

## Frequently Asked Questions

1. **Why would I buy a property at auction?** When you purchase a property at auction, you determine the price you want to pay. You will never pay “too much” for a property at auction as you are only one bid increment ahead of the last bidder.
2. **Am I responsible for the back taxes?** No. The Seller pays the taxes right up to the date of closing.
3. **Can I look at the property prior to the auction?** Yes, typically there will be an “open house” prior to the auction. If you’d like, you can schedule a home inspection or have a contractor accompany you to the open house. In some cases, an appointment can be scheduled to have a home inspection completed at a time other than the open house.
4. **If I am the high bidder at the auction, what happens next?** If you are the winning bidder and the “Reserve Price” is achieved/or the Seller confirms the high bid, then you will sign an Auction Contract of Purchase and you will put down your deposit. The deposit is different for each auction so make sure you read the terms of the auction and that you have the proper amount for your deposit. Make sure you bring your deposit check with you to the auction; this amount is usually very specific in the terms of the auction. You will then sign a copy of the Contract of Purchase and the Auctioneer. The closing typically takes place within 30 – 45 days of the auction, but each auction is different, so please read the terms. If you know the attorney that you will be using to conduct the Settlement, give this person’s name and address to the Auctioneer.
5. **Where does the bidding start?** The bidding starts wherever the crowd starts the auction. Generally, the auctioneer will ask for bids and then someone will raise their hand and the bidding escalates from there. On a “Reserve” Auction, the Auctioneer reserves the right to bid on behalf of the Seller until the reserve price is achieved. The Auctioneer may or may not bid depending on what the opening bids are.
6. **How do I bid?** At the auction, once you register, you will receive a bid card. To bid on a property, just raise your bid card until your bid is acknowledged either by the auctioneer or a bid assistant.
7. **How do I register?** Once you arrive at the auction, you will want to visit the registration area. You will need to show your drivers license and complete the registration form. A registration form can be downloaded from the Auctioneer’s website. You can fill out the form prior to coming to the auction and just show your drivers license and you’ll save yourself about 5 minutes. Please fill out the form completely and let us know which mailing list you’d like to be added to.
8. **If I am the high bidder, how much of a deposit will I need to make?** The deposit is typically 10% of the total purchase price; however, each auction is different. In some cases, the auction terms will specify a specific dollar amount such as a \$7,500.00, \$10,000.00, or \$15,000.00 deposit. Typically, this deposit amount needs to be in the form of a Cashier’s Check made payable to either the auction company or yourself. If the check is made payable to you, you will need

to endorse the check on the back and make it payable to the auction company. Please make sure you read the terms of the auction so that you will be adequately prepared to remit the proper deposit.

- 9. May I write a personal check?** Yes. Your deposit can be a personal check as long as you have proper identification and that your check is a “good” check. Please note that any bad check (insufficient funds) written for greater than \$200.00 and is felony and is punishable by law. If you are not prepared to write a good check for the deposit and close within the timeframe specified which is typically 30-45 days from the auction, please do not bid. In many cases at an auction such as a Trustee Sale or a Bankruptcy Auction, the Trustee may require that the deposit be in the form of cash or a cashier’s check. Make sure that if you are attending one of these types of auctions (Trustee or Bankruptcy Trustee) that you read the terms carefully prior to attending the auction. In many cases, if you do not have the required deposit in the form of a cashier’s check or bank certified check, the trustee will not let you register or participate in the auction.
- 10. How long to I have to close or until settlement?** Closing is usually within 30 days of the auction; however, in some cases it can be 45 days. Make sure you read the terms of the auction carefully so that you are prepared to close in the timeframe specified.
- 11. What is an “Absolute” Auction?** An absolute auction means that there is no minimum or reserve price. The property or item will sell to the highest bidder. For example, if a piece of real estate were sold at absolute auction, it means that the property will sell to the highest bidder regardless of price.
- 12. What is a “Reserve” Auction?** A reserve auction is where the Seller has a minimum bid or reserve amount that needs to be reached before the auctioneer can state that the property can be sold. This minimum bid is kept confidential between the auctioneer and the Seller; it is not disclosed to the public.
- 13. What is an auction that is “Subject to Owner Confirmation”?** This type of auction is the same as a reserve auction, it just means that the Seller usually attends the auction or is available by phone and the Seller can confirm or not confirm the auction right on the spot.
- 14. What if I cannot close in allotted timeframe?** If you are not prepared to close in the allotted timeframe stated in the terms, please do not bid. The Sellers are anxious to close and you may not only lose your deposit, but you may face legal action by the Seller and the Auctioneer. Most closings are usually within 30 or 45 days from the auction date. *Again, if you are not prepared to close within the timeframe stated by the Auctioneer (typically 30 or 45 days from the auction) please do not bid!*

