

How to Buy Bank Defaulted Property

Recently the Choburi Provincial government and the Thailand Asset Management Corporation (TAMC) held a seminar on how foreigners and Thai citizens can buy properties formerly held by banks as underlying assets of non-performing bank loans (NPLs). This was the first time such a seminar has ever been held in Thailand. Several hundred of the region's leading property developers and investors attended the seminar at the Dusit Resort Pattaya focusing on how to buy land, condominiums, houses, industrial estate sites and warehouse sites in Chonburi Province which have been seized by banks for non-payment of loans.

Pinyo Tunviset, Chairman of the Chonburi Provincial Council, and Chonburi Deputy Governor Komson Easochai opened the meeting by explaining the rapid growth expected for Chonburi and most particularly Pattaya and the valuable opportunity TAMC is offering investors and developers wishing to purchase area property at low prices. Drew Noyes, Managing Director of PAPP, Co., Ltd.,

one of Pattaya's leading property development companies, was the MC for the investment seminar and organized the foreign investors in attendance.

TAMC Executive Vice President Chowalat Chowchawanil explained that property seized as a direct result of the 1997 financial crisis valued at 775 billion baht in non performing loans needed to be restructured and the non-performing assets sold to the highest bidder. This year 45 billion baht of property has been made available for sale and next year 125 billion baht of property will be restructured and sold, he said. Chowalat also clearly explained the process one would go through to buy TAMC properties and that the entire process was completely transparent with no hidden costs. Buyers pay no taxes, transfer fees or commissions on the subject property, Chowalat explained.

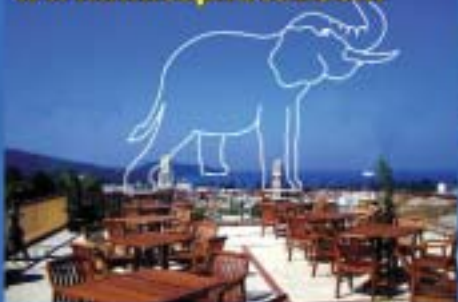
He stated that interested parties may go to the TAMC website www.tamc.or.th and view properties available for sale. The first step by TAMC is the listing of the property on the website as available for sale, the TAMC Executive VP explained. If the asset is valued at under 20 million baht the registration period is 15 days and over 20 million baht the registration period is 30

days, he said. The registration guarantee fee to bid is fifty thousand baht and is refundable if the bidder is not successful, he added. After the registration period a three-day waiting period is enacted after which time prospective buyers may make a sealed bid by delivering it directly to the TAMC office, he continued. TAMC is located on the 19th floor of the Import Export (EXIM) Building at 1193 Phaholyothin Road in Bangkok. The call center number is 02.265.5198.

If the minimum bid is not reached after the sealed bid auction, then the property is listed on the website as available and for immediate sale and the value expected is shown on the Internet. Investors can see photos, maps, title deed numbers, sizing and pricing on the website and can then negotiate directly with TAMC on the amount. The website shows property all over Thailand and users can pinpoint by province properties to view. A ten percent deposit is required when the negotiated price is set and the buyer has another 30 days to deposit an additional ten percent and arrange financing with a bank, if needed. The TAMC is prepared to transfer title deeds within thirty days.

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