



# Selling Broker Handbook

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A Guide to Selling HUD Homes in  
Alaska, California, Hawaii, Oregon, and Washington

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## 1.0 Introduction

This Selling Broker Handbook, presented by BLB Resources, Inc. (DBA BLB Resources), is intended to act as a general guide for selling U.S. Department of Housing and Urban Development (HUD) Homes. This document addresses the most commonly asked questions regarding what a HUD Home is, and how it is sold. It also discusses the processes and procedures that a Selling Broker/Agent is required to fulfill. This document applies to HUD Homes in the states of Alaska, Hawaii, Oregon, Washington, Guam, Northern Mariana Islands, and American Samoa, and the Southern California counties of Imperial, Los Angeles, Orange, Riverside, San Bernardino, San Diego, Santa Barbara, and Ventura, and is subject to periodic review and change.

### 1.1 Who is BLB Resources?

BLB Resources was incorporated in 2002 and is a woman-owned business. Our corporate office is located in Irvine, California, and we maintain a branch office in Southfield, Michigan. Susie Gaston, President and sole Owner, has over 30 years of successful HUD REO sales and marketing experience, with over 1,200 personal HUD Home sales. The management team includes Rod Gaston, CEO and Broker of Record, who also has over 30 years of experience, and has personally sold over 4,400 HUD Homes.

This depth of experience and knowledge enables us to better understand your HUD selling opportunities and challenges. We care about your success, appreciate your business, and strive to simplify the HUD Home buying process. Let us know what we can do to better serve you by contacting us at [CSRDept@blbresources.com](mailto:CSRDept@blbresources.com).

HUD awarded BLB Resources three separate contracts to provide **Asset Management (AM)** services for HUD Homes throughout the country, in the following areas:

- Michigan
- Arizona, Idaho, and Nevada
- Alaska, California, Hawaii, Oregon, Washington, Guam, Northern Mariana Islands, American Samoa

### 1.2 What is a HUD Home?

A home that has gone into mortgage default with a loan that is insured by the Federal Housing Administration (FHA) is referred to as a HUD Home. When this occurs, the lender takes possession of the property and conveys ownership to HUD. HUD then sells the home through their AM contractor, such as BLB Resources. A HUD Home may be a single-family house, townhouse, condominium, mobile home or a multiple family attached home up to 4 units.

### 1.3 Who handles the property preservation and protection services?

**Field Service Managers (FSMs)** are companies that provide property preservation and protection services consisting of, but not limited to, inspecting and securing the property, performing cosmetic enhancements and/or repairs, and providing ongoing maintenance. Each HUD Home is assigned to one FSM, and there are multiple FSMs in each contract area. If you are looking for FSM contact information for a particular property, please locate that property at [www.HUDHomestore.com](http://www.HUDHomestore.com), and then click on the “Agent Info” tab.

The FSMs for the contract areas that BLB Resources currently serves are as follows:

Area	State(s)	AM Contractor(s)	FSM Contractor(s)
3S	AZ	BLB Resources	CWIS
4S	ID, NV	BLB Resources	PK Management Group
5S	CA, HI	BLB Resources PEMCO	Sentinel Field Services
6S	AK, OR, WA	BLB Resources PEMCO	Sentinel Field Services
1P	MI	BLB Resources Cityside/HHN	Asset Management Specialists A-Sons Construction IEI-Tidewater Sigma Construction

### 1.4 Who can sell a HUD Home?

Any real estate broker registered with HUD, or real estate agent working for a registered broker, may facilitate the sale of a HUD Home. All brokers **MUST** be registered with HUD prior to submitting an electronic bid. Only licensed brokers/agents that are registered with HUD and have an active NAID (Name and Address Identifier) may submit these bids. For details on the registration process, please see [Section 4.0 NAID Application Process](#) in this Handbook and the [NAID Application](#) page on [www.HUDHomestore.com](http://www.HUDHomestore.com). Please note: Brokers will be required to renew their NAID registration with HUD annually. In addition, both the NAID-registered broker **and** the selling agent must also be registered to bid on [www.HUDHomestore.com](http://www.HUDHomestore.com). Please also note that **an active NAID is not required to show HUD homes**, but is required to submit bids.

### 1.5 Who can purchase a HUD Home?

HUD Homes may be purchased by any individual, company, HUD-approved non-profit organization, or government entity that can secure financing or pay cash for the property.

Please note that Local Listing Brokers (LLBs), their affiliates, owners, managers, employees, sales agents, brokers, and family members and business partners of the aforementioned are prohibited from purchasing any HUD Homes. Employees of any HUD contractor (such as the AM, FSM, or HUD Designated Closing Agent) or sub-contractor (such as the FSM’s vendors, the appraiser, or other AM vendors), and their family members, are also prohibited from purchasing a HUD Home.

### 1.6 What are the different purchaser types?

There are five purchaser types: Owner Occupant, Investor, Good Neighbor Next Door participants, Government Entities, and Nonprofit Organizations.

An **owner occupant** is a person who plans to live in the property as their primary residence for at least one (1) year, and has not purchased another HUD Home as an owner occupant within the past two (2) years.

An **investor** purchaser is someone who buys the property as a second home or as an investment, or who does not qualify as an owner occupant.



A **GNND participant** is a qualifying officer, teacher, firefighter, or emergency medical technician (EMT). Please see [Section 9.1 Good Neighbor Next Door \(GNND\) Sales Program](#) for eligibility and other program requirements.

**Government entities**, including counties, cities, and townships, foster housing opportunities by purchasing HUD Homes at a discount, making any necessary repairs, and then reselling the homes to low to moderate income families. Only government entities can purchase Dollar Homes (please see [Section 9.2 Dollar Home Program](#)).

HUD-approved **nonprofit organizations** may also purchase homes for rehabilitation and resale to first-time homebuyers and low to moderate income families. Nonprofits may not bid on Dollar Homes, and will only receive a discount if the property is purchased during the Lottery period. Please see [Section 9.3 Programs for Approved Nonprofits](#) for details.

### 1.7 How do I purchase a HUD Home?

After selecting a property, interested purchasers submit their bids via [www.HUDHomestore.com](http://www.HUDHomestore.com). A HUD-registered broker or real estate agent must submit an electronic bid on behalf of an owner occupant, investor, or Good Neighbor Next Door purchaser. Registered non-profit organizations and government entities may submit bids without the use of a real estate agent. BLB Resources reviews the bids after the bid deadline, and selects the bid in the best interest of HUD, usually the bid with the highest acceptable net to HUD. Up to three (3) back-up offers may also be selected, that will be honored until the property closes. The purchaser is required to submit a complete and accurate contract package within two (2) business days of bid acceptance, which includes a pre-qualification letter from a lender for purchasers obtaining financing or proof of funds for at least the amount of the purchase price for cash purchasers.

Please note that BLB Resources requires a valid **pre-qualification** letter from a lender for purchasers obtaining financing. However, HUD's earnest money deposit forfeiture policy requires a **pre-approval** letter. Please see [Section 11.2 Forfeiture of Earnest Money Deposits](#) for more information.

### 1.8 How do I find HUD Homes available to purchase?

HUD Homes are marketed on the local Multiple Listing Service (MLS) and on HUD's national bid site, [www.HUDHomestore.com](http://www.HUDHomestore.com). Local Listing Brokers (LLBs) also market HUD Homes through numerous methods, such as print advertisements, social media, flyers, and real estate websites. Please note that property information on [www.HUDHomestore.com](http://www.HUDHomestore.com) supersedes information in the MLS or any other advertising source.

### 1.9 When are new and relisted properties released for sale?

Please visit [www.HUDHomestore.com](http://www.HUDHomestore.com) frequently for the latest HUD inventory. BLB Resources may release new and relisted (when applicable) properties for sale on a daily basis, Monday through Saturday, by 1:00 a.m.

### 1.10 How is the list price of HUD Homes established?

BLB Resources obtains an FHA appraisal on all properties assigned to us prior to listing the property for sale at fair market value. The appraiser evaluates the market and takes into consideration many factors, including the property's age, condition, functional utility, and subject market reaction to the various property features and amenities (including pool/spa, garage/carport, basement, etc.). These factors also influence the insurability of the property, which in turn determines the eligibility of the various purchaser types.

## 1.11 What is the Exclusive Listing Period for HUD homes?

When a HUD Home is first listed for sale, priority is given to owner occupants, non-profit organizations, and government entities. The duration of this Exclusive Listing Period will vary depending on the property's FHA insurability. Please see [Section 3.0 Financing Types](#) in this Handbook for more information regarding insurability.

