

A Realtors Guide
Earning \$50k per year performing
Broker Price Opinions
PART TIME!
&
Listing of 55 BPO Companies

Written & Compiled by: Inside Home Buying

First Publication 1/15/2004

Copyright and Publisher Information

This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is sold with the understanding that the publisher is not engaged in rendering legal, accounting, or other professional service. If legal advice or other expert assistance is required, the services of a competent professional should be sought.

Copyright © 2006 Inside Home Buying

Published by Inside Home Buying Incorporated

All rights reserved. The text of this publication, or any part thereof, may not be reproduced in any manner whatsoever without written permission from the publisher.

Copyright © 2006

How to make \$50k/Year Performing Broker Price Opinions.

You have just purchased a list of every BPO Company known to mankind. Banks and 3rd Party companies request Broker Price Opinions for the purpose of getting an in-expensive valuation of their property.

There are a number of reasons when a professional valuation of property is desired yet a formal appraisal is not. In these instances, the Broker Price Opinion (BPO) service is “the” tool banks and 3rd party providers use.

The BPO of a residential property is conducted by a local, licensed real estate professional. The report combines information from a drive-by exterior examination, external data sources, previous sale data, property assessment data, recent comparable sales and current neighborhood listings, as well as a photograph of the subject property.

The BPO includes estimate of repairs to obtain fair market value, neighborhood information, and value estimate (90, 120, 180 day marketing time for "as is" and "as repaired" values). Photographs include subject and street scene photographs. Front photographs of all comparable sales are also available for an additional fee's.

Some companies send out BPO requests to multiple agents. The first agent to except the order will be the agent that gets the assignment. If you are not in front of your PC when the email comes in, you will likely get beat by another agent. You may want to have your email forwarded to your PDA. That way you can accept orders no matter where you are.

Once you establish a relationship with a particular company, you can expect to receive multiple BPO requests per day. You will be given the choice to accept or decline each order, based on the “due date” and the “fee” they pay.

Additionally some companies will allow you to “conditionally” accept BPO’s. They will allow you to extend the “due date” and increase the amount paid. Drive-by’s typically start out at \$50, and you will have the option of accepting that amount or raising the fee to what ever you choose. They will inform you if your new terms are acceptable.

Each company we list has their own stipulations in accepting new vendors. If a “vendor application” is not readily available on their web site, email them directly and put ATT: “New Vendor Application” in the subject line. Or call them directly.

When signing up be prepared to provide:

- E&O insurance
- Licensing info
- Completed 1099
- Zip code coverage area
- Brief Bio
- List of 3 references

We do not detail what is entailed in completing each firms BPO because they all vary. Each company has their own online template for you to complete. They are all relatively simple and self-explanatory. If you have ever done a “CMA” you will not have a problem completing a BPO.

This can be a highly profitable business for Realtors. With each “drive-by” BPO paying an average of \$50 and taking 30 minutes to complete, it is easy to understand how quickly this can turn into a lucrative business.

To earn \$100k per year, you need to average “5.5” BPO’s per Day and average \$50 per job. \$50 is the minimum compensation provided by these companies. IF you sign up for each of the companies listed below AND follow up with each to earn their business, you WILL, in no time, be at your 5.5 per day average. Conversely, to earn \$50,000 per year, you will have to complete 2.25 BPO’s per day.

Lastly, you must pursue the BPO business like any other venture. We assume you cannot afford to simply sign up for these companies and passively hope to hear back from them (although there is a good chance that will work). Proactively pursue these companies business!

Establishing relationships with these companies will supply you an endless stream of revenue for as long as you stay in business. Other companies are selling similar lists of BPO companies for \$300 and more.

Broker Price Opinions & Short Sales: An additional revenue source

The most common purpose for a BPO is because the homeowner is delinquent on their payments. Typically “Drive By” BPO’s are ordered at 60,90,120,180 days delinquent.

Obviously these are homeowners in trouble. And you know about them before anyone else (except their mortgage company). More than likely they are upside down in their mortgage. In other words, in all probability they would already have their home on the market (and some will) if they had equity in it.

These are the most PRIME, “pre-foreclosure” leads that exist! A very high percentage of these homeowners will either fall into foreclosure or list their property with a Realtor to pursue a “short sale”.

Therefore, when you do your drive-by photo, either knock on their door personally or leave a promotional piece at the property with your business card. Position your marketing to them with a generic message that you can “HELP” them. That message should state you are “foreclosure specialist” and that you are an expert at helping people out of foreclosure.

Leave the marketing piece and a business card at the property, put them on a bi-weekly mailing list and you should be following up with telephone calls.

In your first mailing, introduce yourself and provide them with some local government sources in which they may receive foreclosure assistance. (Do a

local web search for local agencies that assist people in foreclosures). Follow your 1st mailer with a phone call to ask them if they have received the information you sent them.

The homeowner of course has no idea that you know anything about their situation. And make sure you do not mention ANYTHING about the BPO. This is proprietary information between you and the company you are completing the BPO for.

If you are doing any volume of BPO business, and you follow up each BPO property with an aggressive marketing campaign, you will quickly build a large book of short sale business. To learn more on listing and selling pre-foreclosures (including sample marketing materials) please see our book “Realtors Guide To Making A Fortune Listing & Selling Pre-Foreclosures”.

If you do not want to get into the short sale business, you need to be referring these leads to a Realtor that specializes in “Pre-Foreclosures and/or Short Sales”. Negotiate a fair referral fee (20%-30% is reasonable). Most agents working the pre-foreclosure market will be ecstatic to work out a deal with you.