



Buying foreclosures

Buying foreclosures from the County Courthouse steps is a lucrative and exciting full time business. Some of the wealthiest men in Las Vegas made their fortunes at these foreclosure sales. You must know 4 key things before you EVER attempt to make a purchase at one of these foreclosures auctions.

1. Take careful notes of the condition of the home the day before or two days before the foreclosures sale date. A lot can happen to an empty foreclosure home over time. It may not be in the same condition when it finally goes up for a foreclosure sale.
2. Make sure to pull a title report on the foreclosure sale property weeks before the auction. You need to know what loans and liens are placed against the property. Many of these liens will be wiped out at the foreclosures sale, but MANY will not. And probably most importantly, the position (rank) of the lender that you are paying off in the auction dictates which loans and liens will be wiped off and which will not. Knowing the position that you are buying into is critical. Conducting a title search beforehand will help you determine that position and the risk involved in buying the property. Many title companies will do a semi title search for you for FREE if you promise them your business in the future.
3. Foreclosure sales are a place of great competition at times. You must know your top number BEFORE you walk into the foreclosure sale. This number should take into account the cost of the repairs (that you double checked yesterday!), the cost of holding the property, and your expected sales price. DO NOT BID OVER YOUR TOP NUMBER! It can be easy to get caught up in a competition with another bidder. Do not get emotional. Walk away when the bidding has gone over your number.
4. Keep information on foreclosure sales that get postponed on the day that they were supposed to go to auction. Bankruptcies, seller negotiations, family issues, and lender leniency can all cause a foreclosure sale to be postponed. Track these homes and the new date that the sale has been postponed to. Other investors may not keep this information and will be caught off guard when the new future sale date arrives. That is one less investor competing against you for that foreclosure sale. Sometimes that is all it takes.