If the property is being sold as Insured (**IN**) or Insured with Escrow (**IE**), the Exclusive Listing Period is 15 days for owner occupant purchasers, non-profit organizations, and government entities. Bids received during the first 10 days are considered to be received simultaneously (i.e., there is no priority given to bids submitted earlier in the bid period than bids submitted later), and the **initial bid review is on the 11<sup>th</sup> day** of the Exclusive Listing Period. If there is no winning bid, bids continue to be reviewed on a **daily** basis until the 15-day period ends, at which time it enters the Extended Listing Period if there are no winning bids.

Please note: if a property listed as IN/IE has a bid accepted before reaching the end of the 15-day exclusive listing period, that listing period is paused for the duration of the escrow period. If the property falls out of escrow and is relisted, it will return to the exclusive listing period until the end of the 15 day exclusive period has been reached.

- For example: An IN property has a bid accepted on day 12 of the 15-day exclusive listing period, then 2 months later falls out of escrow. If there are no backup bidders awarded, the property will be relisted for the remaining 3 days of the 15-day exclusive listing period. At the end of the 15 days, the property then enters the Extended Listing Period.

If the property is Uninsured (**UI**) or Uninsured 203(k) eligible (**UK**), the Exclusive Listing Period is 5 days for owner occupant purchasers, non-profit organizations, and government entities. Bids received during these 5 days are considered as though they are received simultaneously (i.e., there is no priority given to bids submitted earlier in the bid period than bids submitted later), and are not opened until **the 6<sup>th</sup> day** of the Exclusive Listing Period, at which time it enters the Extended Listing Period if there are no winning bids.

Bids received on Fridays, Saturdays, and Sundays in the same bid period will be considered as being received simultaneously during that period and will be opened on the following Monday or the next business day if Monday is a Federal holiday.

Bids received on a Federal holiday in the same bid period will be considered as being received on the previous day and will be opened on the next business day. For example, if Wednesday is a Federal holiday, bids received on Tuesday and Wednesday will be opened and reviewed on Thursday (or on the next business day, if Thursday is also a Federal holiday).

## 1.12 What is the Extended Listing Period for HUD homes?

After the Exclusive Listing Period has expired, all unsold properties enter the Extended Listing Period. These properties are available for all purchasers, including investors, until an acceptable bid is submitted. Bids are reviewed the next business day following submission.

## 1.13 What is the Lottery Period?

Certain property eligibilities allow Good Neighbor Next Door participants, HUD registered non-profit organizations, and/or government entities to bid on the property prior to becoming available to Owner Occupant bids. These properties, which are usually located in HUD designated revitalization areas or are in areas

determined to be uninsurable, are available in the Lottery period for 7 days. If there are no winning bids when the Lottery period ends, these properties then enter the Exclusive Listing Period for 5 or 30 days, depending on the insurability of the property.

### 1.14 When can investors submit bids?

Investors may submit bids on all properties during the Extended Listing Period.

### 1.15 Can residents of other countries (such as Canada or Mexico) purchase a HUD Home?

Yes, HUD homes may be purchased by residents of other countries (referred to as foreign nationals), provided they can secure financing or pay cash for the property. Please note that when a bid for a foreign national is submitted, a valid identification number **must** be entered in the Social Security Number field. If the purchaser does not have or is not able to obtain a Social Security Number, they must contact the IRS to obtain a Tax Identification Number prior to submitting a bid. Also, if the foreign national is intending to purchase a HUD Home as an owner occupant, the purchaser may be required to show proof of ability to live in the U.S. in order to satisfy the minimum one (1) year occupancy requirement (e.g., permanent residency card, work visa, etc.).

### 1.16 May more than one bid be submitted?

Purchasers may submit bids on as many properties as they choose, but can only submit one bid per property per bidding period. If the listing period remains the same on Friday, Saturday, and Sunday (and Monday if it's a Federal holiday), agents/brokers may submit only one bid during that time period for each purchaser.

If the listing period changes on Friday, Saturday, or Sunday (or Monday if it's a Federal holiday), agents/brokers will be able to submit two bids for the same purchaser during that time period: one bid during the earlier listing period and one bid during the later listing period. For example, if a property is listed as Insured (IN) and the 15-day Exclusive Listing Period ends on a Friday, the agent may submit one bid on Friday and another bid on either Saturday or Sunday.

For clarification purposes of this process, bids are submitted during the open bidding time period (Lottery, Exclusive, or Extended), and the last day of that period is the deadline. The following day is called the "bid opening" or "bid review" date, and on that day BLB Resources selects and awards the bid that is in the best interest of HUD.

Prior to the bid deadline, a bid may be modified or cancelled by the agent. After the bid opening date, the bid cannot be modified, but the agent can cancel it and then submit a new bid if the property is relisted. Please note that due to possible back up bids, not all properties will be relisted if an accepted bid/contract is cancelled.

Please note that an Owner Occupant purchaser can only be awarded **one** Owner Occupant bid, therefore, if one award is made, any other Owner Occupant bids by that purchaser would be disqualified. Contrary to this, Investors can be awarded **multiple** Investor bids, provided they can prove adequate financing or pay cash.

### 1.17 Will HUD pay for any closing costs and the selling agent's commission?

HUD will pay up to 3% of the gross purchase price in closing costs that are considered to be reasonable and customary in the jurisdiction where the property is located, if submitted in the bid. Closing costs should be entered on Line 5 of the Sales Contract and must match the electronic bid. HUD will pay the lesser of either the



amount requested on Line 5 or the actual closing costs. Any funds remaining after the allowable closing costs have been paid will not be credited to the purchaser at closing. Please refer to the most recent HUD Housing Notices for additional information regarding closing costs.

HUD also allows, and will pay, up to **3%** of the purchase price for the selling agent's commission, which should be entered on Line 6a of the Sales Contract. Line 6b denotes the Local Listing Broker's commission, which is 3% of the purchase price.

Selling and Listing Brokers are eligible to receive a \$1,250 commission on select HUD Homes, regardless of the list price and purchase price. These properties are notated in the MLS listing and are also identified on [www.HUDHomestore.com](http://www.HUDHomestore.com) with a symbol of a person and a dollar sign in a little bubble (like this: ) in the status column of the Property Search results. Please be advised that the commission on these properties is established from the list price, not the purchase price.

The submitted bid is the final determination of the selling agent commission amount, and may not be modified after bid acceptance under any circumstances. Note that higher closing costs and commissions will reduce the net to HUD, and may affect the competitive bidding ratio. Only the selling agent may choose to reduce his/her commission; the LLB commission may not be reduced.

HUD does not pay any closing costs or commissions on Good Neighbor Next Door (GNND) properties. Please note that even though GNND participants are required to utilize a real estate agent to submit their bids, HUD will not pay the selling agent commission; however, if FHA financing is used, the purchaser may add closing costs and commissions to their loan. Please also note that HUD does not pay closing costs or commissions on Dollar Homes or properties sold to non-profit organizations or government entities.

### **1.18 When can the purchaser get a home inspection done?**

**All HUD Homes are sold "As Is."** HUD does not make any repairs to the property, and does not guarantee or make any representations or warranties as to the condition of the property. Therefore it is important that the purchaser do a visual inspection of the property prior to submitting a bid. The purchaser is also encouraged to have a professional home inspection performed with the utilities activated, within 15 days **AFTER** the contract has been accepted and signed by HUD. All inspections, tests, and risk assessments are performed at the purchaser's expense.

Please note that the purchaser must request permission to activate the utilities with the FSM assigned to the property, which may require a non-refundable deposit. The purchaser will be responsible for any damage that occurs as a result of the inspection. Please contact the assigned FSM directly with any questions regarding the utility activation process and to obtain the necessary forms. Submission of the request form does not guarantee that the FSM will grant permission for the purchaser to activate utilities. If the FSM denies the request, the purchaser may still obtain an inspection but may not activate utilities.

Please be advised that the 15-day inspection period applies to owner occupant purchasers only. Investors may inspect the property but will forfeit the entire earnest money deposit regardless of the inspection results if they cancel their transaction.

Please note that pools are not to be filled at any time. HUD REO properties do not require pools to be filled, which differs from front-end FHA transactions. Pools are also not required to be covered as long as there is a secure fence surrounding the backyard. HUD directive states that the lender is to obtain an "as is" statement from the purchaser accepting the pool in "as is" condition. If the underwriter will not accept this method, the



transaction must be cancelled. In this situation, please submit a “Cancellation Request” form, along with a lender denial letter as supporting documentation. Please be advised that if BLB Resources discovers that the pool has been filled, it is grounds for cancellation of the transaction.

