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regardless of whether the dispute concerns information in this report or not including any negligence claim, or any other matter whatsoever, then the parties agree that the dispute shall be resolved by arbitration as provided by the Florida Arbitration Code, Chapter 682, Florida Statutes.

## About the Author



Lex Levinrad is an active real estate investor who has personally purchased and sold more than \$50 million worth of real estate. He has personally flipped more than 500 houses and has purchased and sold hundreds of houses with his students in his Partnership Program. Lex has applied the knowledge and experience that he has learned through 15 years of investing in real estate to help other real estate investors and students find properties that are suitable candidates for buying, fixing, flipping and renting. Lex and his team actively wholesale 10 to 20 or more houses every month and rehab up to 15 houses at a time. Lex is an active landlord with a large portfolio of single family and multifamily properties in multiple counties.

Lex is the Founder and CEO of the Distressed Real Estate Institute™ which teaches new real investors about investing in real estate. Lex has thousands of students from all over the world who have attended his training programs. Lex personally teaches wholesaling twice a year at the “Distressed Real Estate Boot Camp™” and teaches fixing and flipping at the “Fixing and Flipping Houses Boot Camp™” which is also held twice a year.



Lex has authored 7 books about investing in real estate. He has been featured on ABC, CBS, NBC, Fox News Radio, The Huffington Post, The Real Deal, Mortgage Daily News, The Miami Herald, The Sun Sentinel, The Travel Channel and many other publications. Lex is also a frequent contributor to many real estate websites and blogs. Lex is also the founder of the Distressed Real Estate Investor's Association™ which is one of the largest real estate investment clubs in the U.S.

For more information about Lex please visit [www.lexlevinrad.com](http://www.lexlevinrad.com) If you would like to contact our Student Support Desk please call 800-617-2884, or email our support desk at: [support@lexlevinrad.com](mailto:support@lexlevinrad.com)



## About Auction.Com

Auction.com is one of the larger online auction sites and has more than 100,000 property auctions in any given year. At any given time, there are usually more than 40,000 properties listed on auction.com. You do not need to be a real estate agent to place a bid and anyone can register to bid. If you are a real estate agent, you can earn a commission if you bid for a buyer. Your buyer could be any entity including an LLC, corporation or land trust. You can also place bids for buyers as an agent and simply earn the commission if your buyer wins the auction. Any member of the public can place a bid for themselves without utilizing a real estate agent.

## Registering to bid

Any member of the public can bid on any property on auction.com. After you have created your user id and password you need to register to bid on a property before you can bid on any auction. You will need a valid credit card to bid on a property on auction.com. We recommend that you use a credit card and not a debit card, since with a debit card funds from your account will be put on hold and will only be released the following Monday.

## Events

Each auction is part of an “event”. Events are essentially blocks of auctions of different properties for example “Southeast’ or Northwest” which are regions or areas. Not all auctions are bank owned properties. There are many properties that are foreclosure properties where the owner is in foreclosure and/or there is a county foreclosure auction. These properties are **NOT** bank owned REO’s. There are also residential properties and newly foreclosed properties on auction.com as well so you need to pay attention to the type of auction and type of property you are bidding on.

## Beginning Your Search

When you begin searching on auction.com, you can select the type of asset you would like to include in your search at the top left of your screen by switching from “all asset types” to “bank owned properties” or “foreclosure sales” or “newly foreclosed”.

Auction.com does not have auctions on properties for every State. Currently there are auctions for properties in New Jersey, Illinois, Florida, Texas, California, Georgia, Arizona, Pennsylvania, New York, North Carolina, Ohio, Missouri, Maryland Michigan, Indiana, and Washington. This list of States can change at any time and is updated on their website.

## Do Not Bid on Foreclosure Properties

Please note that when you first login to auction.com and you view properties, if you have “all asset types” selected then you will see all types of properties including “foreclosure auctions” and “newly foreclosed properties”. **We do not recommend that you bid on foreclosures.** Bidding on foreclosure auctions is not for beginners and is beyond the scope of this report. Foreclosures are very easy to identify since they have the words “**foreclosure sale**” and a **case number or the words trustee** (depending on the State).

If you click on a foreclosure property, then in if you want to place a bid, auction.com will **redirect you** to the County Clerk Web Site for the County that the property is located in. Please note that the county clerk web site is **NOT** part of auction.com and you would be subject to the terms of use and the agreement of that specific counties web site. These terms and conditions are completely different to the terms and conditions on auction.com so please make sure you understand where you are bidding.

Foreclosures are **NOT** bank owned properties. REO’s are **not** foreclosures. The difference is an REO is already owned by the bank (REO stands for Real Estate Owned). If you bid on a foreclosure auction and you are the winning bidder then you are buying the property along with any liens or violations that are attached to the property. You **DO NOT** get free and clear title when you buy foreclosures at the county clerk web site. For this reason, we recommend that you **only bid on bank owned properties** and **DO NOT BID on Foreclosure Sales.** Please see the image below to see what properties

on auction.com look like when they are foreclosures. The 3 auctions in the picture below are foreclosures and I have highlighted in yellow the words “Foreclosure Sale”).

