

Lenders Hire 'Property Preservation' Firms to Break Into Vacant Homes

Lenders who suspect that a property on which they hold a mortgage may be abandoned (and the homeowner is behind on payments) routinely hire "property preservation" companies to break into the property, winterize it (to prevent damage from frozen pipes) and install new locks to secure the property. Such a property is considered "pre-foreclosure."

"We call it a drill-out, not a break-in," an asset manager for one such firm told me. She said, "A break-in denotes a crime, but we're authorized in the note to drill-out the lock and secure the property." She was referring to that lengthy promissory note which all homebuyers sign (without reading) at the closing table.

To the homeowner, and to me as the listing agent, such action is borderline criminal, especially when the company knows it is listed and doesn't call the listing

agent first. Last week a neighbor of one of my listings — a lender-approved short sale that is closing

soon — called me to report that a man was trying to break in. She gave me his name (Joe) and cell number and I reached him before he had finished breaking in. Joe stopped what he was doing but had already done so much damage that my seller could only get in using

her garage remote. "My sign is in front. Why didn't you call me," I asked Joe. He said that his work order said not to call me. The asset manager I spoke with verified that this is Fannie Mae's policy.

I have reached out to agents who list more distressed properties than I do. You can read some of their horror stories, including thefts of appliances, and submit your own horror stories on my blog, at www.JimSmithBlog.com.

REAL ESTATE TODAY



By **JIM SMITH**,
Realtor®

Two Bungalows Just Listed by Golden Real Estate

As I write this, there isn't a single bungalow currently for sale in north Golden, so these two will probably sell quickly when they go on the MLS this week. The one at right is at 17 Washington Avenue and



and can be used (as demonstrated in this picture) as extra off-street parking. The other bungalow is at 717 Iowa Street and sits on a 1/4-acre lot with a detached 2-car garage (not shown) facing the alley. The main floor has 911 sq. ft. of living space, with 2 bedrooms and one bath. There is an unfinished basement measuring 811 sq. ft. The parcel is legally two lots and could, with proper zoning approvals, accommodate a couple modern duplexes of the kind found on two adjoining parcels.

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Both properties are rentals with tenants currently in place, but could also, in time, be owner occupied.

For additional pictures and information on each of these bungalows, visit NorthGoldenHome.com. Then call your agent or me to arrange a showing.

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Serving the West Metro Area

Jim Smith

Broker/Owner

Golden Real Estate, Inc.

DIRECT: 303-525-1851

EMAIL: Jim@GoldenRealEstate.com

17695 South Golden Road, Golden 80401

COMMENT AT: www.JimSmithBlog.com

