



Novice Buyer's Checklist



- Establish position of lien you are bidding on. Avoid surprises.
- Senior trust deeds may or may not be assumable. VA/FHA may be assumable; others are at the discretion of the lender.
- Be sure you know what you are buying: Fee simple or lease-hold.
- Be sure you are bidding on the right property. Do not rely on the street address.
- Check all parties on title against signatures appearing on the trust deed. You may end up buying a partial interest.
- Get a good evaluation report on the property. Guessing can be expensive.
- Check for hidden damage. Sinking, sliding, etc., can be a forerunner to condemnation.
- Federal and state tax liens, if senior, will not be eliminated. Federal tax liens, if junior, have 120 days to redeem.
- Some Lenders may not refinance property purchased at a foreclosure auction within a year after the sale. Avoid financing issues by checking with subsequent lenders beforehand.
- Association liens from condominiums, etc., may or may not stay. Read CC&Rs or seek legal opinion.
- Judgments less than 10 years old (senior to the lien being foreclosed) can go with the property and may effect plans to sell.
- Old deeds of trust look good to bid on, but check for a subordination agreement.
- Vacant property is worth more than occupied property. Evictions can cost time and money.
- Check for possible rent control.
- Remember you are purchasing the property "as is", "where is". Do your homework.