 <p><b>8008 TIPPERARY LANE</b> TAMPA, FL 33610, Hillsborough County</p> <p><b>Foreclosure Sale</b>, Townhouse Est. Debt: \$153,053 Lender's Max Bid: Undisclosed</p> <p><b>Online Auction:</b> Jun 05, 10:00am Active - Scheduled for Auction</p>	 <p><b>81 BAHMAN AVENUE</b> OPA LOCKA, FL 33054, Miami-Dade C...</p> <p>Foreclosure Sale, SFR Est. Debt: \$75,078 Lender's Max Bid: \$75,077.94</p> <p>Online Auction: Jun 05, 9:00am Active - Scheduled for Auction</p>	 <p><b>1133 DEARDON DRIVE</b> VENICE, FL 34292, Sarasota County</p> <p>Foreclosure Sale, SFR Est. Debt: \$539,084 Lender's Max Bid: Undisclosed</p> <p>Online Auction: Jun 05, 9:00am Active - Scheduled for Auction</p>
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### Bidding Requires a Credit Card

Registering to bid on a property on auction.com requires a mandatory \$2,500 authorization on your credit card. If you bid on a property and **do not** win the bid then the authorization hold is released on the Monday after the auction has ended. It could take as long as 6 days for the hold to be released on your card. If you are using a debit card (instead of a credit card) you will not be able to use \$2,500 of the available funds in your checking account until the release on the following Monday. For this reason, you are much better off bidding with a credit card than with a debit card which freezes the funds in your checking account. Please note that the deposit is the greater of 5% of the winning bid or \$2,500 so you may be required to have much more than \$2,500. For example, if you bid on a property for \$250,000 then the deposit would be 5% of that which is \$12,500. In some cases, on lower priced properties I have seen bid deposit requirements of as low as \$1,500 but on most properties the minimum is \$2,500.

## No Refunds on Deposits

If you bid on a property and you are the highest bidder and you **win** the auction, then the \$2,500 charge becomes a hard charge on your credit card and is **not refunded to you**. If you are required to put up a deposit at the title company that is greater than the amount of the authorization, then you may have the credit card authorization released once you show proof that the deposit has been wired to the title company. The deposit is typically the greater of 5% of the winning bid or \$2,500.

## No Inspection Periods

One important consideration on Auction.com is that there are **no inspection contingencies** meaning you **cannot cancel** or ask for an inspection period. Once you bid on a property the authorization on your card goes through. And you cannot bid at all without registering a credit card. This keeps many newbies away (which is their intention). It is a very good idea to have a preliminary title report before you bid on auction.com properties. We recommend that you choose your own title company for the closing and have your title company complete a full municipal lien search, open permit search, building department and code enforcement search and issue you a title policy and title commitment. Always get title insurance. If you use the seller's title company they may exclude some of these items and you may acquire a property with liens, open permits, violations or other issues. Remember to always use your own title company. When you choose the title company you will have to pay for title, but it is a small price to pay to make sure that the lien search is complete and that there are no surprises after closing.

## Multiple Types of Auctions

As mentioned previously, there are multiple types of auctions on Auction.Com. There are bank owned homes, foreclosure sales and newly foreclosed homes. Foreclosure sales take you out of auction.com to the county property site for bidding. Once again foreclosures **DO NOT** come with clear title and you are better off **not bidding on foreclosure properties** at all. We **do not recommend that you bid on foreclosure auctions at all**. I have now mentioned that 3 times for a reason. If you read this report and still

insist on bidding on a foreclosure auction then you will be liable for any liens on the property. We suggest you stay far away unless you own a title company and or you are an attorney you would be better off staying away from foreclosure auctions. If you insist on ignoring this advice and bidding on foreclosure auctions then you will be liable for the results.

### **Bidding on Foreclosure Auction Case Studies**

A few years ago, there was a guy that bid on a foreclosure at our local court house and won the auction. What he did not know was that the previous owner owed the IRS almost \$1 million dollars. Since the IRS lien attached to the property, and he purchased the property he purchased it with all liens. (including the IRS lien). Now I don't know if he had to pay that or not, but the legal bills and stress of dealing with something like that is not worth it.

Here is another nightmare foreclosure auction example that I personally witnessed. I was standing at the county courthouse auction (back when bidding was in person and not online). The couple in front of me were very excited to win a bid for \$250,000 on a \$600,000 property. I was standing right behind them and I heard the wife say to her husband "honey this is so exciting". After they won the auction the guy behind me said to them - "you do know you just bought a second mortgage, right?" You should have seen the look on their face when they found out that there was a \$650,000 first mortgage in front of their \$250,000. Even worse. They had already put up their 5% deposit of \$12,500. They went to the front of the auction room to ask for their deposit back and the clerk said to them "I am sorry it doesn't work like that". Imagine what would have happened if the guy behind me never said anything? They would have put up \$250,000 which may have been their life savings. Even worse, the first mortgage would foreclose on them so if they did not have the money to pay off the first mortgage or settle with the first mortgage they would lose all their money.

