

# Asset Manager Anecdotes



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Even if your business is so smooth, you can practically run it on autopilot, you still have those days when your confidence crumbles. Whether you're a seasoned pro or a newbie-in-training, things inevitably do go haywire, and it's always reassuring to have a trusted place to turn. Enter "Asset Manager Anecdotes," our recently launched bimonthly column. By harnessing the smarts of a source who's been there done that, you'll gain the know-how to help you work more effectively, handle tasks more efficiently, and always, well, cover your assets.

**Q: If an agent or broker handles a BPO for you, what would it take for them to get the actual listing? Also, do agents and brokers get a portion of your BPO fee?**

**A:** Keystone Asset Management is also a provider of BPOs and appraisals. REO agents and brokers should be well aware that BPOs are used for many reasons, from preforeclosure to second opinions, and not all BPOs turn into listings. Agents/brokers may receive fees when allowable. In many areas, agents/brokers are not permitted to receive compensation for that service.

**Q: What is Keystone's take on appropriate language when turning in BPOs? Are there certain words, phrases, etc., that are unacceptable?**

**A:** We expect language that is acceptable within industry standards. We want our BPOs to be unbiased. There is to be no mention of race, religion, or gender in the final determination of value.

**Q: Does Keystone pay upfront for trash-outs, rekeys, etc.? If not, why?**

**A:** No, Keystone typically does not pay agents/brokers upfront to perform these services. We want to ensure the work is done before reimbursing for maintenance.

**Q: How often does Keystone listen to its agents and brokers when it comes to price reductions?**

**A:** We hear them loud and clear. Input from our agents/brokers is very important because they are the eyes and ears of the industry. Once again, many of the answers to your questions can circle back to agent/broker REO experience. It is extremely important to understand that asset management companies may service many clients with many requirements and don't often have the luxury of complete control. It is never Keystone's intention to flood an agent/broker with overpriced listings.

**Q: If an agent or broker insists on a reduction, what are reasons that keep Keystone from going along with its suggestion?**

**A:** This scenario usually occurs either (1) when their recommendation lacks support or (2) if it is a huge deviation off their most recent BPO value. Examples for each:

- » A property is listed at \$49,900 with no offers and the agent recommends a reduction to \$47,000. Our view of this is the recommendation does nothing to put the property at the next price point in the local multiple listing service.
- » When an agent gives a value at \$60,000, then 30 days later tells us to reduce the property to \$40,000. Generally, this tells us the agent missed the market at their initial BPO.

**Q: What advice would you give to agents and brokers who are trying to estimate the cost to repair?**

**A:** Agents and brokers are not contractors; however, we try to employ agents that have had previous experience with transactions requiring work to be done. This has given them an idea of the fees and costs that contractors charge in their area. And while agents are not always able to give an exact dollar figure on repairs, they still need to be able to do a thorough visual inspection, identify problems, and provide photo documentation.

**Q: What is your policy when it comes to occupied interiors—are there certain steps that need to be done? Should an agent or broker try to estimate the cost of repair for an interior if he or she hasn't actually been inside the property? How far should an agent or broker go to accommodate a homeowner's schedule?**

**A:** A general rule is if the property looks bad from the outside, then it is also likely to have issues on the inside. Putting a dollar figure to that amount is very difficult, as work needed could be cosmetic, structural, or both. We can make some general assumptions regarding the repair of a property, but until a visual inspection is conducted, it's strictly an assumed value. Most of the time, we are going to get very limited cooperation when it comes to occupied properties. We do encounter scenarios where the occupant wants to buy the home. In that case, we require the occupants to be very accommodating to our agents.