

DISCLOSURE AND RECOMMENDATION TO BUYER OF REO PROPERTY

This Disclosure and Recommendation is provided by the real estate company known as: _____ (hereinafter "AGENT") to _____ (hereinafter "BUYER") regarding BUYER'S purchase of _____ (hereinafter "SUBJECT PROPERTY") from _____ (hereinafter "REO SELLER").

1. BUYER understands that REO SELLER is a lender who foreclosed on the SUBJECT PROPERTY, and is now selling the SUBJECT PROPERTY.

2. AGENT has explained to BUYER that REO SELLER probably has very limited knowledge of the condition of the SUBJECT PROPERTY including any and all adverse conditions associated with the SUBJECT PROPERTY, and the REO SELLER is generally exempt from providing the Real Estate Seller Disclosure Statement which is normally required on residential property of one, up to four units. Therefore, AGENT has strongly recommended that BUYER obtain as much information as possible by utilizing the services of licensed contractors and other such experts during BUYER'S physical inspection time frame. BUYER is greatly encouraged to take full advantage of all inspection opportunities, since REO SELLER will be providing very limited or no information at all.

3. The Purchase Agreement with REO SELLER may include terms which allow REO SELLER to cancel the transaction when a supervising committee of REO SELLER disapproves, or fails to approve, some aspect of the transaction. Therefore, BUYER understands that after investing certain out-of-pocket costs for an appraisal, credit report, physical inspection report, etc., REO SELLER may have the right to cancel the transaction without reimbursing these costs to BUYER. There may be additional unfavorable terms to BUYER such as restrictions involving the physical inspections, repairs by SELLER, etc., which BUYER should review carefully.

Buyer is responsible in reviewing Sale Contract and all Addenda carefully before committing to this REO PURCHASE.

I acknowledge receipt of this Disclosure and Recommendation.

BUYER:

DATE: _____

DATE: _____