- 15. Can I get a loan for any of these properties?** The auctioneer does not care where you get the funds to close; however, *financing is NOT a contingency of the sale.* If you cannot close because you cannot get financing, you may not only lose your deposit, but you may face legal action by the Seller and the Auctioneer.
- 16. How long does the auction take?** Generally, it takes about 5 minutes to sell a property.
- 17. Can I just come to watch and not bid?** You are welcome to attend the auction and watch.
- 18. If I have property to sell, can I add it to one of your auctions?** Yes! Adding a property to a multi-property auction is easy. The advertising fee is very low for adding your property to a multi-property auction and your property gets great exposure! The Auctioneer can help you determine whether or not it is appropriate to add your property to a multi-property auction or do a stand alone auction just for your property.
- 19. What time to I need to arrive at the auction?** You will want to arrive at least 30 minutes prior to the auction. If you should have any questions, this is the time to ask them.
- 20. If I am the high bidder on a property, what do I need to do?** Once you are the identified as the high bidder, an auctioneer's assistant will ask you to sign a bidder acknowledgement form where you are acknowledging the high bid plus the Buyer's Premium. The addition of the high bid and the Buyer's Premium equals the total purchase price. After the auction is over, you will then go over to the contract table and sign a contract and write out your check for your deposit.
- 21. What is a Buyer's Premium?** A Buyer's Premium is usually a percentage that is added to the high bid to determine the final price. Auction houses in New York such as Christies or Sotheby's usually charge a Buyer's Premium from 15% - 20% of the high bid which is then added to the high bid to determine the final price. In Virginia, Buyer's Premiums range from 10-20%. In the case of this real estate auction, usually a 10%-13% Buyer's Premium is added to the high bid to determine the final price.
- 22. If I am a Realtor, can I represent my Buyer and get paid a commission?** Yes. You will need to pre-register your buyer and have your buyer submit an opening bid. Please see the Broker Participation Form included in the Auction Packet and online at [www.countsauction.com](http://www.countsauction.com) for instructions.
- 23. What is a Bid Assistant?** A bid assistant helps the auctioneer identify the bidders at the auction. If you should have questions, please ask the bid assistants.

- 24. Can I get a home inspection done prior to the auction?** Yes, you may schedule a home inspection to be done during the open house period. If this is absolutely not possible, please contact the Auctioneer directly so that an appointment can be made for you and your home inspector to look at the property. You will be responsible for paying your home inspector. In some cases, such as a Trustee Sale where the property is being sold on the courthouse steps, the auctioneer may not have access to the interior of the property and you would not be able to have a home inspection completed.
- 25. Are there any forms I need to complete prior to bidding?** Yes. You will need to complete a Bidder Registration Form which is included in this packet or you can wait and complete the form once you arrive at the auction. You will be given a copy of the TERMS of the auction. You will then get a bid card which you will raise to identify that you are bidding. Do not lose your bid card as it identifies you the night of the auction.
- 26. If I buy a property at the auction, and then change my mind after the auction, will I get my deposit back?** No. If you are the high bidder at the auction, you are expected to close. Bidders who get “cold feet or Buyer’s remorse” after an auction could potentially face a lawsuit from the Seller and the Auctioneer. Your deposit check is not refundable; however, it is applied toward the purchase price. Although we live in a time when returning purchases made at a retail store when we change our mind is commonplace, it is not commonplace at auctions. Both the Seller and the Auctioneer have spent a great deal of time, effort, and money advertising and promoting the auction and the auction event can never be duplicated. *If you are not prepared to follow through with the transaction and close on the property, please do not bid.*
- 27. What is a Special Warranty Deed?** A Special Warranty Deed is a deed in which the grantor warrants, or guarantees, the title only against defects arising during the period of his or her tenure and ownership of the property and not against defects existing before that time.
- 28. Can I get title insurance?** Yes. You may purchase an Owner’s Titles Policy. Please see your closing attorney about purchasing title insurance. The Auctioneer may have already done a title search and obtained a title binder from a title insurance company. If this is the case, you may be able to save a few dollars and time by having your attorney purchase the title binder from the company the Auctioneer used. Usually, the title binder has been purchased through a large title insurance company such as Lawyers Title (LandAmerica) or Southern Title.
- 27. How can I be notified of upcoming auctions?** You can request to get on the Auctioneers’ mailing list by simply registering to do so at the Auctioneer’s website or by calling the auctioneer directly.