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#### Introduction

Everyone knows that foreclosures are on the rise. Foreclosures are expected to dramatically rise even further this year. Financial institutions are desperate to get back to profitability. They have to dump their inventory of foreclosure properties at huge discounts so they can get back to safer lending practices.

What this means to you:

#### A great opportunity for turning their losses into your profits!

Banks hate dealing with foreclosure properties, known as REO (Real Estate Owned). They are willing to sell these properties at huge discounts just to get them off of their financial books.

Foreclosures are at the heart of the Bulk REO business, so let's consider the foreclosure process. To understand investing in Bulk REO, you have to understand the foreclosure process.

Mortgage lenders faced with a non-paying home owner send a large volume of threats, warnings, and documentation to the borrower who is late. The official foreclosure proceedings begin subsequently, as directed by the lender. The name for this period is 'pre-foreclosure'.

When a defaulted property is placed up for auction, the foreclosure process is completed. If there are no buyers for the property at auction, the property is returned to the lender. The property then receives the designation of being an 'REO' or the more formal name, 'Real Estate Owned'.

Local real estate agents are usually used to resell REO properties at retail price to the general public. However, REO properties are now frequently sold for far less than their 'book value'. Lenders are willing to do so in exchange for the buyer's agreement to purchase a 'package' of REOs rather than a single property.

These REO packages represent the potential to acquire huge amounts of equity for savvy real estate investors. Bulk REO investors are most successful when they have a well-established source of funding for their REO packages. Some sources of funding for these transactions are: personal funds, hard money lenders, commercial lenders, and non-conventional sources such as private investors and hedge funds.

In the coming pages I will cover how to work professionally with banks to gain an *unfair* advantage in this niche market.

#### We will cover:

- Working Professionally to Create Your Credibility
- How to Purchase At Deep Discounts and Sell Quickly for Huge Profits
- Secrets of How the Industry Works
- How to Find Deals
- How to Organize for Success and Outsource the Work
- How to Avoid the "Beginner" Mistakes
- Tips and Tricks to Start Quickly and Get Your First Deal in 30 Days
- What to Say Scripts

So keep reading and I will show you how to make huge profits with buying and selling bulk REO property for HUGE Profits!

## Lifecycle of a Distressed Asset

PERFORMING LOAN -		Bank sells notes on secondary markets
	V	
Sub-performing loan		Note Sale - Lender gets out early
Non- Performing Loan		Note Sale – Majority of notes are in this stage, most risk, Borrower could file for a bankruptcy
Lender Filed Foreclosure		Notice and Cure – Note Sale – Deep Discounts, Buyers get good, bad, ugly, positions (Watch out!)
Bankruptcy Period		RISK period – last chance for borrower, Lender puts up with time delays
Foreclosure Sale Final		Redemption Period – Borrow can make it right, (not often )
REO – Asset Sale		Clean Title, Least Risk, Higher Purchase price as asset is cleaned up.

## Lifecycle of a Bid