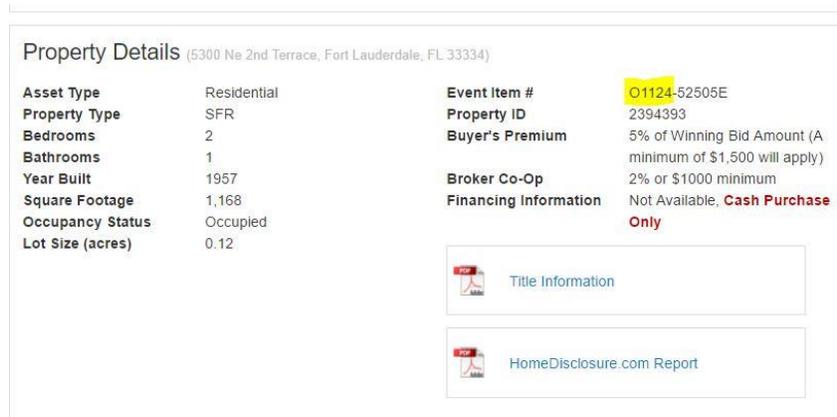
So, unless you understand liens and judgements, mortgages and real estate law **stay as far away as you can from foreclosure auctions**. If you want to bid on foreclosure auctions you need an attorney to run a lien search for you and make sure that you are indeed getting free and clear title.

## You Are Not Guaranteed Free & Clear Title

You are **not always guaranteed free and clear title**. Title may be conveyed by Quit Claim Deed, Special Warranty Deed or General Warranty Deed. Make sure you read the fine print for each auction. We recommend you **only bid on properties where you can get a Special Warranty Deed**. And you should only bid on properties where you can use your own title company. I personally would never buy a property without a special warranty deed and would never ever buy a property with a quit claim deed.

## Searching for Bank Owned Properties

Choose “bank owned properties” at the top under asset types for your City or State. You can search by City, County or even by State. You can sort by price and you can filter bedrooms, bathrooms etc. You can bid on multiple properties, and you can register to bid on multiple properties with the same \$2,500 deposit if they are in the same “event”. **See the image below for the event ID highlighted in yellow.** In this example, the event ID is the letter “o” followed by the numbers 1124 (o1124)



Property Details (5300 Ne 2nd Terrace, Fort Lauderdale, FL 33334)			
Asset Type	Residential	Event Item #	O1124-52505E
Property Type	SFR	Property ID	2394393
Bedrooms	2	Buyer's Premium	5% of Winning Bid Amount (A minimum of \$1,500 will apply)
Bathrooms	1	Broker Co-Op	2% or \$1000 minimum
Year Built	1957	Financing Information	Not Available. <b>Cash Purchase Only</b>
Square Footage	1,168		
Occupancy Status	Occupied		
Lot Size (acres)	0.12		

 [Title Information](#)

 [HomeDisclosure.com Report](#)

## Real Estate Auction Calendar

If you click on “calendar” at the top of the auction.com website then you can see a list of upcoming events.

### Real Estate Auction Calendar

Auction Dates		
MM-DD-YYYY	Select State ▼	Asset Type ▼
Venue Type ▼		
Dates - Type	Event Name	Asset Type - Total Assets
Feb 14th to Feb 16th Live	North Carolina Public Foreclosure Sale - Properties Available in 50+ Counties (E-8184)	Residential (Foreclosure/Trustee) Assets: 83
Feb 22nd to Feb 23rd Live	North Carolina Public Foreclosure Sale - Properties Available in 50+ Counties (E-8203)	Residential (Foreclosure/Trustee) Assets: 62
Feb 27th to Mar 1st Live	North Carolina Public Foreclosure Sale - Properties Available in 50+ Counties (E-8222)	Residential (Foreclosure/Trustee) Assets: 101
Mar 7th to Mar 10th Live	North Carolina Public Foreclosure Sale - Properties Available in 50+ Counties (E-8260)	Residential (Foreclosure/Trustee) Assets: 92
Mar 14th to Mar 17th Live	North Carolina Public Foreclosure Sale - Properties Available in 50+ Counties (E-8279)	Residential (Foreclosure/Trustee) Assets: 75

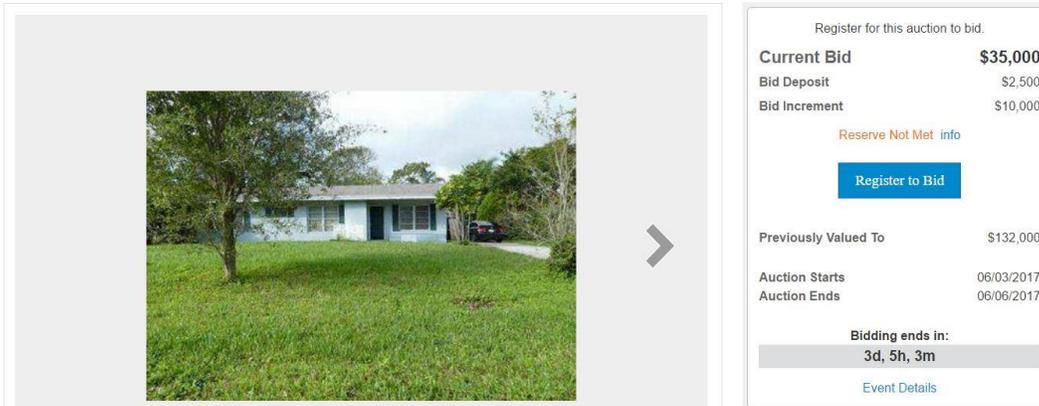
Scroll down to the date of the event. In this case you would need to scroll down quite a bit since this auction is in June.

