



**JAMES G. DIBBINI  
& ASSOCIATES, P.C.**  
*Attorneys At Law*  
**TRUST. COMMITMENT. INTEGRITY.**



## Buying Foreclosed Property with Occupants Still Inside: What You Need to Know

□ Purchasing a property at auction or as a bank-owned (REO) asset can be a lucrative investment opportunity, particularly for those looking to secure real estate at a below-market price. However, it's crucial to proceed with caution—especially when the property is still occupied by the former owner or tenant. At James G. Dibbini & Associates, P.C., we regularly assist investors, homebuyers, and developers with the legal intricacies of purchasing distressed or foreclosed properties. Here's what you need to know before you bid.

### ⚖️ Key Considerations Before You Buy

#### 1. Occupancy Status:

Many properties sold at foreclosure auctions or as REOs are still occupied—often by the previous owner who has not vacated the premises. This can complicate your ability to take possession of the property, especially in jurisdictions with strong protections for occupants.

#### 2. Legal Eviction Process Required:

You cannot forcibly remove someone from a property you purchase—even if they no longer have ownership rights. You'll likely need to initiate a legal eviction/holdover proceeding. The process can vary depending on local laws and the occupant's status (e.g., former owner vs. tenant vs. unauthorized occupant).

#### 3. No Interior Inspection At Auction:

Buyers often have limited or no access to inspect the interior of the property. This means you could be purchasing a property with significant damage, hoarding conditions, or costly repair needs.

### □ Pros of Buying Foreclosed or REO Properties

- Potential for discounted pricing: These properties are often listed below market value, offering opportunity for equity growth.
- Motivated sellers (in REO cases): Banks are typically eager to dispose of REO inventory quickly.
- Investment upside: Great for investors willing to navigate the legal and logistical hurdles.

### ⚠️ Cons to Be Aware Of

- Legal costs and delays: Eviction or legal action to remove occupants can take time and increase your total investment cost.
- Property condition unknown: With no access pre-purchase, you risk costly repairs post-closing.
- Title insurance at auction: Auction purchases may come with title issues unless vetted beforehand.

## □ **How Our Firm Can Help**

At James G. Dibbini & Associates, P.C., we provide end-to-end legal support for buyers considering auction or REO properties, including:

- Due diligence & vetting: We research title history, liens, and occupancy status before you buy.
- Purchase support: Our attorneys assist with negotiations, contracts and closings.
- Post-purchase legal action: We handle evictions/holdover proceedings, and help you take legal possession of the property.

□ Contact us today to schedule a consultation before your next property bid. Buying a foreclosed property with an occupant still in place can be a smart move—but only with proper legal guidance to protect your investment.

The attorneys at James G. Dibbini & Associates, P.C. collectively have over 60 years of experience providing legal services in the areas of:

- [Landlord & Tenant Law](#)
- [DHCR Representation](#)
- [Business Formations](#)
- [Commercial & Residential Real Estate Closings](#)
- [General Business Law](#)
- [Civil Litigation](#)
- [Zoning Issues and Variances](#)
- [Housing and Building Code Violation Matters](#)
- [Wills, Trusts & Estates](#)

---

---

**James G. Dibbini & Associates, P.C.**  
**570 Yonkers Avenue**  
**Yonkers, NY 10704**  
**(914) 240-8270**

This James G. Dibbini & Associates, P.C. Newsletter is a publication of James G. Dibbini & Associates, P.C. All Rights Reserved. Quotation with attribution is permitted. This newsletter offers general information and should not be taken or used as legal advice for specific situations, which depend on the evaluation of precise factual circumstances. Please note that James G. Dibbini & Associates, P.C. does not undertake to update its publications after their publication date to reflect subsequent developments. Prior results do not guarantee a similar outcome. This publication may contain attorney advertising.

---

---



James G. Dibbini & Associates, P.C. | 570 Yonkers Avenue | Yonkers, NY 10704 US

[Unsubscribe](#) | [Update Profile](#) | [Constant Contact Data Notice](#)



Try email marketing for free today!