth statement, 87
 Nevada foreclosure regulations, 339
 New Hampshire foreclosure regulations, 340
 New Jersey foreclosure regulations, 340
 New Mexico foreclosure regulations, 340–341
 New York foreclosure regulations, 341
 NOD (Notice of Default). *See* foreclosure notice
 nonconforming loan, 151, 153
 nonjudicial foreclosure process, 327
 nonredemption certificate, signing, 264–266
 North Carolina foreclosure regulations, 341
 North Dakota foreclosure regulations, 342
 note, promissory, 76, 124
 Notice of Default (NOD). *See* foreclosure notice
 notice of sale, 328

• O •

Ocwen (financial corporation), 215–216
 offers and counteroffers, negotiating, 289–291
 Office of Property Disposals (Web site), 223
 Ohio foreclosure regulations, 342
 Oklahoma foreclosure regulations, 342
 open permits, 127

opening bid. *See also* bidding at auctions
 described, 50, 178
 exceeding maximum bid, 184
 as final bid, 193
 researching, 127
 options for homeowners. *See also*
 homeowners
 assessing, 168–170
 bankruptcy, 35, 155, 170
 buying back the property, 235, 296–299
 cash offer, 152, 169
 deed in lieu of foreclosure, 35–36, 154, 170, 319
 doing nothing, 155–156, 170
 help from family and friends, 75, 314–315
 homeowner information sheet, 148
 lease-option (rent-to-own), 153, 168, 170, 300–302
 leasing the property, 153–154, 234, 299–300
 listing the property, 151–152, 169
 mortgage modification or repayment plan, 34–35
 negotiating for a forbearance, 14, 33–34, 150, 169
 overview, 147–148
 redeeming their property, 15, 52
 during redemption period, 52, 137
 refinancing the mortgage, 151, 152–153, 169, 316–317
 reinstating the mortgage, 12, 33, 149, 169
 retaining possession of their property, 14, 40
 selling the home and renting it back, 153–154, 170, 299–300
 short sales, 152, 169, 316
 waiting (and saving) during redemption period, 155
 Oregon
 department of transportation (DOT)
 property, 223
 foreclosure regulations, 343
 OREO (Other Real Estate Owned). *See* REO (Real Estate Owned) property
Outlook 2007 For Dummies (Dyszal), 98
 overbid money. *See also* bidding at auctions
 cheating homeowners out of, 325
 described, 139, 189
 paying for second mortgage with, 252
 paying out, 249
 returning to homeowners, 139, 189
 over-bidding, restraining, 185

• p •

- partnerships, 71–72
- payoff amount, 195, 243–245
- payoff date, 243
- Pennsylvania foreclosure regulations, 343
- permits, 65, 127
- Personal Digital Assistant (PDA), 98
- personal funds, 75, 79–83. *See also* financing
- personal injury insurance, 67
- personal loans, 91
- personal money
 - investment capital, 80–82
 - planning for contingencies, 83
 - pros and cons of using, 80
 - tapping, 79–80
- photos of property, 130
- pocket listings, 204
- point of entry, 13–17. *See also* auctions;
 - post-auction property; pre-auction property
- points or discount points, 78
- possession of the property. *See also* closing
 - bankruptcy delays in, 234–236
 - buying a lien and, 46
 - convincing residents to move on, 26
 - date of, 171
 - deed, recording, 25
 - homeowners' retaining, 14, 40
 - overview, 24–26
 - paperwork for closing, 25
 - property tax and insurance payments, 25–26
 - redemption period, 25
 - title insurance, obtaining, 25
- post-auction property. *See also* government
 - property; REO (Real Estate Owned) property
 - buying from other investors, 52
 - defined, 14
 - types of, 16–17
- pre-auction property. *See also* deal analysis;
 - foreclosure notice
 - buying procedure, 46
 - cash offer, 152, 165–166, 169
 - closing date, 172–173
 - closing on, 260–261
 - defined, 14
 - dontwanners (don't want her), 108
 - foreclosure notice for, 44–45
 - FSBO (For Sale by Owner), 108–109
 - leads for, 104–108
 - overview, 40–43
 - purchase agreement for, 170–172
 - prepayment penalties, 78
- Prestly, Donald (*Kitchen Remodeling For Dummies*), 278
- Preventing Identity Theft For Dummies* (Arata), 86
- probate attorney, 105, 125
- profit. *See also* cashing out
 - buy low and sell high, 270
 - 50 percent or better, 182–183
 - goal for, 165
 - maximizing, 77
 - realizing, 28
- promissory note (promise to pay), 76, 124
- proof of insurance form, 68
- property dossier, creating. *See also*
 - foreclosure property
 - building permits, 126
 - checklist, 131–132
 - code violations, 127
 - evaluating the property, 128–130
 - foreclosure information sheet, 119–120
 - foreclosure notice information, 116–121
 - health code violations, 127
 - homeowner's profile, 147
 - importance of, 49, 113
 - lien holders, 125
 - location of property, 121–122
 - money owed on property, 127
 - mortgage and note information, 124
 - opening bid, 127
 - photos of property, 130
 - property worksheet, 126–127
 - tax information, 126
 - tax liens, 125
 - telephone number of homeowner, 127
 - title acquisition, 114–116
 - title of property, 122–124
 - value of property, estimating, 127
- property insurance, 189
- Property Management For Dummies* (Griswold), 293
- property rights of homeowners, 76
- property tax, 126, 262

