



How To Purchase A Wells Fargo Owned Property

Dear Agent,

Thank you for your interest in one of our homes for sale. This property is a bank foreclosure, also known as REO (“Real Estate Owned”). The owner of this property (seller) is **PREMIERE ASSET SERVICES (Premiere or PAS)**, the Real Estate Owned division of **Wells Fargo Home Mortgage**. When writing a purchase offer on a Premiere-owned property, there are specific guidelines to follow. They will vary from the way you customarily prepare an offer for a private seller. The information contained herein is non-binding but is provided in an effort to create an informed environment for all parties involved. We want to facilitate the home buying process for the Purchaser, Selling Agent & Listing Agent. Please review these guidelines with your buyer before submitting an offer.

1. **“AS IS”** – The property is sold “AS IS WHERE IS.” The purchaser must use the included **AS IS Addendum, the 3rd page of this handout**, in their purchase offer. On the AS IS Addendum, please remember to insert: the property address, date of offer, date of addendum & the buyer’s name.
2. **Disclosures/Disclaimers** – There are none. Unless accompanying disclosure addenda are included in your guideline package, write your offer without them. The Seller is in compliance with Section 10-702 of the Real Property Article of the Annotated Code of Maryland. Lenders or banks that have acquired real property by way of foreclosure are not required to provide the Residential Property Disclosure & Disclaimer documents. The Seller, Listing Broker & Listing Agent make no representations regarding the property. The Buyer will be responsible for verifying if the property is subject to any ground rent and reoccurring Capital Benefit or Front Foot Assessment fees.
3. **Wells Fargo Pre Approval** - In an effort to reduce buyer fallout and to take advantage of the strengths of our Home Mortgage Lending Division, any buyer that makes an offer on a Premiere-owned property will be required to obtain a free Pre-Qualification letter from Wells Fargo Home Mortgage. The buyer is in no way obligated to ultimately obtain financing from Wells Fargo and is free to obtain financing from any lender they choose. ****PURCHASE OFFERS CAN NOT BE SUBMITTED TO PREMIERE FOR CONSIDERATION WITHOUT A WELLS FARGO PRE-QUAL LETTER & MUST BE INCLUDED IN YOUR OFFER (SEE LOCAL OFFICES ON PAGE 2 INCLUDED HEREIN).** **Cash buyers are exempt when proof of funds are provided. Proof of funds will be verified prior to submission to Premiere.
4. **Earnest Money Deposit** – Must be in certified funds made out in the name of the listing brokerage and should be commensurate with the property’s list price. Personal or business checks will not be accepted. Facsimile or photocopies of certified funds are insufficient. The buyer’s offer will be submitted to Premiere only after the earnest money has been physically received in the office of the listing broker (see broker address included herein). If your offer is submitted with a nominal earnest money deposit, the Buyer may be required to submit a second deposit. Contact the listing agent if you have any questions.
5. **Contingent Sales** – At this time, we are not accepting purchase offers that are contingent upon the sale of an existing home or other real estate.
6. **Time Limits** – Offers written with expiration clauses or time limits may not be accepted & may be returned to the buyer’s agent for revision & re-submission.
7. **Seller** – In your offer, the seller is to be written as: OWNER OF RECORD.
8. **Response To Your Offer** - We will normally respond within five to ten business days after your completed offer (this would include the Wells Fargo Pre Approval letter) & the certified earnest money deposit has been received in the office of our listing agent.
9. **Counter Offers:** If your offer is countered, please respond as quickly as possible to the listing agent. The Seller will keep the property actively listed during this negotiation period & may consider other offers until a final agreement is reached. Communication of counter-offer terms between agents may be conducted verbally or by email but once an agreement is reached, all terms and conditions must be supported in writing & signed and/or initialed by the buyer(s). Please then forward any affected addenda to the listing agent for final submission to PAS.

10. **Multiple Offers** – In the case of multiple offers, the listing agent will notify all parties involved & request your client’s “best & highest offer.” There will be no further opportunity to modify the contract terms.
11. **Acceptance of Offer:** Once an agreement has been reached, the Seller will then forward the **PAS Seller Addenda**. This package of additional addenda will include a restatement of the final contract price, settlement date & other terms and conditions for your buyer to acknowledge & then sign. These addenda will supersede any conflicting contract language. The accepted offer expires automatically within 3 days from the date of the PAS addenda. Please return them as quickly as possible to the listing agent. Your entire contract, as well as the terms of any counter offer & the PAS Seller addenda, will then be forwarded to the Seller for ratification. It then takes 5 business days for the listing agent to receive the ratified contract back.
12. **Home Inspection** – If you choose to conduct a home inspection, a home inspection can be done for “informational purposes” only. **ANY AND ALL INSPECTIONS MUST BE DONE WITHIN 7 DAYS.** In general, we will not make repairs since the property is being sold “AS IS.”