Jun 2nd Live	Washington Public Foreclosure Sale (E-8533H)	Residential (Foreclosure/Trustee) Assets: 1
Jun 2nd to Jun 3rd Live	Connecticut Public Foreclosure Sale (E-5457A)	Residential (Foreclosure/Trustee) Assets: 4
Jun 2nd to Jun 9th Online	Bank-Owned   Newly Foreclosed   Short Sales   Private Sellers - Bid Online (O-1124)	Residential (Bank-Owned) Assets: 2240
Jun 3rd to Jun 9th Online	Special Event (O-1124L)	Residential (Bank-Owned) Assets: 214
Jun 4th to Jun 7th Online	Special Event   Nationwide: Bundle and Save - Special Auction Event (O-1124B)	Residential (Bank-Owned) Assets: 29
Jun 5th to Jun 9th Live	Missouri Public Foreclosure Sale (E-8543)	Residential (Foreclosure/Trustee) Assets: 81
Jun 5th to Jun 9th Live	Alabama Public Foreclosure Sale (E-8536)	Residential (Foreclosure/Trustee) Assets: 25

Once you have located the event then you can see all the properties that are part of that event. If you want to bid on more than one property then you can do this utilizing **only one \$2,500 credit card authorization**. However, the important part to note is that **you must “add properties” that are part of the same event**. And you have to “add properties **BEFORE** you bid or it will ask for the credit card again.

## Registering to Bid on Auction.Com

Start by clicking “Register to bid” on one of the properties that you would like to bid on.



## Add Your Credit Card Information for The Deposit

Remember that if you want to add more properties then **add them before you bid** by using the “add more properties in **light blue** (see the image below).

**If you bid without adding more properties then if you bid on another property it will ask for your credit card again.** Also remember that you can only add more properties from the same event.

## Register to Bid

Your Bid Deposit will be released at auction end, we will not charge your card. [Learn more](#)

Are you an agent or broker? [Register here](#)

Account Info

Business Phone

I have an agent or a broker

Card Number    Expiration CVV ?

Jun... 2017

Bidding on

 1405 34th Ave  
Vero Beach, FL 32960  
Ends Jun 06, 2017 10:00 AM

[Add More Properties](#)

Bid Deposit Due: **\$2,500**

Need help registering?

[Chat Now](#)

Or call (800) 847-0896 

If you see more properties you would like to bid on then click “**add properties**”. Once you have successfully added the additional properties, click continue. Based on the number of properties you have added; the bid deposit amount will calculate accordingly. The current bid deposits for multiple properties are listed below. Please note this can change at any time.

### Currently the bid deposits for multiple properties are

1 to 10 properties	deposit amount is \$2,500
11 to 20 properties	deposit amount is \$5,000
21 or more properties	deposit amount is \$10,000

### After You Have Registered to Bid

After you have registered to bid, you will have an opportunity to bid by entering the amount of your bid in the box to the left of “**bid now**”. Bid increments vary by City and State. In this example bid increments are \$10,000 meaning the last bid is \$45,150 and the next bid needs to be \$55,150.

1405 34th Ave  
Vero Beach, FL 32960SFR  
3 Beds | 2 Baths | 1,689 Sq. Feet

You are registered for this auction.

Current Bid	\$45,150
	<small>Counter Bid</small>
Bid Deposit	\$2,500
Bid Increment	\$10,000

[Reserve Not Met](#) [Info](#)

\$ 55,150 [Bid Now](#) 

Previously Valued To	\$132,000
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Auction Starts 06/03/2017  
Auction Ends 06/06/2017

Bidding ends in:  
**3d, 4h, 51m**

[Event Details](#)

## Property Details

Look at the property details page. **Pay special attention to the type of deed** (in this case Special Warranty Deed), as well as the title information report which you should read. **Do not under any circumstances ever buy a property with a quit claim deed without an attorney reviewing the title.**

You should also read the home disclosure report, and all the terms including the buyer's premium etc. (see the image below for the sections highlighted in yellow). **Read Everything and assume nothing. Remember there is no backing out if you win.** Make sure you know what you are getting yourself into. This is not for beginners. If you do not close on the property **you will lose your \$2,500 deposit.** There are no inspection contingencies. And no financing contingencies (cash only). You cannot cancel.

## A Note For Wholesalers

For those of you reading this report that want to wholesale and flip properties it is important for you to understand that you either have to risk the deposit or you can't bid on auction.com. It is really that simple. And if you win auctions and don't close then auction.com will ban you from their site and you will not be able to bid anymore. So how do you get around this? **Only bid on properties where you are willing to risk the deposit and intend to close.** That is your safety net.

## **Knowing Which Properties to Bid On**

How do you know which properties these are? If you know your comps, and you know values, then you will know which houses are worth taking the risk on. Bidding on auction.com is an advanced strategy. If you don't have any cash or the thought of risking \$2,500 is too much for you then bidding on auction.com is not the place for you to start out. Consider instead bidding on properties listed on the MLS where deposits are only \$1,000 and you can cancel because of inspection contingencies. If you are a beginner and you are starting out, and you want to learn how to wholesale then we can teach you how to get started at our [Distressed Real Estate Boot Camp](#).