property tax lien. *See also* tax liens
 buying, 47, 252–256
 finding property tax sales, 253–255
 hierarchy of, 238, 239
 negotiating short sales and, 246
 paying, 25–26
 profiting from, 256
 redeemed by the homeowners, 255–256
 researching, 126
 tax deed or tax certificate, 255, 256
 unpaid, 125, 247
 property worksheet, 126–127
 purchase agreement
 with homeowners, 170–171
 homeowners backing out of, 172, 243
 REO (Real Estate Owned) property, 207–209
 short sales, 243
 with stipulations, 245
 Purchase Price Estimator (Web site), 182, 184

• Q •

quick flips, 88
 quit claim deed, 34, 154

• R •

real estate agent
 buyer's agent, 69, 284
 choosing, 70–71, 284–285
 commissions, 109, 181, 282
 HUD-approved, 213–214
 realtor versus, 70
 referrals from, 66, 92
 seller's agent, 68–71, 181, 284–285
 selling a property through, 27, 69, 282–284
 showing appreciation for, 164
 Web sites, 71, 285
 real estate attorney, 58, 105, 136, 253–254
 Real Estate Owned brokers. *See* REO brokers
 Real Estate Owned property. *See* REO property
 realtors, 70, 282–283
 recording conversations, 136, 170, 302
 redemption period. *See also* foreclosure
 regulations
 auction property, 48
 contacting homeowners during, 136, 201, 265
 dealing with other investors, 264–266

described, 12, 13, 36–37
 failing to account for, 15
 filing for bankruptcy during, 53
 financing during, 48
 homeowner's options during, 52, 137
 informing homeowners about, 189–190, 191
 insurance needed during, 16, 262–263
 length of time for, 52, 117
 nonredemption certificate, 264–266
 overview, 15, 52–53, 137, 328
 protecting your investment during, 37–38,
 262–266
 REO (Real Estate Owned) property,
 201, 203–204
 repairs and renovations during, 25, 37,
 263–264, 311
 tax lien, paying, 15, 181
 waiting (and saving) during, 155
 referrals
 for contractors/subcontractors, 66
 giving, 99
 for mortgage broker, 59
 for professionals, 92
 for real estate agent, 71
 for real estate attorney, 58
 refinancing the mortgage. *See also* mortgages
 to cash out the equity, 28, 81, 295–296
 described, 151
 homeowners' option for, 151, 152–153, 169,
 316–317
 risks of, 76
 through foreclosure investor, 152–153
 Register of Deeds office
 establishing a relationship with, 121
 foreclosure notice posted by, 110
 foreclosure statistics from, 43
 property information obtained from, 121–125
 recording deed at, 25
 regulations. *See* foreclosure regulations
 REJ—Redemption, 166
 release form, 150, 242–243
 rent-to-own (lease-option) deal, 153, 168, 170,
 300–302
 REO (Real Estate Owned) brokers
 contacting, 196–197, 203–204
 described, 106, 196
 haggling with, 207
 insiders club, 197, 204
 leads from, 106

