



Real Estate Property Services, LLC

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SPOTLIGHT ITEM: Occupancy Checks

With our focus in September being preparing for winter, we wanted to bring attention to our processes regarding properties that are found vacant during inspections.

We have added several FAQs on this issue as well as others to our investor portal in the past month.

As always, to review items on the portal or to Contact Us:

Link to portal

www.Reprosvcs.com/investorportal

Link to portal training video

www.reprosvcs.com/files/repsinvestorportal.avi

From Your REPS Team:

The early days of August 2019 saw a heat index over 100 for the first several days but as the month went by, the days became visibly shorter and cooler. Our team celebrated this glimpse of fall with a Tailgate celebration serving up our favorite football foods and wishing the best of luck to our favorite football teams. As summer wanes, we are looking to fall and have been busy at work preparing for the challenges fall and winter bring to investment property ownership. We have captured our thoughts and focus for September for you within this newsletter so that you can be best informed of those challenges.

Servicing FAQ:

OCCUPANCY CHECK RESULT = VACANT

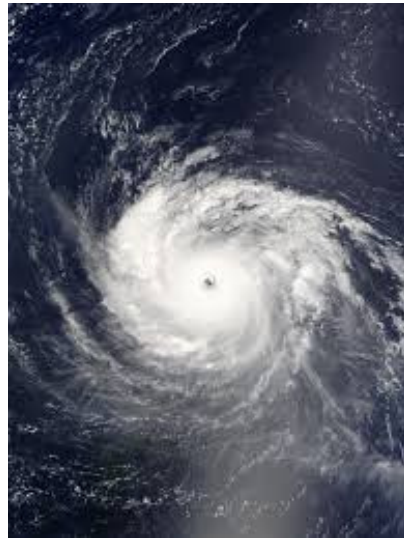
An occupancy check has been ordered – what happens if the property is found vacant?

When an occupancy check is ordered, vendors are also requested to secure the property if found vacant. This securing will include placing a lock on the doors and boarding up any windows that are broken. If you have opted IN for winterization/grass cut services for assets found vacant, and funds are available, the Occupancy Check request will include an order to winterize the property (in winter months in locations as appropriate) or cut the grass (in summer months) to avoid fines/penalties. The vendor will send us a report with the results of the occupancy inspection. We review this report and upload it to the portal. We encourage you to review these results. If the existing contract is not dissolved, even though the property is vacant, other steps may be necessary before the property can be considered available for re-sale or to you for repairs. The type of contract/agreement with the buyer as well as the location of the asset will determine the legal steps that are necessary before these actions can take place.

When is an Occupancy Check Ordered?

Occupancy checks (OCs) are ordered on the 60th day of delinquency regardless of when the last payment was received or if there is a promise to pay on the account. Many of our customers will avoid contact with us by making payments via mailed check/money order or MoneyGram. As a result, often we will not have established contact with the customer for arrangements. When able to make contact, we stress the importance of keeping the account current. If an account is 60 days DQ the customer has likely broken at least one promise to pay date to get to 60 days delinquent or we have failed to make contact. The 60-day inspection is ordered to verify occupancy and to provide us information on the condition of the property. The inspection photos are good for 90 days, during which time, payments may be made. Even if payments are made, if the account is still 60 days or more DQ after that 90 days elapses, we will order another OC check to ensure the property is occupied. If the property is found vacant, it is secured and winterized (seasonal) upon your approval unless you have already opted in for all winterizations for the season. When an account reaches 90 days DQ, we will order an OC with a posting. The posting is a piece of paper that simply instructs the customer to contact our office. The vendor is not allowed to discuss anything else with the occupant of the property as they are not licensed to service. If no one responds at the property, the notice is taped to the front door. The charge for the OC is charged to the investor but is also added to the customer account to be recovered as a miscellaneous fee. We may order an OC on a current account if we have good reason to believe the property may be vacant. If found vacant, orders will be to secure the property to protect it from squatters and to winterize as seasonally appropriate to avoid broken pipes and damage. Examples of reasons to believe a property may be vacant are returned mail noting vacancy or a call from a neighbor advising occupants have moved out.

September Focus: Hurricanes, Winterizations and Insurance



As the weather turns, we are very focused on the challenges fall and winter bring to your investment.

As this is being written, we are tracking the second named storm that threatens our service area this year. We encourage all of you to review your list of assets and their insurance status. If you own assets along the Atlantic/Gulf Coast, we encourage maintaining insurance during Hurricane season as each of the last several years, those coasts have been significantly impacted by hurricanes.

Another challenge that can impact your investment is Severe Winter Weather. We have initiated the steps to protect your assets with Winterizations by sending out forms for you to communicate how you would like to proceed with Winterizing your vacant assets as well as how you would like us to proceed if the asset becomes vacant during the winter.

In areas that experience hard freezes, your authorization, in advance via the form we sent out, will allow us to order winterization along with occupancy checks. Securing and Winterizing as soon as possible are always a primary goal. Please review the forms sent and return to us as soon as possible.

Finally, despite our best efforts, damage due to severe weather can still occur. If you are unsure of the insurance status of your assets, please contact us via an action ticket with your concerns. We are happy to review the status and coverage for you to ensure that you are protected. If you have opted to cancel insurance in the past several months, we encourage you to reconsider that decision if your asset is located along the coasts mentioned or in areas that are subject to extreme winter weather.

Looking ahead, September brings the end of summer and 3rd quarter. We are confident our preparations for winter will assist you with the transition toward year end. October will bring new challenges and focuses but, through it all, we will have protecting and maximizing your investment in mind!