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DELINQUENT TAX SALE F. A. Q.

- Q.** I've never been to a tax sale before, how does this work?
- A.** It's an auction. We have an auctioneer and his name is Grayson L. Smith. Mr. Smith has been an auctioneer for many years, and he's a Virginia State Champion Auctioneer. His address is 152 Smithville Lane, Warsaw, VA, Phone (804) 333-4894; VA license #14. When you attend a sale the first thing to do is register to bid, which means you give us a valid form of identification, we take your name, address, and phone number and we give you a bidder number on a card. **There is no fee to register.** When you're ready to get in on the action, you just hold up your card so Grayson can see it. The property is sold to the highest bidder.
- Q.** What is my down payment? Do I need 10% down, 15% or what?
- A.** This is a **cash sale; the total amount** of your purchase price is due before you leave the sale that day, plus fees to record your Deed at the Clerk's Office, if your bid is accepted by the judge.
- Q.** When is my closing on the property that I bought?
- A.** There is no closing; if you are the successful bidder and the Judge approves your bid (by signing-off on our Final Decree), you will receive a draft of your Deed in the mail. If everything in that deed is the way you want it we will go ahead and record your deed, and mail you the original Deed, plus any other applicable paperwork (Perc. Certification letters, etc.) after recording takes place.
- Q.** I read in your flyer that this is a "Caveat Emptor" Sale. What does that mean?
- A.** It's Latin. It means, "Let the Buyer Beware". If you are interested in coming to the sale and buying properties it means you must do both physical and legal research.
- Q.** What does that mean? I thought John Hutt's office did all of that research and that's why your selling these properties.

- A. We are selling the properties to collect the delinquent taxes for the jurisdiction in which the property is located. John Hutt's office conducts a full sixty year title search. However, if we missed something, that lien could stay with the property that you're buying. Since this is a buyer beware sale, we are not responsible for missed liens, etc. It becomes your problem, and John Hutt's office is under absolutely no obligation to help you. Therefore, it greatly behooves you to check behind us for any liens, Deed's of Trust, Judgments, etc.
- Q. I saw the advertisement in the newspaper for your sale, can you send me all of the plats you had made for these properties so I'll know exactly where they are?
- A. No. We do not have plats made of all of the properties. If we find a plat of record in the Circuit Court Clerk's Office while we are doing title research, we'll be glad to send you a copy of it. If there isn't one of record, then we do not have a plat.
- Q. How am I supposed to find the property without a plat? Can you furnish me with driving directions to the properties so that I can find them? I live out of state and am not familiar with the area.
- A. We have blow-ups of the county land maps. We will send you copies of the land maps that we have so that you will be better able to find it, if it exists. We do not have driving directions to the properties.
- Q. I bought a piece of property at one of John Hutt's tax sales a few years ago, and come to find out, it didn't even exist!! Now what do I do?
- A. All that we are selling is the legal title that exists in the Circuit Court Clerk's office. We make absolutely no guarantees whatsoever that a deed to a piece of property we're selling matches up to land anywhere on the face of the earth. We do not go out and check to see that the property exists *and* matches up to the title. **That is why you must do both physical and legal research!** Legal research is done at the Circuit Court Clerk's Office in the records room; Physical research is going out and finding the property. If you've bought property at one of our sales in the past and realized that there was no land that matched the title, unfortunately you are just out that money and there isn't anything that our office can do to help you to either get your money back or find the land.
- Q. After the sale do I go to the Treasurers office and pay all of the taxes due on the property or do I pay you for the delinquent taxes?

A. No to both. We are selling these properties on behalf of the county in which they are located to collect the delinquent real estate taxes. Your purchase price at the sale pays all of the taxes, interest, penalties, suit costs, etc., and we do all of that paperwork. We then submit documents to the court (being a Commissioners Report of Sale, a Final Decree, etc.) for that particular jurisdiction and the sale is either approved or it isn't.

