

# **‘Broker Price Opinion Basics 101’**

## Course Outline and Syllabus

Certified Real Estate Instructor: Nicole Ocean

Nicole@Bpo-University.com

Classes held: First Monday and Tuesday of every month, 9 am-2 pm

(360) 224-6988

**Required Text:** Nicole Ocean, *“All You Ever Wanted to Know About Broker Price Opinions.”* (BPO University, 2010)

### **Scope of Course:**

This course focuses on the basics concepts surrounding Broker Price Opinions. The lessons from the class provide a firm foundation for any real estate professionals wanting to learn valuable aspects and applications that apply to Broker Price Opinion work. Anyone taking this class will leave with a solid understanding of the business and how to accurately do BPO orders.

The course generally will be organized as follows:

#### **1. Module One** (Approximately 15 minutes)

- What Exactly Is a BPO?
- Definition of a BPO Report
- Common Reasons Why BPO’s Are Used

#### **2. Module Two** (Approximately 15 minutes)

- Current State of BPO Market
- Why is BPO Work Available?
- Reasons for the ‘Mortgage Meltdown’

#### **3. Module Three** (Approximately 30 minutes)

- Common Myths in the BPO Business
  - What States Is It Illegal to do BPO’s?
  - Regulations Explained
  - I Need a Special Designation or Certification to do BPO’s
  - There’s Too Much Competition Now
  - There Isn’t Enough Work for Everyone
  - One BPO/REO Company Has All of the Work
  - Companies Aren’t Accepting New BPO Agents
  - Top 10 Companies Who Are Still Accepting New BPO Agents
  - I Won’t Be Able to Get Any REO Listings
  - BPO’s Won’t Be Around Much Longer Anyway

**4. Module Four** (Approximately 30 minutes)

- Intro to 'BPO Basics 101'
- Who is Allowed to do BPO Work?
- How Much Can You Expect to Make?
- Types of BPO Orders
- Typical Fees for BPO Orders
- Trend in Price Reduction of Fees
- When Will I Get Paid?
- What Do You Need to Sign Up?
- What Type of Equipment Do You Need?

**5. Module Five** (Approximately 30 minutes)

- Sample BPO Forms
- Main Types of BPO Forms
- Sample Freddie Mac 1092 BPO Form
- Sample Fannie Mae BPO Form
- Sample Photos of the Subject Property
- Sample Comp Photos
- Small Group Activity: "A Day in the Life of a BPO Agent."

**6. Module Six** (Approximately 15 minutes)

- Basic Concepts to Know Before Filling Out a BPO Form
- Life Cycle of a BPO Report
- Property Types
- Property Styles

**7. Module Seven** (Approximately 1 hour)

- Broker Price Opinion Standards and Guidelines
- Making History by Creating Standards and Guidelines
- History Behind the BPOSG
- Quick Breakdown of the Standards and Guidelines
- Broker Price Opinion Standards
- What Are the BPO Standards
  - Limitations
  - Ethics and Conduct
  - Competency
  - Applicability

## **8. Module Eight** (Approximately 1 hour and 15 minutes)

- Broker Price Opinion Guidelines
- What Are the BPO Guidelines?
  - Guidelines to Consider When Doing BPO Orders
  - What If You Have To Go Out Further to Find Good Comps?
  - When Picking Comps....Compare 'Apples to Apples.'
  - Variance Range for Square Footage
  - Variance Range for Lot Size
  - Variance Range for Age
  - Understanding Room Count
  - Not Considered Rooms....
  - Understanding Bedroom Count
  - Bed/Bath Count Expectations
  - Understanding Bathroom Count
  - Physical Characteristics
  - Comments, Comments, Comments
  - Comparable Selections Based on Market Conditions
    - Normal Market
    - Stable Market
    - Rapid Market
  - Lack of Comparables
  - Comparable Application
  - Basement and Below Grade Area
  - BPO Applicability
  - Rating the Property/Neighborhood
  - Understanding Photo Requirements
    - Exterior Photos
    - Interior Photos
    - Extra Photos
    - Don't Take Photos of....
- First American's Guidelines
- Individual Exercise (Quick Exercise in Converting)

## **9. Module Nine** (Approximately 2 hours and 30 minutes)

- How Do You Complete and Fill Out a BPO?
- Overall Plan of Action
- Let's Walk Through a BPO Orders
  - Researching the Subject Property
    - County Tax Records/Assessor's Website
    - Researching the Subject Property in the MLS
    - Use More Sources to Verify Information
- Assessor's Information Sheet
- Find Your Comps Within the MLS
- Filling in a BPO Form
- "Cookie Cutter Phrases"
- How To Do Adjustments Correctly
- Finding the Current Market Value
- Small Group Activity: "Do Your Own BPO Now."

## **10. Module Ten** (Approximately 1 hour)

- Using Automation Software to Streamline Your BPO Business
- Basics Concepts About BPO Automation Software
- Individual Activity: “Let’s Do A Basic Info Macro.”
- Quick Overview
- Beating Out Competition by Using Auto-Accept Software
- Basic Concepts About Auto-Accept Software
- There Are No Guarantees...

## **11. Module Eleven** (Approximately 30 minutes)

- Creating and Setting Up an Order Tracking System
- Backing Up Your BPO Forms and Pictures
- Staying Organized
- How to Create ‘Log-in’ Macros
- Individual Activity: “Let’s Do Some ‘Log-in’ Macros.”

## **12. Module Twelve** (Approximately 30 minutes)

- Vendor Rating System
- Actual Agent QC Rating Methodology
- List of 120 BPO, REO and Asset Management Companies
- Where to Go For REO Education and Training
- Question and Answer

### **Overview and preparation** (approximately 9 clock hours)

I will adjust our pace as appropriate rather than adhere strictly to the schedule.

### **Curriculum:**

The curriculum will balance a practical “how to” approach with an academic perspective. I will supplement the class with valuable handouts, usually of sample documents used in the BPO industry and of various individual exercises. I will also provide learning opportunities through hands-on activities; both in small group settings and individually.

### **Method of Instruction:**

The course will combine lectures, a PowerPoint presentation, small group activity, handouts and classroom discussion. They will be provided with a paperback version of the required text as well as handouts and a CD with a copy of all learning material from the class.

**Grading:** Attendees will not be graded. An in-class exam is not required.

### **Attendance Policy:**

Anyone who attended must be there for the full length of the class in order to receive full clock hours. They may attend another session if they miss a day to make up for time lost for not attending either day of instruction. A full nine hours of attendance in the classroom is required for them to receive full clock hours.