- listing the property, 205
 - role of, 195
 - REO (Real Estate Owned) property
 - closing on the deal, 209
 - described, 50–51
 - drawbacks of, 194–195
 - finding, 196–201
 - inspecting, 201–202
 - making an offer, 205–209
 - process for, 195–196
 - purchase agreement, 207–209
 - redemption period, 201, 203–204
 - timing your offer, 202–205
 - tracking, 200
 - repairs and renovations
 - budget for, 271, 272
 - cost estimates, 74, 180, 272–274
 - cost overruns, 83
 - goal for, 274
 - maximizing property value, 27
 - mistakes to avoid, 311
 - paying with credit cards, 76, 82
 - planning, 266, 270–274
 - quality craftsmanship for, 94
 - quick makeovers, 274–277
 - during redemption period, 25, 37, 263–264, 311
 - Renovation Planner, 273
 - strategies for, 269–270
 - valued-added with, 271–272, 280
 - Web sites, 274
 - reputation, building, 93–94
 - research
 - essential, 19–20
 - homeowner information, 23–24
 - inspecting the property, 22
 - market value of property, 22–23
 - title and property history, 21
 - types of, 20–24
 - restrainer (governor), at auction, 185
 - restrictions on the property, 61
 - retirement savings, 75, 82, 299
 - return on investment (ROI), 271–272
 - Rhode Island foreclosure regulations, 343–344
 - rights to the property, transferring, 61
 - Roberts, Ralph (*Flipping Houses For Dummies*), 3, 52, 108, 285
 - rules and regulations. *See* foreclosure regulations
- S •
- sale signs, 27, 109
 - Savage, Terry (*Credit Repair Kit For Dummies*), 87
 - savings, 75, 81
 - scams. *See also* con artists
 - cheating homeowners out of overbid money, 325
 - get-rich-quick schemes, 221, 321–322
 - homeowner's vulnerability to, 13
 - house-jacking, 220
 - HUD-Homes-Investor program, 215
 - misrepresentation, 41
 - mortgage fraud, 124
 - pocket listings, 204
 - real estate, 204
 - tax sales hype, 220–221
 - sealed bids, 187–188
 - second mortgage
 - bidding on, 184, 310–311
 - buying, 48, 115, 249–252
 - contacting the lender, 158–159
 - described, 15, 47
 - hierarchy of, 238
 - redeemed, 250
 - selling, 252
 - short sale opportunities, 241–242
 - securing the property, 263–264
 - seller's agent, 68–71, 181, 284–285
 - selling a property
 - asking price, 288
 - business cards for, 93
 - cash back deals, illegality of, 290
 - closing the deal, 291–292
 - cost estimates, 74
 - guidelines, 27
 - listing with a seller's agent, 181, 284–285
 - living in the home and, 287
 - marketing, 27, 287–288
 - offers and counteroffers, negotiating, 289–291
 - to other investors, 270
 - to the previous owner, 296–299
 - property value, 27, 289
 - real estate agent for, 27, 69, 282–285
 - selling it yourself, 27, 69, 282, 283–284
 - staging the house, 27, 69, 285–287
 - through networking, 92–93

selling short. *See* short sales

senior lien (first mortgage)

- bidding on, 184
- buying, 115, 246–247
- contacting the lender, 158
- defined, 15, 47
- hierarchy of, 238
- junior lien versus, 15, 37, 48
- protecting, 251–252
- selling to junior lien holder, 302–303

