



This article features some good information about what steps to take if you are considering buying a foreclosed home. There is a common belief among successful investors that the key to wealth is simple...you must “buy when everyone is selling, and sell when everyone is buying.” As foreclosures continue to pile up, there are some great bargains out there for those who are ready to buy!

Editor – National Mortgage Network

Buying a foreclosed home

Gerri's Tip No. 1. Don't buy in a neighborhood that has an unusually large number of foreclosed homes.

By [Gerri Willis](#), CNN personal finance editor
May 21, 2009: 2:13 PM ET

NEW YORK (CNNMoney.com) -- A study released yesterday by RealtyTrac.com and Truila.com shows that more Americans than ever are interested in buying foreclosed properties.

What's the best way to buy a property?

Buy from a bank and look for a REO, a real-estate owned property. These are homes that fail to sell at auctions and are then put back on the market by the banks that own them.

The bank clears any outstanding liens or loans against the house. And you'll be able to inspect it firsthand, instead of just driving by.

Then, research your market. There are a lot of places to get foreclosure listings. Two places you might want to consider are [RealtyTrac.com](#) and [foreclosurepoint.com](#).

Contact realtors to get listings as well. These days, large numbers of realtors are specializing in the foreclosure market.

As you evaluate listings, make sure you don't buy in a neighborhood that has an unusually large number of foreclosed homes. It could keep prices constrained for a long time.

And check out the laws in your state. There are big differences in the process from state to state. Some states, for example, require that foreclosures go through the court system, while others don't.

Be aware that in some markets banks aren't selling their foreclosed properties at fire sale prices. Set your initial offer 20% below market, more if your area has a lot of foreclosures.

Also, know that the Federal government is working to make the \$8,000 tax credit for first time homebuyers available immediately to qualified buyers. This could help you close the gap if you don't have enough for the down payment.

Some of the best markets to search for foreclosures:

- Southern Florida
- Las Vegas
- Seattle
- Colorado
- Southern California

Places where local economies will expand and immigration continues.

www.nationalmortgagenetwork.org