### **1.19 Who may advertise HUD Homes? What guidelines must they follow?**

Any licensed real estate broker or agent may advertise HUD homes, as long as they have an active NAID. All advertising of HUD Homes must comply with all applicable Federal and state laws, rules and regulations, including but not limited to: the advertising guidelines specified in HUD Handbook 4310.5 Rev. 2, Section 9-18 Broker Advertising; Truth & Lending and Z regulations; Equal Housing guidelines, including utilization of the Equal Housing Opportunity logo; and Federal Criminal Statute 18 U.S.C. § 709, “False advertising or misuse of names to indicate Federal agency,” which prohibits the use of the words “HUD” or “FHA” in the URL, company name, or logo. Use of other names are also prohibited, please refer to aforementioned statute for full list.

HUD homes may not be advertised by the LLB or any other real estate agent or broker until the property is listed for sale. “Coming soon” or other similar signs or advertising is prohibited. Only the LLB assigned to a property may place signage on the property. Please do not destroy, damage or remove the advertising or signage of another HUD-registered selling or listing agent.

In addition, advertising may not imply that the agent or broker is the exclusive listing agent (unless it is the LLB advertising their own listings). Please advertise HUD Homes in a professional, ethical, and positive manner, ensuring that you note any flood plain zones or other disclosures as it appears on the property’s HUDHomestore.com listing. Please refrain from referring to properties as “distressed,” “repo,” “foreclosed,” “repossessed,” “must sell” or any other adjectives with notable negative connotation. It is acceptable to refer to properties as “HUD Homes,” “HUD-owned,” or “HUD-acquired.”

## 2.0 Important Information about HUD Homes

### 2.1 HUD's "As Is" Policy

HUD Homes are sold in "As Is" condition, and without warranty. BLB Resources and HUD make no representation or warranties, expressed or implied, concerning the condition of the property, and will not make repairs to the property. Since the new owner will be responsible for making any needed repairs, BLB Resources and HUD strongly urges every potential homebuyer to get a professional inspection. As stated in [paragraph 1.18](#) of this Handbook, purchasers have 15 days from the date the contract is accepted by HUD to conduct an inspection. All inspections, tests, and risk assessments are performed at the purchaser's expense.

### 2.2 Listings and Bidding

Real estate agents and the general public can view the inventory of available properties for sale at [www.HUDHomestore.com](http://www.HUDHomestore.com). Real estate agents will also find them in their local MLS. BLB Resources lists new, re-listed, and price reduced properties daily (Monday – Saturday) on this site. The site provides information regarding special programs, NAID registration, contact information for each property's assigned contractors (including the LLB), how to find a HUD registered broker, and HUD News.

Bid submissions must be completed electronically by a HUD registered broker or agent. Selling agents have the ability to update their bids on behalf of their clients until the bid deadline, including changing the bid amount, adding or removing purchasers, and changing financing and occupancy types as applicable. Bid cancellation prior to bid review must be done through [www.HUDHomestore.com](http://www.HUDHomestore.com).

### 2.3 Access to the Property

Electronic lock boxes may be used to gain access to the HUD Homes. Selling brokers and agents should contact the LLB for all access codes. Please note that the LLB is not allowed to sell or give out keys to the HUD Homes, and selling brokers or agents may not remove or make copies of the keys from the lockbox.

The selling broker or agent must accompany all third parties, including but not limited to purchasers, inspectors, contractors, and lenders, when viewing any HUD Home listed for sale. **Please remember to sign in at each visit.** Please note that the selling broker or agent must have a valid real estate license to show the property. A valid NAID is required to place bids on the property, but is **not** required for showings.

Prior to the closing, purchasers are not allowed to enter the home for any amount of time without their real estate agent present. If there are difficulties gaining access to a property, please contact the LLB. Contact information for the LLBs may be found on the property details screen for the specific property on the [www.HUDHomestore.com](http://www.HUDHomestore.com) website.

Please note that the purchaser may not occupy, rekey, or make repairs/improvements to the property until close of escrow has been confirmed (deed has been recorded and wire transfer is complete). Purchaser is responsible for rekeying the property AFTER close of escrow for their own safety. Neither the LLB nor the selling broker or agent may give out the keys, copies of the keys, or lockbox codes to purchasers, inspectors, appraisers, contractors, lenders, or any other parties at any time. Selling agents and LLBs will facilitate access to the property for purchasers to complete inspections and/or perform their rekey. Please note that the LLB will return to the property after close of escrow has been confirmed to retrieve their lockbox and signage.



## 2.4 Occupancy, Repairs, or Improvements Prior to Closing

The following activities are **strictly prohibited** and will be grounds for cancellation of an accepted bid/contract, including forfeiture of the earnest deposit in favor of the Seller:

1. Any work performed on the property prior to close of escrow except for those repairs to be performed by Seller, as expressly provided for in the applicable Purchase Agreement, and only if approved **in writing in advance** by BLB Resources. At a minimum, this includes all repairs, improvements, lock changes, and landscape modifications, including such activity as planting and/or removing trees or plants.
2. Depositing personal property in the home, yard, garage, or anywhere on the property prior to close of escrow.
3. Parking vehicles in the driveway, garage, or anywhere on the property prior to close of escrow.

**Under no circumstances may purchasers occupy the property prior to closing of escrow.**

Please note that the purchaser may not occupy, rekey, or make repairs/improvements to the property until close of escrow has been confirmed (deed has been recorded and wire transfer is complete). The purchaser is responsible for rekeying the property AFTER the close of escrow for their own safety. Neither the LLB nor the selling broker or agent may give out the keys, copies of the keys, or lockbox codes to purchasers, inspectors, appraisers, contractors, lenders, or any other parties at any time. Selling agents and LLBs will facilitate access to the property for purchasers to complete inspections and/or perform their rekey. Please note that the LLB will return to the property after close of escrow has been confirmed to retrieve their lockbox(es) and signage. On behalf of the LLB, we respectfully request that these items are not discarded. If escrow has closed and the LLB has not picked up these items, please contact the LLB for immediate pickup.

Please also be advised that the FSM and its contractors may perform maintenance and/or repairs on the HUD Homes. Agents, purchasers and their contractors may not interfere with or influence the work being performed. For example, if the FSM is replacing a broken window, the purchaser may not instruct the FSM to use a specific type of window.

Inspections are routinely performed by the FSM, its contractors, and the LLBs to ensure compliance with this policy. Any violation of any part of this policy may cause cancellation of the sale, forfeiture of the earnest money deposit, and suspension of the selling broker's NAID and bidding privileges.

## 3.0 Financing Types

HUD Homes may always be purchased using cash, conventional, or other special financing. However, FHA offers financing options that are tailored to HUD Homes. There are many variables that are taken into consideration when the disposition of a property is created. The condition of the property as reflected in the FHA-approved appraisal and the Property Condition Report (PCR) weigh heavily in determining its insurability. When the disposition of the property has been established, the property is initially listed at the as-is appraised value and will reflect the financing acronym that is appropriate. It is vital that real estate agents have a clear understanding of the FHA financing types, and the corresponding acronyms.

### 3.1 (IN) Insurable, FHA 203(b)

Properties listed as Insurable (IN) qualify for FHA 203(b) financing. This disposition represents properties that do not have obvious Minimum Property Requirements (MPR) repairs.

### 3.2 (IE) Insurable with Escrow, FHA 203(b) with Repair Escrow

Properties listed as Insurable with Escrow (IE) qualify for FHA 203(b) with Repair Escrow financing. This disposition represents properties that have MPR repairs which must be addressed post closing. The MPR repairs cannot total more than \$5,500 (\$5,000 repair limit + 10% overage allowance). The necessary repairs and corresponding cost estimates are itemized in the disclosures found on the “Addendums” tab of the Property Details on [www.HUDHomestore.com](http://www.HUDHomestore.com).

The repair escrow amount is the financial responsibility of the purchaser. The repair escrow is **never** a credit to the purchaser. The lender holds the money for repairs in an escrow account until the repairs are completed. FHA allows up to 90 days after closing for MPR repairs to be completed, however some lenders may have different MPR repair deadlines.

When the repairs to the property have been completed, the lender will inspect the contractor’s work and disburse the funds to the appropriate parties. Please note that if the cost of the repairs is less than the escrow repair amount, the lender will apply the unused funds to the purchaser’s principal balance, never cash back to the purchaser.

The repair escrow **only** applies to FHA 203(b) financing. The repair escrow does not apply to financing outside of 203(b) or to cash purchases. If the purchaser is using non-FHA financing (e.g. conventional, USDA, VA, etc.) or paying cash, the repair escrow is not applicable.

Please refer to Mortgagee Letter 00-27 for more information.

