

REO property purchase guide

What is a Real Estate Owned (REO) property?

An REO — or real-estate owned — property is generally acquired as a result of a foreclosure action on a mortgage or if the property was voluntarily turned back to the lender — referred to as a “deed in lieu of foreclosure.” The investor (which may be the original lender or a subsequent holder of the mortgage) becomes the legal property owner and offers it for sale to recover the amounts owed.

How to get started

Wells Fargo owned and managed properties are sold through our **Premiere Asset ServicesSM** (PAS) division. If you are considering buying property from Wells Fargo, below are some helpful steps you should consider before buying your new home.

1. Estimate what you may be able to borrow	<p>We provide two ways to find out how much you may be able to borrow:</p> <ul style="list-style-type: none">• A free mortgage prequalification lets you estimate how much you can borrow, based on basic financial data you provide.¹• A preapproval letter tells a REALTOR® and seller that you’ve been preapproved for a specific amount based on a preliminary review of your credit information.² <p>To find a Wells Fargo Home Mortgage consultant in your area, go to: https://www.wfhm.com/locations</p>
2. Working with a REALTOR	<p>You are free to contact the listing REALTOR directly, or use a REALTOR of your choice to represent you.</p>
3. Finding the property	<p>Work with your REALTOR to locate your property. You can also go online to view REO properties managed by PAS. These properties can be found at: http://reo.wellsfargo.com/. You can register at this website to receive emails when properties that fit your specific needs become available.</p> <p>Note: Employees/contingent workers of Wells Fargo Bank, N.A., its affiliates or subsidiaries, and family members residing with them cannot purchase any property owned or managed by Wells Fargo.</p>
4. Viewing the property	<p>You and/or your REALTOR should contact the listing REALTOR to view any properties of interest. The listing REALTOR is your direct communication line to the seller.</p>

1. A prequalification lets you estimate how much you can borrow to buy a home, does not require a credit check, and is not a commitment to lend.

2. A **PriorityBuyer®** preapproval is based on our preliminary review of credit information only and is not a commitment to lend. We will be able to offer a loan commitment upon verification of application information, satisfying all underwriting requirements and conditions, and providing an acceptable property, appraisal, and title report. Preapprovals are subject to change or cancellation if a requested loan no longer meets applicable regulatory requirements. Preapprovals are not available on all products. See a home mortgage consultant for details.

5. Making an offer on a Wells Fargo property	<p>After viewing a property, you and/or your REALTOR should discuss any offers with the listing REALTOR. We price our properties in line with the local market and expect to sell at market value. As with any property listing, our asking price takes into account the home's condition as compared to the local market.</p> <p>IMPORTANT: If you are looking to buy a property to live in as your main residence, you will be able to provide an offer on a Wells Fargo property during our specially designated Homebuyer Priority timeframe. While you can make an offer at any time, the Homebuyer Priority time period is designed to help buyers who plan to live in the house get their offers considered before investment buyers.</p> <ul style="list-style-type: none"> • The first seven days a property is listed, no offers are considered. • Days eight to 15, which is the Homebuyer Priority timeframe, only offers from owner occupants, non-profits and Neighborhood Stabilization Program(NSP) are considered. • After day 15, offers are considered from all buyers, including investors. <p>If you are financing a property managed by Wells Fargo, provide one of the following when submitting your offer:</p> <ul style="list-style-type: none"> • A prequalification letter or PriorityBuyer® preapproval letter from Wells Fargo or one of its joint ventures. • A credit approval letter from the Neighborhood Assistance Corporation of America (NACA). • A credit-decisioned preapproval letter from another qualified lender. • If you are a cash buyer, you don't need a pre-qualification letter, but you may be required to provide proof of funds when you make your offer.
6. Offer response timeline for Wells Fargo properties	<p>Typically, we respond to offers in two business days. Stay in touch with the listing REALTOR on your offer's status.</p> <p>If you have not received a response on your offer from the listing REALTOR, you may contact customer service at 1-877-617-5274.</p>
7. Continuing the loan process	<p>If your offer is accepted, notify your home mortgage consultant immediately to continue the processing of your loan.</p> <p>Work with your home mortgage consultant and loan underwriter to get all loan documentation submitted in a timely manner. Otherwise, your loan processing may be delayed.</p>

REO property purchase checklist

For the homebuyer:

- Speak with your REALTOR to help you understand the terms of the listing.
- When submitting your offer, include a prequalification letter or **PriorityBuyer**® preapproval letter from Wells Fargo or one of its joint ventures.
- Submit all required mortgage loan documents in a timely manner. Needed documentation may include:
 - Identification—drivers' license, social security card, other
 - Income and employment information—W-2, tax returns, pay stubs, other
 - Credit information—bank account statements, proof of utility payments, other
- You are encouraged to get a home inspection after the offer is accepted.

Benefits of working with Wells Fargo

- A Wells Fargo Home Mortgage consultant will be happy to work with you to help you understand your financing options. You can go online to find exclusive homebuyer guides and planning tools at: wellsfargo.com/mortgage.
- While you are not required to use Wells Fargo to finance the property, our **Single Source**® lending capabilities provide access to many mortgage options to serve specific homebuyer needs, including:
 - FHA/VA loans
 - Conventional loans
 - **Purchase & Renovate**™ loans

If the REO property needs improvements or if there are other improvements you want to make, our **Purchase & Renovate** program can help you finance those improvements with the cost of purchasing the property - all with one loan. Improvements can range from basic repairs and upgrades like floor replacement, efficiency upgrades or new appliances, to more extensive renovations like room additions or complete rebuilding on an existing foundation, depending on the renovation option you choose.