## **Private Lenders and Hard Money**

It is a very good idea to have cash behind you in the form of your own cash, a private lender or a hard money lender. This way you know that you have someone that will loan you the money if you choose to close on a property. Having the ability to close is 90% of the battle. Most wholesalers don't. That is why most wholesalers stay away from auction.com That is your hidden secret weapon. I personally prefer to close on the property and only once I own it begin marketing it. By doing this I don't need to worry about marketing the property prior to close and I don't need to worry about violating any laws or terms of service of auction.com. This is the method that I recommend. If you try and double close you may find your closing tricky – unless you have a very competent title company. And if your end buyer doesn't show up then you will be back in square one having to decide if you want to lose your deposit or if you want to close. I suggest you only bid on properties you are willing to close on. That way you will always be on good terms with auction.com and won't have to risk being booted off their site.

## **Having Cash Does Not Make You an Investor**

Having a lot of cash won't help make you a better investor. In fact, if you are a beginner it will make you worse. Why? Because if you must rely on a private lender or hard money lender then they will not loan you the money if the deal looks bad. However, if there is no one checking the deal other than you, then if you don't know what you are doing you might very well overpay



for a property. Most properties on auction sites like auction.com are overpriced and are NOT good deals. Do not assume because a property is on an auction site and is an REO that it is a good deal. It could be way overpriced.

If you are not sure if you can tell the difference between a smoking hot deal and an overpriced one then be very careful and consider investing in your education prior to bidding on properties.

### **Property Details Page**

See the image below to see what the property details page looks like. It gives you a lot of information. For example, on this property we can see that it is a 3-bedroom, 2-bathroom single family home. We can see the year it was built, the square footage, and that the property is vacant. We can also see the event id, the property id, the buyer's premium and the fact that it is a cash only deal. Notice the "Title Information" and the "Home Disclosure Report" highlighted in yellow. Read those completely. They contain valuable information. Notice at the bottom where it says the buyer will receive a "Special Warranty Deed".

## Property Details (1405 34th Ave, Vero Beach, FL 32960)

<b>Asset Type</b>	Residential	<b>Event Item #</b>	O1124-10501
<b>Property Type</b>	SFR	<b>Property ID</b>	2366015
<b>Bedrooms</b>	3	<b>Buyer's Premium</b>	5% of Winning Bid Amount (A minimum of \$2,500 will apply)
<b>Bathrooms</b>	2	<b>Broker Co-Op</b>	Not Offered
<b>Year Built</b>	1959	<b>Financing Information</b>	Not Available, <b>Cash Purchase Only</b>
<b>Square Footage</b>	1,689		
<b>Occupancy Status</b>	Vacant		
<b>Lot Size (acres)</b>	0.27		



Title Information



HomeDisclosure.com Report

### Transaction Details:

- A Finance Contingency is being offered only to buyers intending to occupy the property, on properties with Financing Available. Please review the applicable Purchase Documents for further details. A prequalification letter shall be required upfront, upon purchasing the home.
- A Buyer's Premium equal to 5% of the Winning Bid Amount or \$2,500 (whichever is greater) will be added to all Winning Bid Amounts to determine the Total Purchase Price.
- If you are the Winning Bidder, an Earnest Money Deposit of 5% of the total purchase price or \$2,500 (whichever is greater) is required.
- Buyer will receive a **Special Warranty Deed** or equivalent.
- Property is being offered as is, where is.
- Until the seller's reserve price is met, **Auction.com may counter bid on behalf of the seller**. Counter bidding gives buyers and sellers more flexibility to find a mutually agreeable price. Counter bids do not occur after the seller's reserve price is met. [Learn more about reserve pricing](#).

## Transaction Details

This is where you will find all the pdf documents for you to read and complete. Make sure you read everything. Click on each pdf and download it to your computer and save it in a folder. We use Dropbox for this and create folders for each property by address. For have a main folder called auction.com and then have sub folders for each property address. If you bid in multiple Cities and States then you can separate your folders by City and State.

When you read the purchase contract and are about to sign it, **note that you are signing indicating that you have inspected the property prior to bidding and that you have inspected the preliminary title report**. Understand that the only way to protect yourself is to run a lien search on the property. This will cost you money and in many cases, you will not get your lien search back in time since the auction will end prior to you receiving



the lien search. If you insist on using your own title company this will not be an issue. This is the reason why we always insist on choosing the title company. Beware if you use the seller's title company. You may get a property with liens and or violations and if you decide not to close you will not get your deposit back. Even worse, if you do close you will now have a property with issues. Always choose the title company and make sure your title company is getting a complete municipal lien search, open permit search, code enforcement search and building department search. And always get title insurance.

Remember that the risk is on you the bidder (buyer). If you back out you will lose your deposit. That is the risk you take as a bidder. so make sure you understand the terms of the auction and what you are bidding on.

### **Due Diligence**

Do your due diligence on the property before you bid. Review the property appraiser website. Verify the information. Look at your comparable sales report. Verify the comps by downloading a complete comparable sales report. We use a company called Title Pro. Do not rely on Zillow Estimates. Drive by the property if you can. If you are an agent and the property is vacant you can call the listing agent and get the lockbox code (or access it on the MLS). If you are not an agent you may have a hard time accessing the property. What is the work around to this? Get your real estate license! It has so many benefits and no negatives.