### 3.3 (UI) Uninsurable

Properties listed as Uninsurable (UI) do not qualify for FHA 203(b) financing. Typically, these properties have MPR repairs exceeding \$5,000 or may not meet the guidelines for FHA financing for other reasons.

Non-FHA financing and cash purchases are most often used for properties with the disposition of UI.

### 3.4 (UK) Uninsurable – 203(k) Eligible

Properties listed as Uninsurable – 203(k) Eligible (UK) also do not qualify for FHA 203(b) financing. However, these properties may qualify for FHA 203(k) financing. The 203(k) option is a rehabilitation loan for owner occupants only. Many lenders offer both the standard FHA 203(k) and the 203(k) streamlined loan.

### 3.5 Over-Bidding with FHA Financing and 2nd Appraisals

We encourage purchasers to submit their bid based on what they believe to be the appropriate market value for the property. However, please be aware that the purchase price for all financed transactions must be supported by the FHA as-is appraised value of the property. Please note that this differs from standard real estate sales, in which the purchaser may renegotiate the purchase price based on the appraised value. If the purchaser wishes to renegotiate the purchase price of a HUD Home, the contract must be cancelled and the property may then be offered to back up bidders or placed back on the market, available for all bidders in accordance with the listing period to which the property returns.

If a purchaser is securing FHA financing, their lender will be **required** to use HUD’s FHA “As-Is” Appraisal to determine financing limits, unless HUD’s appraisal is over four (4) months old at the time of contract acceptance. A second appraisal may not be ordered to facilitate support of a higher purchase price. In the event the FHA appraisal is over four (4) months old at the time of acceptance, the purchaser’s lender will be required to obtain a new FHA “As-Is” appraisal at the purchaser’s expense. If a purchaser’s bid is accepted, and their bid amount is in excess of the FHA appraised value, **the purchaser must pay the difference between the bid amount and the appraised value in cash.** FHA will not approve a loan amount that is greater than the appraised value of the property.

Please note that there may be situations where the list price will be less than the FHA as-is appraised value (for example, if we have processed a price reduction on the property). The purchaser’s bid amount might be more than the list price yet less than the FHA as-is appraised value. In this situation, the purchaser would not be required to come up with the difference between the purchase price and the list price, because the purchase price is still less than the FHA as-is appraised value. The requirement to pay the difference in cash only applies if the purchaser overbids the FHA as-is appraised value (which the purchaser may do even if the list price has been reduced), so **please be mindful of the FHA as-is appraised value vs. the actual list price.**

If a purchaser is securing a loan that does not involve FHA financing, then the purchaser’s lender will always order a new appraisal on the property at the purchaser’s expense, regardless of whether they overbid the property or not.

### 3.6 Gift Funds

There are many options for financing the purchase of a HUD Home, including gift funds. If a purchaser is utilizing gift funds as any portion of the down payment, certain guidelines must be met for the funds to be considered acceptable. Gift funds may be provided by the purchaser’s family, employer, friend, or charitable organization, but there must be no expected or implied repayment of the funds. Also, the gift cannot be received from a person or entity with an interest in the sale of the property, such as the seller, real estate agent or broker, builder, lender or any other associated person or entity.

Additional information on the gift fund requirements may be found by viewing the following link on HUD’s website. Please also contact the purchaser’s lender for any other requirements, as the lender is responsible for verifying that the closing agent received the funds and that the funds were from an acceptable source.



[HUD Handbook 4155.1, Chapter 5, Section B, Topic 4 Page 5-B-10](#)

When the purchaser is utilizing gift funds, a Gift Letter must accompany the sales contract package submitted to BLB Resources, as part of the purchaser's proof of funds. The "Gift Letter" template found on the [BLB Resources, Inc. Forms Download page](#) includes the following 10 items as required by HUD:

1. The dollar amount of the gift
2. Name of the donor
3. The donor's signature
4. Address of the donor
5. Telephone number of the donor
6. Donor's relationship to the recipient/purchaser
7. Name of the purchaser
8. The purchaser's signature
9. A statement that no repayment is required
10. A statement asserting that the funds were not provided by any person or entity with an interest in the sale of the property.

Please ensure that the Gift Letter also references the FHA Case Number and Property Address. In addition to the Gift Letter, the purchaser must also include a copy of the gift check or bank statement from the donor reflecting the gift withdrawal, as well as a copy of the deposit receipt or purchaser's bank statement evidencing receipt of funds.

## 4.0 NAID Application Process

### 4.1 Overview

In order for a real estate broker or agent to place bids on HUD Homes, the broker of the office must first register for a NAID (Name and Address Identifier) from HUD. The basic application for a NAID does not provide the broker with a NAID number; the broker must apply and be approved. Failure to fill out the NAID application completely and correctly will delay the broker from being issued a NAID, which will prevent the broker and any agents in the broker's office(s) from being able to submit bids on HUD Homes for their clients.

When the NAID has been issued to the broker, all the agents in the office will use the same NAID as the broker. Please note that HUD does allow more than one broker per office to have a NAID number. If there are multiple brokers in an office that each have a valid NAID, the broker whose NAID was used to submit a particular bid must sign that contract. If a brokerage has several offices, each with a different broker, each office may apply for a separate NAID. HUD no longer allows authorization letters, except in case-specific emergency situations.

Please note that the NAID must be recertified annually. The application and recertification process is identical, and may take up to several weeks to process. Please complete the following steps to obtain or recertify a NAID:

1. Complete the forms SAMS-1111 and SAMS-1111-A in their entirety in **BLUE** or **BLACK** ink only. Please see the following sections for completion instructions.
  - a. SAMS-1111: <http://www.hud.gov/offices/adm/hudclips/forms/files/1111sams.pdf>
  - b. SAMS-1111-A: <http://www.hud.gov/offices/adm/hudclips/forms/files/1111asam.pdf>
2. Provide the necessary identification requirements as explained in the following sections.
3. Mail the original forms and documentation copies to the following HUD Homeownership Center:

US Dept. of HUD Santa Ana Homeownership Center  
Attn: NAID Department  
34 Civic Center Plaza, Room 7015  
Santa Ana, CA 92701

Please note that there are two ways to apply for a NAID:

1. Business
  - a. Each business is allowed one NAID per office branch/location
  - b. There is one principal broker associated to the NAID but:
    - i. Each branch can have as many brokers as they choose to be linked to a separate NAID
    - ii. A single broker can only be linked to one NAID in [www.HUDHomestore.com](http://www.HUDHomestore.com)
2. Individual
  - a. One Social Security Number = one NAID
  - b. You cannot have multiple brokers as an individual

### 4.2 Form SAMS-1111, Box 1: Type of Application

Select Box 1a if you are applying for a NAID for the first time.

Select Box 1b if you already have a NAID and are making changes such as changing company address or broker.



Select Box 1c if you have multiple branches, or want to add more NAIDs to this office. Box 8 must have the address of the main branch. The utility bill or bank statement attachment must match the address in Box 10.

Select Box 1d for a NAID renewal with no changes to any information. Please note that your NAID must be recertified annually, with the form completed in its entirety and all supporting documentation provided.

### 4.3 Instructions to complete the SAMS-1111 with Business EIN

Box 2a: Enter EIN number as shown on the IRS document

Box 2b: Enter Business Name as shown on the IRS document (Must match exactly what it says on the first line of the IRS document, or the application will be rejected). Do **NOT** enter DBA here! DBA (if applicable) will be entered in Box 9.

Box 2c: Enter Broker's name as shown on the Broker's License

Box 4: Only enter a NAID if you already have an existing NAID and you are attempting to recertify or modify (select box 1b or 1d only)

Box 5: Enter the HOC Area Identifier for AK, CA, GU, HI, OR, WA: "2S"

Box 6: Selling brokers are the most common payee type; enter "SB"

Box 7: Enter Business Phone number

Box 8: Enter Business Address. Must match address on utility bill or bank statement provided as documentation

Box 9: Only fill out this box for a DBA, otherwise it is unnecessary

Box 10: Mailing or branch location address

Boxes 11, 12, and 13: Please check all that apply

Box 14: Enter contact person's name, e-mail address, phone number, and fax number

Box 15: Owner's name

Box 16: Please check one box as appropriate

Box 17: Must be an original signature and does not have to be the broker's signature

Box 18, 19, and 20: enter the title of the person signing, date, and phone number

### 4.4 Instructions to complete the SAMS-1111 with Social Security Number

Box 2c: Enter Broker's name as shown on the Broker's License

Box 3a: Enter Social Security Number as shown on Social Security Card

Box 3b: Enter Name (the name that is printed on Social Security Card) in this order: Last, First, MI

Box 4: Only enter a NAID if you already have an existing NAID and you are attempting to recertify or modify (select Box 1b or 1d only)

Box 5: Enter in HOC Area Identifier for AK, CA, GU, HI, OR, WA: "2S"

Box 6: Selling brokers are the most common payee type; enter "SB"

Box 7: Enter Business Phone number

Box 8: Enter Business Address. Must match address on utility bill or bank statement provided as documentation

Box 9: Only fill out this box for a DBA, otherwise it is unnecessary

Box 10: Mailing or branch location address

Boxes 11, 12, and 13: Please check all that apply

Box 14: Enter contact person’s name, e-mail address, phone number, and fax number.

