

## Buy a Foreclosed Home

If you're a secretary who's thinking about buying a home, you've probably considered foreclosed homes as a way to save some serious cash. Loan foreclosures on real estate property can help you get a great deal on a home and get the homeowner out of a tough situation at the same time, but there are several risks to consider. Do your homework and make sure you understand the foreclosure process and your legal position in it before you sign on the dotted line.

Let's begin with the foreclosure process. There are a number of reasons why homeowners miss their loan payments, including loss of employment, medical emergency or financial crisis. If the homeowner is delinquent on payments for a number of months, the loan holder (most commonly a bank) will issue a Notice of Default. The Notice tells the homeowner how much they owe in missed payments, attorney fees and other penalties, and gives him/her a period of time to pay back what's owed. If the homeowner can't pay, then the bank has the right put the property up for sale or auction.

During the period of time between the Notice and the foreclosure sale (often called the pre-foreclosure period), the homeowner has the option to sell the property and use the proceeds to pay off the balance owed to the lender. This pre-foreclosure period is also the time when the resourceful home buyer has the best opportunity to help out the homeowner and save money in the process. But first, you have to find these homes.

Fortunately, local governments make it easy to find homes in the foreclosure process. Notices of Default are recorded public documents. In most states and counties, the Clerk's Office makes the Notice public by posting it at the local courthouse, in a local newspaper or on their website. The Notice of Default includes the property address and homeowner contact information so that you can scope out potential properties and introduce yourself to the homeowner if you're interested in buying. If you can't find these listings, contact your local Clerk (or Recorder) to find out where they're posted.

As a home buyer, you can offer the homeowner a reduced sales price or offer to take over the existing mortgage loan altogether. This allows the homeowner to leave the property and the problems behind while you take over the property, usually at a bargain rate. The homeowner avoids having a property foreclosure on their record, which would damage their credit score and their chances to purchase property in the future.

Sounds like a great deal right? Well, with any bargain, there are a few caveats. The condition of foreclosed homes varies greatly – be sure to have a thorough inspection done of any property that interests you. When facing foreclosure, some homeowners may simply abandon a property, leaving it vulnerable to mold, insect infestation and a host of other nasty problems. The cost of repairs for these issues can easily outweigh your savings. Watch for recently listed homes – the quicker you can intervene in the foreclosure process, the better condition the property will be in.

You've also got to be careful of all the legal mumbo-jumbo. Assuming someone else's mortgage isn't a simple matter, so you'll want to seek the advice of an experienced real estate professional and an attorney specializing in real estate law. If you and the homeowner come up with a complicated equity arrangement, you'll need to check the legality of your agreement and get it down on paper using the correct language. Professional services like these can also eat into your profit margin.

It may be a little bit more complicated, but buying foreclosed homes can help you get a good deal on your biggest investment. And the recent increase in foreclosure rates means that the selection has never been better. Just remember that no two foreclosure situations are the same – if you're serious about buying a foreclosed home you can get further information from your local library or an experienced real estate professional. Keep the risks in mind and you could soon be in the house of your dreams at a price you never imagined possible.

## About the Author

Sarah Russell, aka "The Sexy Secretary," is a connoisseur of living the good life on a budget. Check out her website at [www.thesexysecretary.com](http://www.thesexysecretary.com) for more fabulous ideas on how to trim down your expenses without reducing your quality of life.

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