

I was hired to write a 750 word article on the title subject. I was completely unfamiliar with the subject, yet the work was finished in less than 1 hour.

How To Avoid We Buy Houses Scams

By James Loram

If you've got a property for sale and you are willing to accept an all-cash offer—and you let the world know this—get ready for the “we buy houses” scam artists. These so-called companies will leave their dark shadows and come out into the light to try to take advantage of your situation. Yes, there are some legitimate companies that want to buy your house for cash and that will make legitimate offers that are not 90% below your asking price. But there might be an equal amount of bad companies with bad intentions.

How the scam typically works

A company will approach you with a cash offer on your house. They will call themselves “off-market buyers.” The offer could be slightly under or over or right at your asking price. They will then offer to handle all the details for you, but (here's the catch), you'll have to pay them an up-front fee to make the magic deal happen. These fees are in the thousands of dollars. If you send them the money, they will at that point ghost you. This is how they take you. Don't fall for this!

Even worse, they may work with you by tricking you into signing over your home ownership to them. This would be a worst-case scenario. Losing your house and not getting a dime in return would be devastating. Here's three red flags you can use to spot and avoid the we buy houses scammers.

1. The company doesn't actually exist!

If you are contacted by someone who has a website and a business card, don't automatically assume they are legitimate. These fake companies can easily set up a web presence for \$10 and get business cards for free from a few websites.

You'll need to do something called due diligence. The acronym for this is DYOR or do your own research—and it's imperative you do. First, a quick google search will tell you a lot. Do they have a full interactive website? Are there any reviews of the company? Another best practice would be to look them up at the Better Business Bureau. If they have a low negative rating or if they aren't even listed, avoid them completely.

Also, pay attention to their responses and their response times when you touch base with them. Don't move forward with the sale if you get the feeling you are one of a multitude of home sellers they are talking to. If they don't respond right away and don't give a legitimate reason for the delay (buyer is working on acquiring funds, etc.), you could be dealing with a bad buyer.

2. Are they asking FOR money and not asking to GIVE you money?

Whenever there is a home purchase, the purchaser is who spends the money and the seller is who makes the money. If a company wants you to give them money so they can buy your house, tell them to pound sand. A legitimate buyer will be willing to actually provide earnest money, which is a small percentage of the asking price, proving they are serious about buying your house.

3. The buyer decides they are willing to buy without a glance.

Scammers like to move quickly. The reason is because the longer the we buy houses scammers are in communication with the person they are trying to scam, the higher the risk of getting caught. This is why you will often times get a cash offer from them without a single stipulation.

This is a huge red flag. Who would be willing to buy a house without at least a basic inspection or, even worse, sight unseen? Nobody who is legitimate would be willing to take that risk.

What to expect with a legitimate cash buyer

First, if a company wants to buy your house for cash, and you research to find out they are legitimate, that's great news! Selling your house for cash is a great way to make the most from your house sale. Here are some things to look for from a legit company.

- **Personalized service.** You should hear from a real person who is happy to help you with your sale. You should get a name and a direct phone number to that person so you can contact them any time with questions or concerns.
- **An evaluation or inspection.** Any real cash buying company will want to at the very least have their representative evaluate your property with an in-person visit. Even better, a quick visit from a home inspector is a big clue you are dealing with a proper company.
- **Money flows to you, not the other way around.** A real home buying company will never ask you for money up front. Look to receive a down payment or earnest money at they very least.

Moving forward with a cash offer from an off-market buyer may seem risky, but following the above advice should steer you clear. It's the best way how to avoid "We Buy Houses" scams.