Box 15: Owner’s name

Box 16: Please check one box, as appropriate

Box 17: Must be an original signature

Box 18, 19, and 20: enter the title of the person signing, date, and phone number

### 4.5 Additional Information

#### Form SAMS-1111

Please ensure the application is completed in its entirety by following the instructions listed on page 2 of the application, and completing Boxes 1 – 20. Complete Box 6 indicating the “Payee Type,” and include an original signature (no signature stamps accepted). The payee type for selling brokers is “SB.”

#### Form SAMS-1111-A

Please ensure the application is completed in its entirety, including two original signatures with date (no signature stamps accepted). If you are a signatory to a voluntary affirmative marketing agreement between HUD and the local board, check (✓) the box listed below the signature, indicate the board name, and do not sign under the “Non-Discrimination” disclosure.

### 4.6 Documentation Requirements

The following additional documentation is required to be submitted with the SAMS-1111 and SAMS 1111-A forms by all Selling Brokers (payee type “SB”).

	Payee Type								
	AP	CA	GT	HA	NB	NP	PM	SB	TS
<b>For All Payees:</b> Internal Revenue Service (IRS) documentation showing Business Name/Individual Name and Tax Identification Number (TIN). Examples include IRS Form 147C, Tax Return with preprinted label, IRS payment coupon. State issued forms are not acceptable.	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>In addition, for Payees not under formal contract with HUD:</b>									
Copy of Driver’s License	✓	✓					✓	✓	✓
Copy of first page of a recent telephone bill, utility bill, or bank statement	✓	✓					✓	✓	✓
Copy of Local or State business license for payee’s trade, if applicable	✓	✓					✓		✓
Copy of State Real Estate Broker’s license								✓	
Completed Form SF-3881, ACH Vendor/Misc. Payment Enrollment Form	✓*	✓		✓		✓*	✓		✓
Completed Form SAMS-1111A, Selling Broker Certification								✓	
IRS Ruling/Determination Letter						✓**			
<b>In addition, for Payees under formal contract with HUD:</b>									
Copy of first page of your signed contract with HUD	✓	✓					✓		✓
Copy of first page of a recent telephone bill, utility bill, or bank statement	✓	✓					✓		✓

\* If the HOC Area Office does not intend to make payments to the vendor, check box in Item 27 and do not include Form SF-3881.  
 \*\* If nonprofit organization cannot show proof of tax-exempt status, the payee type must be listed as TS.

HUD requires **four (4) types** of identification to accompany the SAMS-1111 and SAMS-1111-A forms:

1. **Internal Revenue Service (IRS) documentation** showing Business Name/Individual Name and Tax Identification Number (TIN). Examples include IRS form 147C, Tax return with PREPRINTED label, and IRS payment coupon. STATE ISSUED FORMS ARE NOT ACCEPTABLE.
  - a. Ensure the FIRST line of the IRS documentation matches Box 2b on the form SAMS-1111 and the “Company’s Name” at the bottom of form SAMS-1111-A. The second line of the IRS documentation will be your DBA per the IRS database.
  - b. Ensure the Employer Identification Number (EIN) is copied identically into Box 2a on the form SAMS-1111 and on “TIN/SSN” box on form SAMS-1111-A.

**OR**

**Copy of Social Security Card**

- a. The Social Security Card must be signed.
  - b. Ensure the Social Security Number matches in Box 3a of form SAMS-1111.
  - c. Ensure that Box 3b is completed on form SAMS-1111. It must match the card exactly in this format: LAST, FIRST, MI.
  - d. Ensure the name on the Social Security Card matches the names on all other documentation.
  - e. **Please note: if the Social Security Card is provided in place of the IRS documentation, make sure that Boxes 2a and 2b are left blank, and that Boxes 3a and 3b are filled in.**
2. **Copy of Driver’s License**
    - a. Name on driver’s license must match the name on the broker’s license. Driver’s license must be legible (a clear copy must be provided, including picture).
    - b. Driver’s license must be valid. Expired licenses are not acceptable.
3. **Copy of State Real Estate BROKER’S license**
    - a. Broker’s license must state that it is a BROKER’S license. No other license will be accepted.
    - b. The name on the broker’s license must match the name that is listed on the driver’s license and the Social Security Card (if supplied).
    - c. The Broker’s name must match on form SAMS-1111-A in the box titled, “Broker’s Name.”
    - d. The Broker’s license number must be listed on the SAMS-1111-A form under, “Broker’s License Number.”
    - e. Ensure the broker’s license is not expired and will not expire within 60 days of the date submitted.
4. **Copy of first page of a recent telephone bill, utility bill, or bank statement.**
    - a. The bill must be current and within 60 days of the date submitted to HUD.
    - b. The address must match Box 8 or Box 10 on form SAMS-1111, and the “Company’s Mailing Address” on form SAMS-1111-A.

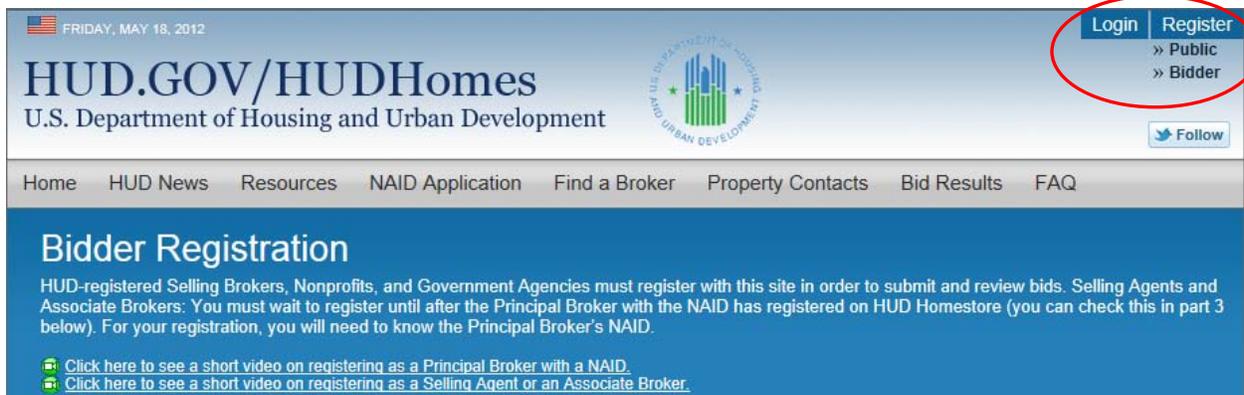
## 5.0 Registration to bid on [www.HUDHomestore.com](http://www.HUDHomestore.com)

HUD requires each selling broker and agent (as well as nonprofits and government agencies) to register as a bidder so HUD can confirm that you are using a valid NAID, and to authenticate your identity. Only valid bidders are permitted to make offers on [www.HUDHomestore.com](http://www.HUDHomestore.com).

In order for associate brokers and selling agents to register on [www.HUDHomestore.com](http://www.HUDHomestore.com), the principal broker of the office must first have a valid NAID and have completed the bidder registration process on the HUDHomestore site.

Please note that the system permits only a single NAID to a principal broker association. The broker cannot register with more than one NAID per state license. If there are many agents in several different locations that want to register, they must all register under a single NAID, unless each location has a separate broker with a separate NAID.

To begin the Bidder Registration process, go to [www.HUDHomestore.com](http://www.HUDHomestore.com) and click on the “Bidder” link under the “Register” heading on the upper right hand corner of the page. The bidder registration page will display.



Fill in the required fields, including selecting a user name, password, and security questions. Please note the user name must be at least five (5) characters and may contain special characters. The system requires a complex password that includes at least eight (8) characters, and contains at least one of each of the following: uppercase letter, lowercase letter, number, and special character (such as #, !, or \$). Please ensure you are able to remember your password and security question answers. BLB Resources does not have access to this information. If you forget your password and security question answers, you will need to contact the HUDHomestore.com Help Desk for assistance.

