

ForeclosureRadar.com Investor Tutorial:

Reduce risk by researching ownership, taxes and liens

ForeclosureRadar makes it easy to research ownership, tax and loan information on a property. This tutorial covers several panels on the Details window that accelerate research to quickly get the information you need.

Use ForeclosureRadar to:

- Reduce the risk of hidden costs and legal complications when buying a property at a trustee sale

To continue in our workflow from the previous tutorials, let's get a list of properties that we previously screened, and that now have a status of Research Title.

To search saved properties by status:

1. In the main menu, select View My Saved Properties.
2. Click the Any Status dropdown menu and select a status.
3. Click the Search button.

Researching ownership, property taxes and liens is one of the most important details in buying at a trustee sale because the properties are sold as-is, without title insurance, and the buyer may be responsible for past-due liens and property taxes.

First check on the taxes. Click on a property in the list, and in the Tax Assessment panel, ForeclosureRadar provides the current annual taxes and assessed value. For current payment status, check with the county tax assessor/collector, using the link provided to their website, if available.

Most tax collectors require the Assessors Parcel Number, or APN, to lookup taxes, which you'll find in the Location panel. Use this number to locate the property on the tax assessor's website and note the current year information. Be sure to check not only the status of the payment on the current year's taxes, but previous year's defaulted taxes too. Once you find the past due amounts, enter them in the Financial Analysis Panel on the Investment tab.

Next check the loans. The Transaction History panel shows all the documents ForeclosureRadar could find for the property from the last full-value transfer of the property. It's important to note that this list may be incomplete and further research is required.

Documents are shown in the order they were recorded, except for notices, which are shown under the loans they apply to. The order is important because, with few exceptions, the order in which the loan documents were recorded determines the priority of the loan. It's worthy of note that the loan positions shown are estimated and should always be verified. A question mark indicates either that ForeclosureRadar was not able to estimate the position of that loan, or we are guessing it was paid off (reconveyed) by a later loan.

You can purchase a PDF copy of the original documents using the Purchase link and view it from the Details View for the property or from your billing history in My Account.

In the event that there are loans that appear to have been refinanced, especially those that appear earlier in the title chain than the loan under foreclosure, it's important that you verify that the earlier loans were actually reconveyed and are no longer outstanding against the property. For counties that offer this index online, click the County Record link to research the title manually. You can also do this by working with a title company or an independent title abstractor.

Based on information discovered through research, you can edit the details of existing Transaction History entries and add new entries. If you delete a document you added, it is removed from the list. If you delete a document that ForeclosureRadar provided, it is displayed with a strike-through. You can always undo your changes to a particular document to revert the changes back to their original value.

Use the checklist on the Transaction History window to keep track of the status while working on a property. Record the date so that when you return to the checklist you can decide whether a new search is in order. Note that there are tooltips for each item in the checklist, which you can review by hovering your mouse over the label for each item.

In addition to assuring prior loans were reconveyed, it's also important to do a name search of the owners of the property to make sure there are no IRS liens, mechanics liens or other loans, liens and encumbrances that the buyer may be responsible for after a trustee sale and which we do not show by default. Typically, only liens and judgments recorded before the loan that is going to sale are the responsibility of the buyer after sale. However, there are exceptions. For example, the IRS has a 120-day right of redemption after sale. Be sure you fully understand the title issues and risks involved with buying at trustee sale before you bid.

In addition to using the Current Owner Name & Mailing Address Panel to find the owner name for doing your title search, it can also provide: information on whether or not the property is owner occupied – a mailing address that is different than the property address may indicate this is a second home or rental – a phone number should you want to call the owner, and links to services that may be able to provide additional information about the owner.

Now that we've completed our Title Research, lets set the status to the next step in your due diligence process, in this example we'll set it to Check Value, and then press Next to Research the next property in our list.

Remember that buying foreclosures has certain risks. Read our disclaimer before bidding or making an offer.

Use ForeclosureRadar to work smarter, not harder, by researching ownership, taxes and liens to reduce your risk when buying properties at a trustee sale.