

Welcome to our **Frequently Asked Questions** page! Here, you'll find helpful guidance to seamlessly navigate through the entire auction process, whether you're a first-timer or a seasoned bidder. Explore our sections on what to expect before, during, and after the auction to ensure you're fully prepared and can make the most of your experience. We're here to help you every step of the way!

Before the Auction:

Q: Who determines the starting bid?

A. Our auction team determines the starting bid based on established formulas. These formulas consider the list price, reserve price, previous bid amounts and the property's geographic location to arrive at a starting bid below the reserve price.

Q: How do I view a property before bidding?

A. If the property is vacant and has a listing agent assigned, you can request to view the property. You can find the agent's contact information on the property's detail page. To view a property, please get in touch with the listing agent. Please note that if a property is occupied, it cannot be accessed or viewed. Pay attention if a property's detail page states that it cannot be accessed or viewed. If the property is vacant and the seller has added a lockbox, the listing agent may give the lockbox code to a bidder's real estate agent. Only a licensed real estate agent can request the lockbox code and help you gain entry to view the property.

Q: What does it mean if an online auction property is occupied? Can I view the property?

A. It is illegal to trespass on any property if it is occupied, so there is no way to view it. A property being occupied is one reason why sellers may ask for "Cash Only" offers, as a lender would require an inspection and appraisal, which are not possible if the property is occupied.

Q: How do I conduct due diligence on a property prior to placing a bid?

A. Conducting due diligence involves estimating the value of a property, assessing renovation costs, inspecting the physical property, obtaining a title report, and researching the surrounding neighborhood. If the property is vacant, you should visit to assess items needing repairs before the auction.

Q: What is the Reserve Price?

A. The Reserve Price is the minimum amount accepted by a seller. Most properties have an established Reserve Price, although there are occasions when a winning bidder can be declared even if the Reserve Price isn't met. This occurs when a property is sold "subject to" the seller's approval. Sometimes, sellers sell a property for less than the Reserve Price.

Q: Are there any contingencies?

A. There are no inspection, financing, or appraisal contingencies.

Q: Is the Opening Bid also the Reserve?

A: The Opening Bid represents where the bidding will kick off; however, it does not signify the Reserve and might not align with what a Seller is willing to accept as an offer.

Q: What percentage of commission is offered to real estate professionals?

A: Commissions vary from property to property. Check the property details page for details.

During the Auction:

Q: Can I make a pre-auction offer?

A. Currently, the Seller only accepts offers placed as bids through the auction process.

Q: How do I know if I'm outbid in an online auction?

A. If you are outbid for a property, you should receive an email notification indicating that you have been outbid. In addition, you can always look at the property's details page or your bidding screens to see if you are the current high bidder.

Q: Can I place a bid as time is expiring?

A. To ensure fairness, our system automatically extends the auction ending time by five minutes any time the bid price is raised with less than five minutes remaining. This helps eliminate last-second bidders who attempt to snipe the bids.

Q: What is Anti-Snipe Feature?

A. Bid Extension Feature or Anti-Sniping Functionality: A bid extension feature, also known as anti-sniping, extends the closing time of an auction when a bid is placed in the last few minutes. The goal is to give other bidders time to place a higher bid before the auction ends. The process continues until no more bids are placed within the specified time, and then the auction closes.

Q: What is the Max Bid Option?

A. The Max Bid feature empowers bidders to enter their highest bid for a property. If the current bid is below the reserve price, the bid will automatically increase to the maximum bid amount. If the bid surpasses the reserve price, the auction system will place proxy bids on behalf of the bidder, ensuring that their bid remains competitive up to their maximum amount. This feature allows bidders to actively participate in the auction without the need for constant monitoring.

Post Auction:

Q: How is the title conveyed?

A. Title will be conveyed to the buyer via Quitclaim Deed or its equivalent and with no express or implied warranties of title. The buyer may purchase title insurance at their own cost.

Q: What are the costs involved with purchasing an online auction property?

A. When you successfully win an online auction property on Homes4purchase.com, please remember that you will need to cover the final bid amount, buyer's premium, and all applicable closing costs, dues, taxes, and fees, including title insurance. Conducting thorough due diligence on any potential purchase is crucial to understand the possible liabilities that may persist after the foreclosure process.

Q: Can I finance a transaction if purchased on Homes4purchase.com?

A. Many of our properties are eligible for financing. However, it's important to note that there is no financing contingencies, so bidders must have their financing in place before placing a bid for an online property. There are also no appraisal contingencies. Additionally, some properties may not allow or provide access for inspections required for financing, which may disqualify them from being financed.

Q: What happens if I am the highest bidder but the reserve isn't met?

A. The seller may choose to negotiate with bidders even if the reserve price isn't met. The high bidder will be allowed to submit their highest and best bid for consideration.

Q: Do I need to provide proof of funds or a pre-qualification letter?

A. Yes, if you are the high bidder on a property, you'll need to show proof of funds or pre-qualification documents.

Q: Will the Seller turn on the utilities before closing?

A. The utilities for all our properties are currently disconnected. Regardless of inspections or appraisals, utilities cannot be turned on prior to closing. The buyer is responsible for utility transfer post-closing.

Q: Can I purchase a property as a separate entity?

A. Yes, you can purchase the property as a separate entity, such as a Limited Liability Company or a Trust, but you'll have to provide specific documentation.

Q: What happens after the auction?

A. If the Seller accepts the final bid amount, the high bidder will receive an email with a digital questionnaire that must be filled out so that we can create the purchase contract. The required information includes the buyer's and agent's contact information and the source of funds.

Just for Agents:

Q: Does Homes4purchase.com assign listing agents to online auction properties?

A. No, agents are assigned by the Seller when they are referred to Homes4purchase.com.

Q: As a licensed Real Estate Agent, will I be compensated if my buyer wins an online auction?

A. The buyer agent commission for all our auctions is displayed on the property's details page and will be included in the contract. The Seller will pay the buyer's agent a commission, specifically listed on the property page.

Q: As a licensed Real Estate Agent, how do I make a bid on behalf of a client?

A. Our website will allow anyone to create an account and bid. During the registration process, we only collect basic information. At the end of the auction, we collect all the critical information surrounding the relationship and structure of the deal. If you are a licensed agent bidding for your client, we will ask you for your client's contact information using our questionnaire. If your buyer is bidding, we will ask them for your information. We only get the information for the person with the highest accepted bid and who will receive a contract.

Q: Who pays for the real estate commission for the properties on your site?

A. If a commission is offered, it will be specifically listed on the property details page. The percentage of the final bid price or minimum will be paid out of Seller proceeds.