Q Why would the Court not approve the sale?

A. Because we have to obtain minimum bids. If we do not receive minimum bids the Judge is not going to approve the sale.

Q. I bought a piece of property last year at a sale and John Hutt's office sent my money back. I don't understand that at all. Why did he do that?

A. We have to get minimum required bids on all of the properties that we are selling. If you did not bid a minimum amount, let's say you made an offer to the court because you felt that was what the property was worth and would not up your offer to the minimum (and subsequent to that we got the minimum) we will return your bid, and submit the minimum bid to the Judge for his approval.

Q. What are minimum bids?

A. For automatic approval by the Judge you must submit the minimum required as your final bid. On non-perc properties the minimum acceptable bid is 25% of appraised value. For perc. properties the required minimum is 50%.

Q. How do I know what the appraised value is on the property is? I see some numbers on the flyer I received, how do I read this?

A. On each item on the flyer you'll see the words "Appraised value" and then numbers beside it.

Q. What does that I, D, J designation at the end of that mean?

A. It means: I = Improvements to the property. D = Deed of Trust on the property. J = Judgment(s) on the property.

Q. What if you don't get the minimum amount at the sale?

A. We generally keep the bidding open for at least two business days after the sale in which you can call John Hutt's office (804) 493-9700, and "up"

your bid to the minimum. At the same time, if you leave the sale knowing you did not offer a minimum bid, and someone else calls John Hutt first thing on Monday morning and offers a minimum bid, you are out, he's in and your money (plus any recording fee) is returned to you in the mail.

Any properties not sold will go back into the list for the next year's sale for us to try and obtain a minimum bid.

Q. How do you know if the property that you are interested in Percs?

A. We have soil evaluations done on all of the properties in the sale. If it perc, there is a notation in the flyer. If it doesn't perc, there isn't any notation.

Q. You said this is a cash sale but I'm wary of carrying around that much cash. Can I just write a personal check for my purchase?

A. Only if you obtain a Bank Certification of Funds Letter also known as a Bank Limited Letter of Credit. We have the forms here that you'll need to take to the bank. We can either fax or e-mail the form to you to take to the bank.

Q. What is a Certification of Funds Letter or a Limited Letter of Credit Form? I'll be using a Company check. Why can't you just take that as payment?

A. Personal checks, company checks, etc., are **NOT** guaranteed funds! Your bank must guarantee to us in writing **on their letterhead** that they will pay your check if given at our sale. We will provide a form for the bank to use as a guideline for establishing in writing that they will honor your check if given at sale.

Q. Can I bring a copy of my bank statement or a print out of my bank account showing how much money I have in the bank to the sale?

A. No. We can not accept a personal check without your bank's guarantee in writing that they are going to pay your check. Bank Statements or print outs are not a written guarantee that your personal check will be paid by your bank.

Q. My bank won't do that letter you're requiring so I'm just going to bring my Certificate of Deposit. Will that be acceptable to show I have money in the bank?