### **Read All the Documents**

See below for all the documents related to this property. Read all of them and make sure you understand them. If you are planning on closing on the property it is a good idea to have an attorney review the documents or even handle the closing for you.

Description Documents

▼ [Important Documents](#)

-  [Purchase Agreement](#)
-  [Addendum to Contract of Sale](#)
-  [Financing Contingency Addendum](#)

▼ [Disclosure Documents](#)

Click on a link below to browse all available documents related to this property.

-  [TITLE INFORMATION](#)
-  [Protect Your Family From Lead In Your Home Spanish](#)
-  [Protect Your Family From Lead In Your Home Vietnamese](#)
-  [Unincorporated Miami-Dade County Flood Zone Disclosure](#)
-  [FL Energy Gauge Rating Brochure](#)
-  [Protect Your Family From Lead In Your Home](#)
-  [Lead based Paint Hazard Disclosure](#)
-  [FL Special Notice-Certificates of Use Miami-Dade](#)
-  [FL Agency Disclosure](#)
-  [FL REO State Rider](#)

All disclosure documents may not be available at this time. Be sure to check back as additional documents will be added periodically

## Placing Your Bid

When (and if) you have decided that you are ready to place your bid, then go ahead and enter your bid. In this example, you would need to enter a bid of at least \$55,150 since the bid increment is \$10,000. Naturally you **would not bid** if you have not reviewed the comps, appraiser web site etc. **If you don't know what the property is worth you cannot bid.** This applies to any property. If you don't have access to comparable sales then you cannot bid since you will have no idea what the value of the property is. DO NOT rely on public comps like the property appraiser web site, or the MLS or Zillow. Use a reputable comps provider. We use a service called "Title Pro" for comparable sales reports.

If you have reviewed the comparable sales, the property condition, the preliminary title report and are ready to bid then go ahead and place your bid.

## Placing Your Bid

Enter your bid in the "bid now" box (see the screen shot below). Remember that the bid increment can be different on each property. In this case the bid increment is \$10,000 and the previous bid was \$55,150 so I would need to enter a bid of \$65,150. If I did not think this property was a good deal at \$65,150 then I would not bid! Don't make the mistake of trying to bid on

everything. Rather bid on one or two properties that you know you can make good money on if you were to fix and flip the property. This should be the case even if you are using borrowed funds, paying fees, points etc. The property should be a smoking hot deal or you should not be bidding. If you don't know how to tell if a deal is a good deal or not then invest in your training and education to learn how to know this.

Auction Home > Florida > Indian River County > Vero Beach > 1405 34th Ave

1405 34th Ave  
Vero Beach, FL 32960

3 Beds    2 Baths    1,689 Sq. Feet    SFR

Save    Print    Directions

A photograph of a residential property showing a paved driveway leading to a house, with a wooden mailbox post in the foreground and lush greenery in the background.

You are registered for this auction.

<b>Current Bid</b>	<b>\$55,150</b>
Bid Deposit	\$2,500
Bid Increment	\$10,000

You have the highest bid

Reserve Not Met, Bid Again info

\$ 65,150    Bid Now    ↻

Previously Valued To    \$132,000

Auction Starts    06/03/2017  
Auction Ends    06/06/2017

Bidding ends in:  
**3d, 4h, 20m**

[Event Details](#)

## After You Have Bid

Remember that just because you are the highest bid does not mean you are going to win the auction. There are 3 more days left on this example and many other bidders could bid on the property. As mentioned previously, these bidders might bid much higher than you or any other investor would be willing to pay. Remember that since auction.com is accessible by the public, anyone with a credit card and a computer connection can bid. Most of these bidders are novices and because of this they will overbid. If you are bidding, then it is "buyer beware" meaning it is up to you as the bidder to know what you are doing and what you are bidding on. If you don't know then don't bid!

If someone else places a higher bid after you have placed your bid then you would not win the auction and your \$2,500 authorization would be released on the Monday following the auction end.

## Winning the Auction

If no one else bids, and you are the highest bidder then you will win the auction. However, you will only win the auction if the **reserve price has been met** (see the small orange letters in the above image below the green “you have the highest bid” box).

A reserve price is simply the minimum price the seller is willing to let the property sell for. It works like eBay, where the seller sets a minimum price they are willing to sell something for. Even though the seller starts with a low bid amount they are **not willing to sell it for less than their reserve price**. And we don't know what their reserve price is. The bank has their reserve number and will not disclose it. The bank will only sell to the highest bidder that is in the price range where they are willing to sell the property. The only way we can as buyers if we have met the reserve price is by bidding. If it says, “**reserve has been met**” then that means that the seller is willing to sell at that price. If no one else bid then you would win that auction.

## Event Details

If you look at the image above you will see at the bottom right in light blue the words “event details”. Go ahead and click on that and you will see that this property is part of an event. All properties on auction.com are part of an “event”. In this case the event name is “Residential Online Auction - O-1124” and we can see that this event is comprised of bank-owned, newly foreclosed, short sales and private sellers.