In most instances, some or all of the utilities have been turned off. Usually the electricity is on but many times the properties have been winterized. If the buyer should choose to inspect plumbing-related items on a property that has been winterized, they will be responsible for de-winterizing the property on the day of the inspection & re-winterizing it immediately upon completion. The cost is approximately \$500 to \$600. This will be done at the Buyer’s expense and payment is required on the day services are rendered. If the buyer chooses to test an oil-based heating system in the off season, the buyer, at their expense, will be required to have the burner serviced prior to inspection & will be required to pay for any oil deliveries.

The selling agent must first obtain prior approval from the listing agent to conduct any proceedings at the property. A buyer conducting inspections at the property is free to select their own home inspector but must use a service provider, such as plumbers to de-winterize or oil companies for servicing, that have been pre-approved by Premiere. Contact the listing agent for a list of approved providers.

13. **Settlement Date** – The settlement date will automatically be set to 60 days from the date of the accepted offer. This date will be re-stated in the PAS Seller Addenda. A prolonged escrow period or delayed settlement is normally not accepted. We also can not accommodate settlements in 30 days or less unless it is a cash purchase. It is standard bank policy to settle on or before the settlement date if at all possible.
14. **Title Company**– We recommend that the Buyer uses our preferred title company to perform the title work & conduct the settlement. Although it is not mandatory to use the Seller’s preferred title company, it is highly recommended for several reasons. As you may be aware, the title work in a foreclosure can be complicated & we normally use an attorney that is familiar with each particular case. They are on-line with the Seller & can process large amounts of documentation very quickly. For settlement, they will send a mobile closing agent to a mutually acceptable location for the buyer & agents involved. And as an additional bonus, the buyer will receive **FREE Title Insurance**.
15. **Per Diem Charges** – Settlement delays caused by the buyer, the selling agent, the buyer’s lender or the buyer’s title company can result in a \$50/day Per Diem charge to the buyer.

This information is provided only as a guide to submitting a purchase offer on a Premiere owned REO property. It is in no way to be construed as binding or all inclusive. Policies & procedures may change without notice. As always, you should seek competent legal counsel to answer questions or to review your contract or any addenda as they are binding. The listing agent is required to represent the seller as per the broker’s compliance manual and is NOT authorized to alter any provisions or waive any of the requirements of Premiere Asset Services or Wells Fargo.



For This PAS Property, your assigned contacts are:

Listing Agent & Brokerage	Pre Qualification Letters	Pre Qualification Letters
Tom Richardson Long & Foster Realtors 102 Old Solomons Island Rd Annapolis, MD 21401 Direct (410) 987– 0101 Office (410) 266– 5505 Fax (443) 346– 0206 tom@tomrichardson.com	Ryan Fuhrman Wells Fargo Home Mortgage 572F Ritchie HWY Severna Park, MD 21146 Office (410) 384.2679 Cell (240) 432 – 8513 Fax (410) 544-9053 ryan.m.fuhrman@wellsfargo.com	Ed Cremmins Prosperity Mortgage 102 Old Solomons Island Rd Annapolis, MD 21401 Office (410) 224-0757 Cell (443) 510-4247 Fax (866) 359-2066 ed.cremmins@prosperitymortgage.com

AS IS Addendum

This addendum is made and entered into _____.

Property: _____

Sales contract dated: _____

Owner Of Record _____ hereafter known as *Seller*

&
_____ hereafter known as *Buyer*

It is mutually agreed to and accepted by all parties that the following provisions are included in and supersede any conflicting language in the Contract. The Property is sold in "AS IS" condition as of the Date of Contract Acceptance. Seller makes no warranty, express or implied, as to the condition of the Property or any equipment or system contained therein. Seller agrees to comply with Section 10-702 of the Real Property Article of the Annotated Code of Maryland if applicable (Residential Property Disclosure and Disclaimer). The parties agree that all clauses in the Contract pertaining to property condition and wood destroying insects are hereby deleted from the Contract. Buyer understands and agrees that Seller shall have no obligation to make repairs.

Buyer, at Buyer's expense, may have the Property inspected. Seller shall make the Property accessible for such inspection(s). Neither Buyer, nor any agent or contractor(s) of Buyer, shall in any way excavate, penetrate or otherwise damage any part of the Property without the prior written consent of Seller nor shall any furnishings, boxes, or personal property belonging to Seller be moved or relocated unless absolutely necessary in connection with the inspection(s). If the Property is part of a condominium, Buyer will be given access to the common areas to perform the inspection(s). Buyer and Seller shall have the right to be present during the inspection(s), and Buyer shall give Seller reasonable advance notice of the date and time of any inspection(s). If Buyer or Buyer's agents or contractors damage the Property during any inspection(s), Buyer shall be responsible for all costs incurred in correcting such damage.

ALL OTHER ITEMS AND CONDITIONS OF THIS CONTRACT REMAIN IN FULL FORCE AND EFFECT.

BUYER Date

BUYER Date

SELLER Date