A. No. Certificates of Deposit are not a Guarantee that your bank will honor your personal check.

- Q.** What about a cashier's check or a certified check?
- A.** Cashiers check and certified checks are both **guaranteed funds!** You obtain the cashiers check or certified check, **make it payable to yourself,** bring it to sale, and endorse it over to John C. Hutt, Jr., P.C. - DT Trust Funds Account to pay for your purchases.
- Q.** How do I know how much to get the check for?
- A.** As we said, you must bid minimums. You need to study the flyer carefully; decide which properties you intend to bid on, and decide for yourself the maximum amount you would be willing to spend for that piece of property. Obtain the cashiers check or certified check accordingly.
- Q.** What if I get the check for say, \$10,000.00, and I only use \$2,000.00 of it? How will I get my change on this transaction?
- A.** Generally speaking, we can make the necessary change for most transactions at the sale. However, if we can not we will mail you your change the first thing Monday morning.
- Q.** I'm really interested in these tax sale properties. How often do you have these sales and in what counties do you have them?
- A.** We do sales in the counties of Westmoreland (including the Town of Colonial Beach), Northumberland, Richmond, and Essex (including the Town of Tappahannock) on an annual basis.
- Q.** When I received the flyer there were 24 properties listed for sale, but when I attended the sale, there were only 14 properties being sold that day. What happened to those other properties that were to be sold?
- A.** The properties are being sold to collect the delinquent real estate taxes owed to the county in which they are located. A taxpayer has until the Treasurer closes his/her office the day before the sale to go and pay all of the taxes owed, late penalty, interest, suit costs, attorney fees, etc. Once I have been notified by the treasurer of this payoff, I then mark the property as being "Redeemed", and we do not sell that property. You may contact my office at any time during the pendency of a sale to find out which properties have been redeemed and are no longer in the sale.
- Q.** Can the person who owned the property I'm interested in come back and redeem the property once I've bought it at sale?

- A. No; when the Treasurers office closes for business on Friday evening the day before the sale the individual(s) lose their right of redemption. Once we have the sale the previous property owner has no right to claim ownership of the property. They do have the right to petition the court to ask for excess proceeds from the sale, if any exist. This does not affect a purchaser at the sale or the property that you bought.
- Q. How do I find out when you're having the sale? Is it the same time of year for each county?
- A. We maintain a mailing list for each county. If you put your name and address on our list I'll send you a flyer for that particular sale when the sale gets scheduled. We do each county every year, but they are always at different times of the year depending on our schedule for that year.
- Q. How can I get my name on your mailing list so that I get a flyer?
- A. Contact my office and ask to speak to Ryan Haywood. He'll add your name to our list. You can get on the list for the particular county that you're interested in, or be added to the list for all of the counties.
- Q. I called and put my name on the mailing list(s) but didn't get a flyer for the sale. How come?
- A. **We send out flyers ONLY when a sale is scheduled to take place.** If you didn't receive a flyer it may be because a sale hasn't been scheduled. Or, you might have changed your mailing address and didn't notify us of the change. We receive the flyers back when forwarding orders have expired, etc., your name is then removed from the list as a bad address and then you do not receive your flyer.
- Q. I got my flyer in August of last year for a sale that you had in September of last year. I didn't receive a flyer in August this year. How come?
- A. **Flyers go out when sales are scheduled.** They are always at different times of the year. Sales in all counties are done annually; but not at the exact same time each year.
- Q. Can I get Title Insurance for a property bought at a tax sale?
- A. Possibly. We have a title insurance agency that will accept applications for title insurance on tax sale properties. Whether or not the company will issue a policy depends upon all of the facts and circumstances

surrounding the title. Each application must be considered on a case by case basis.

Q. I bought a property at your tax sale and sold it to someone else as soon as I bought it. How quickly will I receive my Deed to the property so that I can Deed it to my buyer?

A. Recordation after sale generally takes about 4 to 6 weeks.

Q Do I need to be present at the sale in order to bid? Can I bid over the phone or via the internet?

A. We do not presently have the capability of doing either phone or internet bidding. However, you do not need to be at the sale in order to bid. I will personally bid on your behalf at my sale. You will need to either bring your bid money to my office (again, guaranteed funds ONLY!!) or wire transfer the funds into my real estate trust fund account IN ADVANCE of the sale, plus any applicable recording costs. I also require your bidding instructions in writing. I will announce at the beginning of the sale that I'm bidding on someone's behalf that is not present today, and I will then bid according to your written instructions. If you are not the successful bidder I will return your funds to you first thing on Monday morning after the sale. If you win the bid and there are excess proceeds, any excess will also be returned to you first thing on Monday morning.

Q What does "NM" as a tax map number mean?

A. It stands for "No Map Number". This property has not been mapped by the county. The exact location of the property is in doubt. Extensive research is needed to determine the exact location of the property and it may no longer exist.