**1. User Name and Password**

\*User Name:  User Name must be at least 5 characters and may contain special characters, such as @ # \$ % & ~ \_ - . : ; ! , / [ ] ( )

\*Password:  Password must be at least 8 characters and contain at least 1 uppercase letter, 1 lowercase letter, 1 number, and 1 special character, such as \$ ! # % & ~ . : ; / [ ] ( )

\*Confirm Password:

**2. Security Questions**

\*Security Question 1:

\*Answer:

\*Security Question 2:

\*Answer:

The NAID information and Real Estate License information will be entered in Section 3. The Principal Broker, Associate Brokers, and Selling Agents must all select “Selling Broker” in the “NAID Type” box. The Principal Broker will then select “Principal Broker with NAID” from the “Role” box; the following fields will be displayed to be completed. Please note that if the Principal Broker is licensed in only one state, then only the first license information row needs to be filled out.

**3. NAID Information**

[Check NAID Status](#)   [Check Principal Broker Registration](#)

\*NAID Type:  \*Role:  \*NAID:

*Your Real Estate License	License Date	*State Licensed	*License Expiration
<input type="text"/>	<input type="text"/>	Select <input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	Select <input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	Select <input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	Select <input type="text"/>	<input type="text"/>

Please enter only your personal Real Estate License information. If you are licensed in only one state, you only need to fill out the first row. If you need to enter additional license information, fill in the available rows and complete all other required information, then click Submit.

When the Principal Broker has completed the registration process, the Associate Brokers and Selling Agents will be able to register, and will select the appropriate corresponding “Role.” The fields that will display are slightly different, shown as follows:

**3. NAID Information**

[Check NAID Status](#)   [Check Principal Broker Registration](#)

\*NAID Type:  \*Role:

*Principal Broker's NAID	*Your Real Estate License	License Date	*State Licensed	*License Expiration
<input type="text"/>	<input type="text"/>	<input type="text"/>	Select <input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	Select <input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	Select <input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	Select <input type="text"/>	<input type="text"/>

Please enter only your personal Real Estate License information. If you are licensed in only one state, you only need to fill out the first row. If you need to enter additional license information, fill in the available rows and complete all other required information, then click Submit.

A Selling Agent may be linked to up to three (3) different Selling Brokers in up to three (3) different states. Only one broker’s information is required to complete the agent setup. A valid state license will be required to bid on properties within that particular state. A selling agent may not register with multiple brokers in the same state. Please note that the NAID must be obtained from your broker, and registration cannot be completed without it.

Enter your contact information in Section 4. Principal Brokers must enter their name and email address. Associate Brokers and Selling Agents are also required to enter a phone number and an optional fax number. Please note that Associate Brokers and Selling Agents should enter their OWN email address (NOT the email address of the Principal Broker) in order to receive the system-generated emails regarding any properties on which they submit bids.

**4. Contact Information**

\*First Name:

\*Last Name:

\*Email Address:  A valid email must be provided to receive email updates.

\*Phone:

Fax:

To complete the setup process, read and check (✓) the box accepting the “Terms and Conditions,” then enter the security code characters, and click “Submit.” Please note that you will need to scroll down to view the entire “Terms and Conditions,” and that the security code characters are case-sensitive.

A message will display showing a successful setup, or advising of needed corrections. If needed, make corrections and submit the form again. Otherwise, click the “OK” button.



When bidder setup has completed successfully, you will be returned to the bidder page as shown in the following image, and your name will appear in the upper right corner. To review or edit your profile information, click on the “Manage Profile” link. Click the “Home” link to be returned to the HUDHomestore.com search page. Remember that your user name and password is private and should not be shared, and that you should click the “Logout” link on the upper right corner of the page to securely exit the website when you are finished.

## 6.0 Search for and Bid on Available Properties

To bid on HUD Homes, you must first find the property for which you wish to bid on [HUDHomestore.com](http://HUDHomestore.com), using one of several methods. From the map on the right side of the page, you may click on your state, and all available properties will populate. You may search by entering specific information, such as City, Price Range, or Number of Bedrooms, in the “Search Properties” section in the middle of the page. Finally, you may search for all available Special Program properties in the bottom portion of the blue box on the left hand side of the page.

FRIDAY, MAY 18, 2012

HUD.GOV/HUDHomes  
U.S. Department of Housing and Urban Development

Home HUD News Resources NAID Application Find a Broker Property Contacts Bid Results FAQ

### HUD Homes

Search for a HUD home to purchase by doing one of the following:

- Click a state on the map to the right
- Click one of the HUD Special Program links below
- Enter more detailed criteria in the Search Properties area below and click Search

Click on one of the links below to see available properties for HUD Special Programs:

- Good Neighbor Next Door
- Nonprofits
- \$1 Homes-Government Sales

Properties For Purchase: Available (dark blue) Not available (light blue)

### Search Properties

Recent Listings (5) Recent Searches (4)

\*State County City Zip Code Street Price From - To Bedrooms Bathrooms

Buyer Type All Status All Property Case #

\*Required field, except if Property Case # is entered

When you have completed your search, the “Property Search Results” will appear. Click on the “Property Case” number to view the Property Details. You may also save your search results by clicking the “Save Search” link, to view at a later time by selecting the “Saved Searches” link.

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### Search Properties

Recent Listings (5) Recent Searches (5)

\*State County City Zip Code Street Price From - To Bedrooms Bathrooms

Buyer Type All Status All Property Case #

\*Required field, except if Property Case # is entered

### Search Results for HUD Homes in CA

1 | 2 | 3 | 4 | 5 | Next | Last |

94 listings found List Gallery Save Search Email Search View Map Export to Display: 10

Property Case	Address	Price	Status	Bed	Bath	Listing Period	Bid Open Date	Details
042-779657	100 Seventh Street Rio Vista, CA, 94571 Solano County	\$103,500	Extended	3	2.00	Extended	05/19/2012	View Street Map it Email Info

To submit a bid on a property, click on the blue “Submit an Offer” button on the lower right corner of the page. Please note that BLB Resources strongly recommends that you complete the appropriate sales contract package for your buyer (owner occupant, investor, GNND) prior to visiting the HUDHomestore website to submit the electronic bid. Please also ensure that your buyer has obtained a valid pre-qualification or pre-approval letter (if

obtaining financing) or proof of funds (if paying cash), as well as the earnest money deposit. This will help ensure that the bid is submitted accurately and that you have all the necessary documents ready to submit to BLB Resources in a timely manner if your bid is accepted.

**Property Details**

**Case Number: 042-779657** [Print Property Flyer](#) | [Back to Property Search](#)

**Eligible Bidders:** All Bidders  
**Bid Submission Deadline:** Daily at Midnight CST  
**Bid Submission Time Remaining:** 5 Hours 9 Minutes  
Availability of home is subject to the Asset Manager accepting a bid from an earlier bid period or removing the home from the market.

**Property Info** | Addendums | Maps | Agent Info

**Property Information**

**Address:** 100 Seventh Street  
Rio Vista, CA, 94571  
Solano County

**Appraisal Date:** 03/31/2012

**Bed/Bath:** 3/2.00

**Total Rooms:** 6

**Square Feet:** 1284

**Year:** 1962

**Property Design:** Ranch

**Parking:** Garage

**HOA Fees:** \$0.00

**Listing Information**

**List Date:** 05/18/2012

**Listing Period:** Extended

**Period Deadline:** 10/15/2012 11:59:59 PM CST

**List Price:** \$103,500.00

**As-Is Value:** \$115,000.00

**FHA Financing:** IE (Insured Escrow)

**203K Eligible:** Yes

**Repair Escrow:** \$1,925.00

**Review PCR for Repair Escrow Items**

First Time BUYER? [Find a Broker](#) | **HUD registered BIDDER?** [Submit an Offer](#)

Select the NAID type from the drop-down list and enter your NAID (or your broker’s NAID if you are not the broker). The broker under whose NAID the bid is submitted will need to sign the contract if the bid is accepted. Then enter your real estate license number, which must match the license number with which you registered as a bidder. Do not use the broker’s license number, unless you are the broker. Also, the license must be for the same state in which the property is located. Next, enter the security code characters and click “Verify NAID.”

