

Property Due Diligence Checklist – REO's/Foreclosures

Property address:

Contract Price:

EMD:

Date Offer accepted:

of Days for Home Inspection:

Closing date:

Offer accepted Day D

1. Schedule Home Inspection D+3 (3 days after accepted offer)
2. Schedule Contractor bids D+5 (5 days after accepted offer)
3. Realtor pictures (neighborhood, exterior & interior) D+1 (1 day after accepted offer)
4. Due Diligence
 - a. Qualify your area to make sure you are buying in an area you are going to be able to profit from.
 - b. If you are renting the property once you fix it up check to see what other homes are being rented for. (verify w/property manager)
 - c. If you are reselling or planning to own the property as your personal residence get access to the sold comparables. You can get this information from your realtor. (verify w/realtor & complete CMA)
5. Execute Home Inspection
 - a. If upon beginning of inspection, rehab estimate is substantial larger than expected, home inspector will notify, investor will confirm GO/NO GO. If NO GO, pay trip fee instead of inspection fee.
 - b. When inspection completed: verbal report
 - c. Detailed report within 48 hrs.
 - d. 2 day walk through before closing
6. Obtain insurance Quotes
Date Quote received:
Insurance provide:
Contact person:
Ph:
7. Call City Utilities/ Water Dept and schedule final water read :
Date final water read:
Utility POC:
8. Review Detailed Inspection Report

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- a. Call inspector and go over report
 - b. Divide results in
 - i. Need to do
 - ii. Nice to do
 - iii. Nuts to do
 - c. Date completed:
9. Verify #'s/ Property Analysis
- a. Completed: y/n
10. Contractor bid
- a. Create Standard bid sheet
 - b. Obtain min 3 quotes
 - i. Quote # 1 received from:
 - ii. Quote # 2 received from:
 - iii. Quote # 3 received form:
11. Compare Contractor bids
- a. Review price & professionalism
 - b. Mix & match when you need to save on rehab budget
12. Renegotiate or cancel deal
- a. Send Unsatisfactory Home Inspection Letter to realtor
 - b. New Contract price:
13. Choose contractor
- a. Name contractor:
 - b. Date notified:
 - c. (Adjusted) bid sheet:
14. Rehab Budget Request Form (only when Hard Money)
15. Fill out draw schedule
16. Submit draw schedule to Hard Money Lender
- a. Date completed:
17. Construction agreement
- a. Date agreement completed:
 - b. Include exhibit A: Contractor bid, draw schedule, rehab budget request
 - c. Date signed:

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18. Independent contractor agreement w/project manager
 - a. Date agreement completed:
 - b. Date signed:

19. 2 day walk through inspection before closing
 - a. To be done by home inspector
 - b. When additional damages, send letter to seller and renegotiate or cancel
 - c. Date completed:

20. Secure Property Insurance
 - a. Date completed:

21. Closing
 - a. Limited POA y/n
 - b. Closing attended by:
 - c. Satellite closing: y/n
 - d. Copy of Hud1/ Deed received: y/n
 - e. Keys transferred from realtor to property manager: y/n

22. Transfer Utilities
 - a. Gas:
 - b. Water:
 - c. Electricity:

23. Secure Property
 - a. Board up: y/n
 - b. VPS: y/n
 - c. Creative approach: y/n
 - d. Date completed:

24. Execute Rehab Phases & Inspections
 - a. Phase 1:
 - i. Inspected half way: y/n
 - ii. Date completed:
 - b. Phase 2:
 - i. Inspected half way: y/n
 - c. Phase 3:
 - i. Inspected half way: y/n
 - ii. Date completed

25. Final waiver of Lien
 - a. Date Received:

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26. Execute exit Strategy