## Residential Online Auction - O-1124

**Filter Properties By**

**Property Type**

Single-Family

Multi-Family

Condos/Townhouses

Land

**Sale Location**

-- Select State -- ▾

-- Select County -- ▾

-- Select City -- ▾

**Property Details**

**Price**

min ▾ to max ▾

**Bank-Owned | Newly Foreclosed | Short Sales | Private Sellers - Bid Online (O-1124)**

▼ **Event Times and Locations**

Location	Auction Starts	Auction Ends
<input type="checkbox"/> Southeast (FL,GA,SC,NC,TN,AL,MS,AR,LA)	Bidding Started	Jun 5, 2017, 07:00 AM PT
<input type="checkbox"/> Motivated Seller, All Offers Reviewed	Bidding Started	Jun 5, 2017, 10:00 AM PT
<input type="checkbox"/> Southwest (AZ,TX,CO,UT,NM,OK)	Bidding Started	Jun 5, 2017, 11:00 AM PT
<input type="checkbox"/> California and Nevada	Bidding Started	Jun 5, 2017, 02:00 PM PT
<input type="checkbox"/> Northeast(NY,NJ,PA,MA,DC,MD,ME,NH,VT,RI,CT,DE,VA,WV)	Bidding Started	Jun 6, 2017, 07:00 AM PT
<input type="checkbox"/> Midwest (IL,MI,MN,OH,IN,KY,MO,WI,IA,KS,ND,SD,NE)	Bidding Started	Jun 6, 2017, 07:00 AM PT

You can filter and search for additional properties that you would like to bid on. I am going to filter by Single Family, Florida, built after 1960, 3 bedrooms, 2 bathrooms and vacant. The result is 30 properties (auction.com calls them assets). You can register to bid on any of these. You can also download the auction inventory in to a spreadsheet.

30 Assets

[Download Auction Inventory](#)

Select sort by

12 per page

★ 1682 Tiger Lake Road, Lake Wales, FL 33898



Item #: 14108  
Reserve Not Met info

**Current Bid** \$17,500  
**Counter Bid**

**Bid Deposit** \$2,500  
**Bid Increment** \$5,000

Bidding ends in: 2d 1h

[Register](#)

★ 1914 E Knights Griffin Rd, Plant City, FL 33565



Item #: 14102G  
Reserve Not Met info

**Current Bid** \$55,000  
**Bid Deposit** \$2,500  
**Bid Increment** \$10,000  
**Previously Valued To** \$115,000

Bidding ends in: 2d 1h

[Register](#)

★ 9906 North Rd 33, Polk City, FL 33868



Item #: 14108H  
Reserve Not Met info

**Starting Bid** \$25,000  
**Bid Deposit** \$2,500  
**Bid Increment** \$5,000  
**Previously Valued To** \$89,000

Bidding ends in: 2d 1h

[Register](#)

## Downloading Auction Inventory

Notice the “download auction inventory” button highlighted in yellow above. This allows you to download a spreadsheet like the spreadsheet below. Please note that I have deleted some of the columns to make it easier for you to read by deleting the extra columns in the spreadsheet that was part of the original download.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	Start Date	Item	Address	City	County	State	Zip Code	Year	Property Type	Square Foot	Bedroom	Bathroom	Total Roo	Lot Size
2	06-05-2017	O1124-14	15310 POLK AVENUE	DADE CITY	Pasco	FL	33523	2002	Modular Home	1404	3	2		0.37
3	06-05-2017	O1124-14	1682 TIGER LAKE ROAD	LAKE WALES	Polk	FL	33898	1997	Manufactured	1512	3	2		1.17
4	06-05-2017	O1124-14	4316 ROLLING OAK DR	Lakeland	Polk	FL	33810	1976	SFR	1856	4	2	7	1.25
5	06-05-2017	O1124-14	2140 23rd St Sw	Largo	Pinellas	FL	33774	1972	SFR	1339	3	2.5	5	0.14
6	06-05-2017	O1124-14	1914 E KNIGHTS GRIFFIN R	PLANT CITY	Hillsborough	FL	33565	2001	Manufactured	1512	3	2		1.03
7	06-05-2017	O1124-14	1319 E LAURA STREET	PLANT CITY	Hillsborough	FL	33563	1959	SFR	870	2	1		0.11
8	06-05-2017	O1124-14	9908 NORTH RD 33	POLK CITY	Polk	FL	33868	1989	Manufactured	1792	3	2		1
9	06-05-2017	O1124-14	10853 OGALLA AVE	JACKSONVILLE	Duval	FL	32219	1988	Manufactured	960	2	2		0.62
10	06-05-2017	O1124-14	13303 GILLESPIE AVE	Jacksonville	Duval	FL	32218	1958	SFR	1167	2	2		0.26
11	06-05-2017	O1124-14	8336 FELDMAN RD	JACKSONVILLE	Duval	FL	32244	1970	SFR	840	2	1		0.85
12	06-05-2017	O1124-14	1376 MANOTAK AVE	JACKSONVILLE	Duval	FL	32210	2008	SFR	1380	3	2.5		0.1
13	06-05-2017	O1124-14	141 Jackson Ave N	Jacksonville	Duval	FL	32220	1955	SFR	1342	3	1	5	0.24
14	06-05-2017	O1124-14	44387 SWALLOWFORK AVE	CALLAHAN	Nassau	FL	32011	2001	SFR	3160	3	2		1.06
15	06-05-2017	O1124-14	26 CONIFER CIR	Middleburg	Clay	FL	32068	2007	Manufactured	1716	4	2		1.14
16	06-05-2017	O1124-14	193 TEAKWOOD CIR N	Middleburg	Clay	FL	32068	1977	SFR	1424	3	2		0.25
17	06-05-2017	O1124-14	2127 ORANGEWOOD ST	MIDDLEBURG	Clay	FL	32068	1995	SFR	1698	3	2		0.21
18	06-05-2017	O1124-14	5332 OGLIVIE LN	Saint Augustine	St. Johns	FL	32086	1996	SFR	1500	3	2		0.36
19	06-05-2017	O1124-14	1667 Masters Dr	Saint Augustine	St. Johns	FL	32084	1925	SFR	1918	3	2		0.26
20	06-05-2017	O1124-14	85038 THERESA RD	YULEE	Nassau	FL	32097	2003	Manufactured	2108	3	3		1.01
21	06-05-2017	O1124-14	130 ROSEWOOD AVE	BALDWIN	Duval	FL	32234	1970	SFR	2369	4	2		0.35
22	06-05-2017	O1124-14	10095 W RIVERWOOD DRIV	CRYSTAL RIVER	Citrus	FL	34428	1966	SFR	768	2	1		0.32
23	06-05-2017	O1124-14	800 VAN BUREN AVE	DEFUNIAK SPRING	Walton	FL	32435	1953	SFR	1246	3	1		0.34
24	06-05-2017	O1124-14	2941 S W 186th Ct	Dunnellon	Marion	FL	34432	1998	Manufactured	1277	3	2		1.12