Home | HUD News | Resources | NAID Application | Find a Broker | Property Contacts | Bid Results | FAQ

**NAID Verification For Selling Brokers, Nonprofits, Or Government Organizations**

This is the starting point for placing a bid on a HUD Home. To place a bid, you need a NAID. NAIDs (a HUD term for Name Address Identifier) are issued to Real Estate professionals and various Nonprofit and Government organizations to enable them to place bids on HUD homes. Individuals should use the "Find a Broker" link above to find a Selling Broker who can make a bid on their behalf. Selling Brokers should first have their principal broker register the organization's NAID with HUDHomestore.com. After this initial registration, individual selling agents and associate brokers can register their license numbers with HUDHomestore.com

**Case Number: 042-779657** [Back to Property Details](#)

**Eligible Bidders:** All Bidders  
**Bid Submission Deadline:** Daily at Midnight CST  
**Bid Submission Time Remaining:** 5 Hours 8 Minutes

**Property Information**

**Address:** 100 Seventh Street  
Rio Vista, CA, 94571  
Solano County

**List Price:** \$103,500.00

The following can submit a bid on this property:

- > HUD-Registered Selling Brokers
- > HUD-Registered Government Agencies
- > HUD-Registered Nonprofits

\* NAID Type:

\* NAID:

Type the characters you see in the picture below.(Characters are case-sensitive)

[Try a new code](#)

[Verify NAID](#)

You will be taken to the Bid Submission page, where you will answer the questions to enter the bid, beginning with the purchase price agreed to by the bidder. Continue answering the questions to complete the form. This is where it is helpful to have the completed contract package, so you can easily follow along the contract as you are entering data into the form.

**Bid Submission**

<b>HUD Case Number:</b> 271-881312	<b>Sale Type:</b> IN (Insured)
<b>Address:</b> 30693 CC-LAKE ELEVEN DR SANDSTONE, MN 55072	<b>List Price:</b> \$100,000.00

1. Purchaser(s) agree to purchase on the terms set forth herein, the following property, as more particularly described in the deed conveying the property to the Secretary of Housing and Urban Development.
3. \* The agreed purchase price of the property is:  \$
4. \* Purchaser is:
  - applying for HUD/FHA insured financing 203(b) involved.
  - applying for HUD/FHA insured financing 203(k) involved.
  - paying cash, or applying for conventional or other financing not involving HUD/FHA
5. \* Seller will pay reasonable and customary costs, but not more than actual costs, nor more than paid by a typical Seller in the area, of obtaining financing and/or closing (excluding broker's commission) in an amount not to exceed:  \$
- 6a. \* Upon sales closing, Seller agrees to pay to the broker identified below a commission (including selling bonus, if offered by the seller) of:  \$
- 6b. \* If broker identified below is not the broad listing broker, broad listing broker will receive a commission of:  \$
7. The net amount due Seller is (Purchase price [item 3], less Items 5 and 6)  \$
8. \* Purchaser is:
  - Owner-Occupant (will occupy this property as primary residence)
  - Investor
  - Nonprofit Organization (should be an HUD approved Non Profit Agency)
  - Other Government Agency

Please remember to select the backup offer option if the purchaser would like the offer held as a backup, in the event the bid is not selected as the winning bid. However, please note that backup bids are an expression of interest and award of a backup bid is at the discretion of the seller. Please note that you may enter up to two purchasers during the bid submission. Additional purchasers may be added during or after contract ratification, if your bid is accepted.

10. **If seller does not accept this offer, Seller**

may hold such offer as a back-up to accepted offer **Select the Back Up Offer option**

may not hold such offer as a back-up to accepted offer

---

**11. Purchaser Information**

Primary Purchaser Information	Secondary Purchaser Information
<p>* Purchaser Is A: <input checked="" type="radio"/> Individual <input type="radio"/> Business</p> <p>* SSN/EIN Number: <input style="width: 100%;" type="text"/></p> <p>* Confirm SSN/EIN Number: <input style="width: 100%;" type="text"/></p> <p>Company Name: <input style="width: 100%;" type="text"/></p> <p>* First Name: <input style="width: 100%;" type="text"/></p> <p>* Last Name: <input style="width: 100%;" type="text"/></p> <p>* Address: <input style="width: 100%;" type="text"/></p> <p>* City: <input style="width: 100%;" type="text"/></p> <p>* State: <input type="text" value="Select"/></p> <p>* Zip Code: <input style="width: 100%;" type="text"/></p>	<p>SSN/EIN Number: <input style="width: 100%;" type="text"/></p> <p>Confirm SSN/EIN Number: <input style="width: 100%;" type="text"/></p> <p>First Name: <input style="width: 100%;" type="text"/></p> <p>Last Name: <input style="width: 100%;" type="text"/></p> <p>Address: <input style="width: 100%;" type="text"/></p> <p>City: <input style="width: 100%;" type="text"/></p> <p>State: <input type="text" value="Select"/></p> <p>Zip Code: <input style="width: 100%;" type="text"/></p>

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**Selling Agent Information**

Last Name:

First Name:

Real Estate License:

Broker NAID:

Phone No:

Fax No:

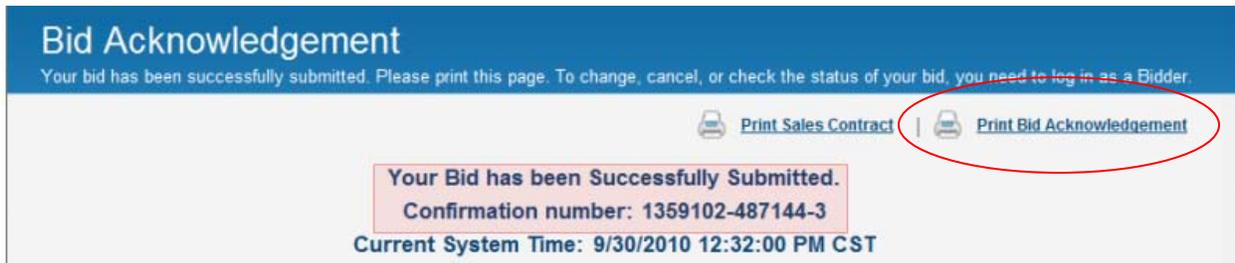
E-mail address:

When you have completed the form, click the Continue button.

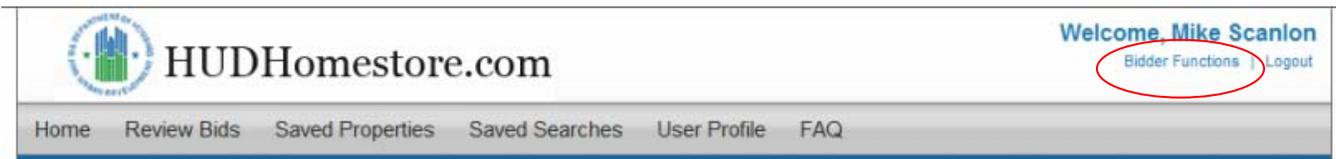
You will be taken to the Bid Summary screen, where you will be asked to review the bid to ensure all information is entered correctly.

If any information is incorrect, scroll to the bottom of the page and click the “Back” button, to return to the previous screen in order to correct the necessary information. If all information is correct, read the information in the “Certifications” box, and the “Acceptance of Terms & Conditions” box. Then, check (✓) the box to agree to the terms and conditions and click the “Confirm This Bid” button.

When the bid has been successfully submitted, you will be taken to the Bid Acknowledgement screen, where the Confirmation number and the timestamp of the bid will be displayed. It is vital that this information is retained, as it will be used to track the status of the bid. You may print the Bid Acknowledgement by clicking the link in the upper right corner. When you click the button, a pop-up window will give you the option to save the PDF file or to open and print it.



You may also print the pre-filled sales contract from this page at this time, or you may print it later from the Bidder Functions area, located in the upper right corner of the page, next to the Logout link.



Please note that properties are removed from the general property search results of the HUDHomestore.com website at midnight the day of bid acceptance. It is vital that you download the LBP addendum, sales contract package, and any other disclosure forms and addenda from the “Addendums” tab of the property details page as it may no longer be available after a bid has been accepted.

BLB Resources recommends that all agents log in to their HUDHomestore profile prior to submitting a bid. This will help ensure agents are registered and able to log in again at a later time to check the status of their bid. However, please note that logging in prior to bidding is not required, and agents will still be able to view the status of their bid. Please be advised that in order to link a submitted bid to an agent’s profile so they can view the status of the bid, the license number entered during bid submission must exactly match the license number in the agent’s profile. An incorrect license number submitted in either the profile or the bid may prevent the bids from appearing in the agent’s “Review Bids” screen on HUDHomestore.