SEV (state equalized value), 126

short sales

- construction (mechanic's) lien, 247
- with homeowner's cooperation, 242–243
- homeowner's option for, 152, 169, 316
- lien hierarchy, 238–240
- negotiating with divorce attorney, 91
- negotiating with lien holders, 240–241, 245–249
- opportunities, recognizing, 241–242
- overview, 237–238
- payoff amounts, 243–245
- payoff date, 243
- profit considerations, 242
- purchase agreement, 243
- REO (Real Estate Owned) property, 201
- without purchase agreement, 243
- social security number (homeowner's), 86
- South Carolina foreclosure regulations, 344
- South Dakota foreclosure regulations, 344
- spouse, 76, 80, 145
- staging the house, 27, 69, 285–287
- state equalized value (SEV), 126
- state or county drug enforcement property, 51

Swim with the Sharks (Mackay), 98

• T •

tax assessor's office, 126, 138

tax certificates, 255

tax deed, 255, 256

tax liens. *See also* property tax lien

- danger of overlooking, 247
- defined, 47
- income tax, 47, 189
- paying during redemption period, 15, 181
- questions to ask an attorney, 253–254
- researching, 125

tax sales

- buying properties at, 220
- investment guru hype, 220–221
- researching, 222
- rules regarding liens, 240

taxes

- capital gains tax, 292
- notifying tax authorities, 189
- researching, 126
- taxable value of property, 126

team. *See* investment team

telephone

- cell phone, 96, 144
- contacting homeowners, 144–147
- homeowner's number, 127
- networking contacts, 90
- obtaining numbers, 127, 137–138
- sample phone script, 145

temporary restraining order (TRO), 268

Tennessee foreclosure regulations, 344–345

terminal status, 166

termite inspection report, 292

Texas foreclosure regulations, 345

title acquisition, 114–116

title commitment, 61, 122

title company, 60–62, 173, 189

title insurance

- importance of, 173, 209
- obtaining, 25, 61, 189
- protecting against fraud, 124
- for REO (Real Estate Owned) property, 209
- verifying, 261

title to property

- homeowner redeeming, 15, 52
- obtaining and researching, 122
- researching, 21, 123–124, 309–310, 322, 323

trespassing action, 267–268

TRO (temporary restraining order), 268

trustee sale (foreclosure by advertisement), 30

trustees, court-appointed, 226, 230–231, 232

• U •

US Treasure Customs Seizures
(Web site), 223

USDA Real Estate for Sale (Web site), 223

Utah foreclosure regulations, 345

utility company, 260

• U •

VA (Veteran's Administration) property, 51, 212, 215–216
valued-added renovations, 271–272, 280
vandalizing the property, 16, 268
Vermont foreclosure regulations, 346
Virginia foreclosure regulations, 346

• W •

walking away, 319
Washington foreclosure regulations, 346–347
water bills, 181, 260
weasel clause (conditional clause), 171, 289
Web sites
 Annual Credit Report Request Form, 85
 classifieds, 288
 con artist detection, 322
 Craig's list, 107
 credit reporting services, 85
 department of transportation (DOT) property, 223
 Don't Borrow Trouble, 13
 Fannie Mae properties, 218–219
 FDIC (Federal Deposit Insurance Corporation) properties, 219
 flipping properties, 182, 204, 220
 foreclosure notice listings, 109, 110, 111

Freddie Mac properties, 217–218
FSBO (For Sale by Owner) properties, 109
government-seized properties, 223
HUD Homes Listings, 214–215
IRS properties, 221
Kraynak, Joe, 182
market value of property, 164
National Association of Certified Home Inspectors (NACHI), 63
Office of Property Disposals, 223
property address information, 122
Purchase Price Estimator, 182, 184
real estate agents, 71, 285
realtors, 70
REO (Real Estate Owned) properties, 201
scam prevention, 13
telephone numbers, finding, 127, 138
VA (Veteran's Administration) homes, 215, 216
West Virginia foreclosure regulations, 347
whitepages (Web site), 138
wholesalers, foreclosure, 52
Wisconsin foreclosure regulations, 347
word-of-mouth. *See also* networking
 effectiveness of, 95
 finding properties, 21
 leads through, 90, 104
 referrals for professionals, 92
 selling a property through, 288
Wyoming foreclosure regulations, 348