

Here are a few basic things that you and your clients should know to avoid any surprises along the way:

1. Banks are selling the properties as-is. Home inspections are really for your client's edification, not for the bank to renegotiate the deal.
2. There are no sale contingencies.
3. No survey is provided.
4. Sometimes you will need to allow a little more time for response, although REOs do not take anywhere near as long as short sales.

Before your client makes a finance offer, make sure the home is in "financeable" condition. For instance, before submitting an FHA offer on a condo, make sure the unit is FHA approved and meets FHA standards. If the seller is looking for cash-only deals, there is probably a good reason for that.

While these tips might make the whole process seem daunting, remind your clients that bank-owned properties present an excellent opportunity for your clients to purchase a property that they probably could not afford under normal circumstances. Additionally, it may also allow your clients to fix up the homes to their liking. As long as you are confident and educated in the process, then there is no reason for you or your clients to be nervous about the transaction. So go out there and sell!

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AUCTIONS

Seven Things To Consider Before Attending An Auction

By Timothy Gray

Register With the Auction Company: In almost every case, you must register for broker participation with the auction company. It takes a few moments and is a good time to have questions answered and introduce yourself.

Attend an Open House With Your Client: It is essential to show your client the prospective property. Remember to sign in at each open house you attend. If your client is bidding on multiple properties, make sure you stress the importance of viewing each property. Properties offered at auction are usually sold as-is, and oftentimes with no disclosures.

Know About Financing: Unfortunately, some auction companies will approve your client for bidding, but not financing. This is vital as auction contracts often call for closing within 30 days. Your clients should never forfeit their earnest money due to lack of financing. Look for auctions that offer seller financing. Seller financed auctions will provide up to 95 percent financing, and also approve your client for financing before being approved for bidding.

Buyer's Premium: The percentage (usually 5 percent) that is added to the purchase price. Make sure your clients factor this into their bidding. Not all auction companies have a buyer's premium, you should ask before you attend any auction.

Set the Price: Before arriving at a purchase price, take into consideration any financing being offered. For instance, in a seller financed auction, the difference between a \$60,000 versus \$55,000 purchase price is only \$50 per month (or \$675). Some Auctions have a price discount program as well, enabling your client to actually lower their purchase price by putting more money down on auction day.

Bidding Guidelines: Determine who is going to do the bidding. When the item comes up for sale, place the first bid. Do not wait until the last moment, as you may be shut out. You are more likely to win the item if you bid aggressively. Remember, the pace moves quickly.

Getting Paid: Make sure you follow the auction company's guidelines for receiving the brokers co-op commission. The commission is paid at closing, which will be anywhere from 30 to 90 days, depending on the seller. The co-op commission ranges. It is often 2 percent, but can sometimes go as high as 3 percent.

TIMOTHY GRAY IS A REALTOR/AUCTIONEER, HIS NEXT AUCTION OF SELLER FINANCED REAL ESTATE IS OCT. 17, 2009, FOR MORE INFORMATION, VISIT CHICAGOLANDAUCTIONS.COM.

ASSOCIATIONS AND ORGANIZATIONS You Need to Belong

By Georgia Pierini

There are many reasons to join a real estate-related organization. You're a new licensee and are ready to take on the world but don't know exactly where to begin. Or, perhaps you've had your license for a while but you seem to be the last to know what's happening in the industry. Perhaps you're feeling alone and out of the loop and wish you knew someone to talk to about the market and other real estate related issues.

Having spent a week at the Illinois Association of Realtors (IAR) business meetings and annual conference, I'm in information overload. I can't imagine not being a member of an association or organization that offers its members the tools and resources to manage their businesses and be successful.

Not only have I participated in my local association since shortly after being licensed, but I also involve myself in other organizations that afford me additional networking, educational and informational resources. Social networking is great, but instead of concentrating solely on my BlackBerry or laptop, I enjoy meeting real live

people and having genuine, in-person conversations.

In the fall of 2003, I was completing my year as Chairman of the Board of the North Shore-Barrington Association of Realtors. I was contacted by the nominating committee of the North Shore Chapter of the Women's Council of Realtors (WCR) and asked to participate as the chapter's program chair for the following year. Since that's something I enjoy, I readily accepted, only to discover later that I had accepted the position of president-elect and program chair - not sure how I missed that vital piece of information.

As a result, I became involved in the leadership of the WCR and have enjoyed and cherished the organization and all of the wonderful professionals I have met. My role in leadership continued when I was elected secretary of the Illinois State Chapter of the WCR for 2007, treasurer for 2008 and president-elect for 2009.

Being a member of the 12th-largest women's professional organization in the U.S. makes one realize that you're not alone in your quest for success. We're all a part of a larger group of Realtors and industry affiliates who have similar goals, but with a variety of ideas on how to achieve those goals. Membership truly does have its privileges - we communicate with one another, we're available to consult with each other and answer questions or give input to a suggestion or problem. We work together to make the organization the best that it can be and we sometimes shoulder the burden for others who are in need of assistance.

This year has been a challenge for us all, making my membership in WCR especially valuable. I look forward to seeing other Realtors and affiliate members to discuss the market, exchange ideas, learn something new, meet someone new or simply relax. And remember that WCR is an organization that, contrary to its name, is not for women only.

We invite you to visit a local chapter of WCR. Please visit our Web site IllinoisWCR.org for a list of chapters and programs. You are most welcome to contact me at any time for more information. We look forward to meeting you!

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WORKING WITH DEVELOPERS Tips For Working with Developers

By Jamie Wilcox

Real estate sales has always been a relationship business. This rule applies to working with developers, just like it does when working with clients. At Epcon Communities,

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