## **Flipping Properties on Auction.Com**

If you want to be wholesaling properties on auction.com please keep in mind that you are bidding against complete beginners who are going to bid much higher than a price that makes sense to most investors. This means that most properties or at least many of the properties on auction.com will have bid prices that are way too high. Many wholesalers stay away from auction.com because they do not want to potentially lose their deposit of \$2,500 or have a \$2,500 authorization on their credit or debit card. This is understandable. Auction.com is **not** a place for beginners. This is a disadvantage for beginners who want to learn. However, it is a huge advantage for astute real estate investors who know what they are doing.

If you are **confident in your offers** and bids, and you **understand values well**, and you **have a good fix on pricing and comparable sales** in your area then you should **bid with confidence**. If you can, you should inspect the property if it is in your area. If you have a viable exit strategy like fix and flip, and you have the funds available then bid with confidence. If you are lacking in funds or experience then you will not be able to bid with confidence.

If you are a wholesaler and you have a large cash buyers list and you are confident that you can flip the property to one of your investors then bidding on auction.com may make sense for you. I still recommend that you hard close and do not double close. Beginning investors and beginning wholesalers should **NOT** start out on auction.com. There are other easier places to start bidding on properties where you don't have to register with a credit card or risk losing your deposit. For example you can bid on any property on the MLS without putting up a deposit and you have a 7 day inspection period where you can cancel and not lose your deposit.

## **Deed Restrictions**

As of now there are no deed restrictions for properties on Auction.com. This can change at any time. The terms of their auctions and the accuracy of the

information in this report can change too at any time (if they change the terms on auction.com). Please review their website and especially the “help” section for the latest terms and conditions of auctions on auction.com

### **App for iPhone and Android**

There is an auction.com app which allows you to search for properties and review your bids and even bid on properties on your phone or tablet. The app is available for download in both the Android and iTunes Stores.

### **Disclaimer**

Please note that the advice in this report should not be construed as legal, tax or financial advice. Please consult with your attorney, CPA, or financial planner for legal and tax issues. This report is private and confidential and should not be shared with anyone. If you downloaded this report then you and only you are permitted to read it. Please do not share this report with anyone.

### **Summary**

Auction.com is a viable place to find properties for real estate investors online. It is overlooked by many investors and many wholesalers avoid auction.com because of the deposit requirements. These deposit requirements do create an element of risk but this is more of a risk for beginners than seasoned real estate investors. If you know what you are doing, if you understand your comps and you know how much it costs to repair a property then you should be able to bid with confidence. If you don't have a private lender or hard money lender then you should establish those relationships before bidding which will allow you to bid with confidence.

Remember to invest in your real estate education. Start with the basics. Understand how to evaluate what a property is worth and the “After Repair Value” (ARV). Know what it costs to repair a property and understand material and labor costs. Know what your true costs of borrowing money are including points, fees, interest and other holding costs. Learn how to calculate if a property is a good deal at a certain price point or not. Understand how to calculate the profit potential.



If you don't know all of the above then make it a priority to learn. We teach this at our [Distressed Real Estate Boot Camp](#) and our [Fixing and Flipping Houses Boot Camp](#).

When you understand ARV, Comps and Repair Estimates and you see a deal that you know is a great deal then go ahead and bid with confidence!

To your success in real estate

A handwritten signature in blue ink that reads "Lex". The signature is written in a cursive style and is underlined with a single horizontal stroke.