## 7.0 Modifying, Withdrawing or Cancelling a Bid

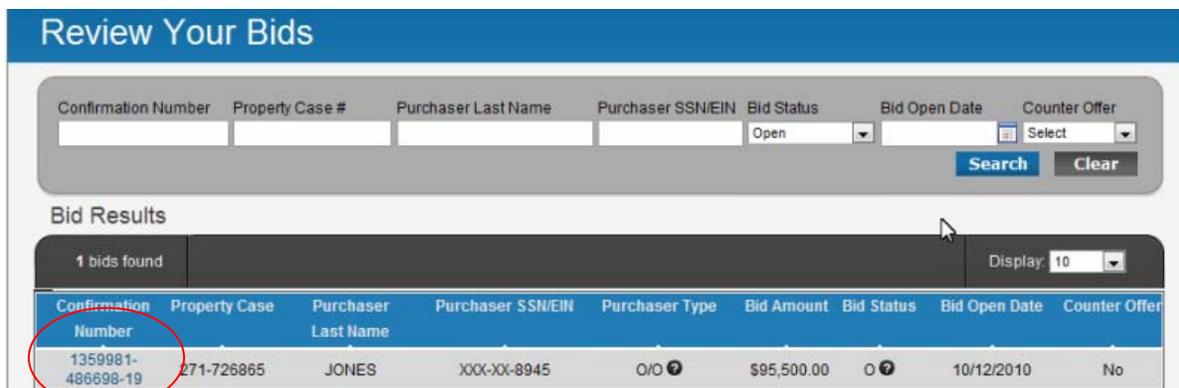
BLB Resources recommends that all agents log in to their HUDHomestore profile prior to submitting a bid. This will help ensure agents are registered and able to log in again at a later time to check the status of their bid. However, please note that logging in prior to bidding is not required, and agents will still be able to view the status of their bid. Please be advised that in order to link a submitted bid to an agent’s profile so they can view the status of the bid, the license number entered during bid submission must exactly match the license number in the agent’s profile. An incorrect license number submitted in either the profile or the bid may prevent the bids from appearing in the agent’s “Review Bids” screen on HUDHomestore.

### 7.1 Modifying a Bid Prior to Bid Acceptance

To modify a bid that you have already submitted, first verify that the bid deadline has not already passed. If the bid deadline has not passed, you may log in to your profile on [www.HUDHomestore.com](http://www.HUDHomestore.com) and click on the Bidder Functions link on the upper right hand corner of the page.



This will bring up the Review Your Bids filter, where you can locate your bid by entering any of the search filter criteria such as confirmation number, purchaser last name, or bid status. Any bids matching the search criteria will appear below the search filter fields. Click on the Confirmation Number link to view the details of the bid.



The Bid Details screen will appear where you will be able to view information about the property, bid, and purchaser. Additional information about the selling agent or related addenda will be featured on secondary tabs. If the bid has not reached the bid deadline, you will have the option to modify or withdraw the bid.

**Bid Details**

**Case Number: 271-726865**

Bid Confirmation Number: 1359981-486698-19

Bid Submission Date: 10/11/2010 11:54:35 AM

Bid Status: Open

[Print Sales Contract](#) | [Print Bid Acknowledgement](#) | [Back to Bid List](#)

**Bid Info** | Addendums | Agent Info

Property Information	Bid Information	Purchaser Information
<b>Address:</b> 3519 CC-GIRARD AVE N MINNEAPOLIS, MN 55412 HENNEPIN COUNTY <b>As-Is Value:</b> \$100,000.00 <b>FHA Financing:</b> E (Insured Escrow) <b>203K Eligible:</b> No <b>Appraisal Date:</b> 08/29/2010 <b>Bed/Bath:</b> 3/2 <b>Total Rooms:</b> 6 <b>Square Feet:</b> 1500 <b>Year:</b> 2000 <b>Property Design:</b> <b>Parking:</b> Garage <b>HOA Fees:</b> \$0 <b>Repair Escrow:</b>	<b>List Date:</b> 08/30/2010 <b>List Price:</b> \$100,000.00 <b>Bid Amount:</b> \$100,000.00 <b>Closing Cost:</b> \$1,500.00 <b>Selling Brokers Comission:</b> \$1,500.00 <b>Listing Broker Comission:</b> \$1,500.00 <b>Net Bid Amount:</b> \$95,500.00 <b>Buyer Type:</b> Owner Occupant <b>Financing Option:</b> Cash, or applying for conventional or other financing not involving HUD/FHA <b>Backup Offer:</b> Yes	<b>Primary Purchaser</b> <b>SSN/EIN:</b> XXX-XX-8945 <b>Last Name:</b> JONES <b>First Name:</b> JUDY <b>Company Name:</b> <b>Address:</b> 890 APPLE VALLEY HWY <b>City:</b> LONESOME <b>State / Zip Code:</b> MN 49003 <b>Secondary Purchaser</b> <b>SSN/EIN:</b> <b>Last Name:</b> <b>First Name:</b> <b>Address:</b> <b>City:</b> <b>State / Zip Code:</b>

If you select the Modify Bid button, the Bid Submission screen will appear, offering you the opportunity to edit any of the terms or other information submitted in the original bid. Simply type the new information into the field where it needs to be changed, and then click the Continue button at the bottom of the form when finished.

If this bid is awarded, you are responsible for presenting the original signed contract and all addenda to the asset manager with two (2) business days of bid award notification.

Click the **Continue** button

A message will display, asking you to confirm the changes and resubmit the modified bid. Read the terms and conditions, check (✓) the box to accept, then click the "Confirm This Bid" button, as you did when you submitted the original bid. Print or save the new confirmation number (that supersedes the original confirmation number) by clicking the link to Print Bid Acknowledgement.

## 7.2 Withdrawing a Bid Prior to Bid Acceptance

To withdraw a bid is to cancel it prior to acceptance. From the Bid Details screen you will click the Withdraw Bid button. A Bid Summary screen will appear with a warning that the bid has not yet been withdrawn.

**Bid Summary**

Your bid will be submitted once you click the Confirm button. To check the status of your bid after you confirm it, you need to log in as a Bidder.

**YOUR BID HAS NOT BEEN WITHDRAWN**

In order to withdraw the bid, you will need to scroll to the bottom of that form. Read the terms and conditions, check (✓) the box to accept, and then click the "Withdraw This Bid" button.

**Acceptance of Terms & Conditions**

Property listings could include technical inaccuracies or typographical errors. Also, properties may contain zoning and code violations as well as defects which could affect the purchaser's health or safety. **It is the purchaser's responsibility** to satisfy himself as to accurate information and property condition, including any possible zoning and code violations.

1. HUD reserves the right to reject any and all offers and to waive any informality or irregularity in any bid offers.
2. The listing price is HUD's determination of **fair market value**.
3. HUD reserves the right, in its sole discretion, to accept offers less than listing price, but only the highest net acceptable offer will be considered.
4. HUD may accept the offer giving the **greatest net return**.
5. HUD reserves the right to withdraw any and all listed properties prior to the bid opening.
6. Accuracy of information contained in property listings is not guaranteed.
7. The seller has not lived in the property for at least one hundred eighty (180) days prior to the date of receiving an offer for the subject property. Hence, the seller does not have the requisite personal knowledge to make accurate disclosure about the property.

All HUD homes are sold in "AS IS" condition. We encourage you to make your offer contingent upon a satisfactory inspection by making the Professional Property Inspection form part of your offer. Equipment found to be working upon initial inspection is NOT warranted upon closing.

By checking this box, you agree to the terms and conditions listed above.

By clicking 'Withdraw this Bid' you are removing your bid on this property from HUD's consideration.

**Withdraw This Bid**

**Back**

A message will display stating that the bid has been successfully withdrawn. Print or save the new confirmation number (that supersedes the original confirmation number) by clicking the link to Print Bid Acknowledgement.

**Bid Acknowledgement**  
Your bid has been successfully submitted. Please print this page.

[Print Bid Acknowledgement](#) | [Back to Bid Detail](#)

**Your Bid has been Successfully Withdrawn.**  
Confirmation number: 1359982-486698-20  
Current System Time: 10/11/2010 12:00:33 PM CST

**Property Information**

<b>HUD Case Number:</b> 271-726865	<b>Sale Type:</b> IE (Insured Escrow)
<b>Address:</b> 3519 CC-GIRARD AVE N MINNEAPOLIS, MN 55412	<b>List Price:</b> \$100,000.00

Your bid withdrawal has been recorded. Please print this page. You need to provide your confirmation number when enquiring about this bid. If this bid is accepted, you are responsible for presenting the original signed contact and all addenda within 48 hours after bid results are posted.

### 7.3 Cancellation after Bid Acceptance and Prior to Contract Ratification

In the event a purchaser wishes to cancel after the purchaser's offer has been accepted, but the contract has not yet been ratified, please email a signed Cancellation Request Form to [2Scancelations@blbresources.com](mailto:2Scancelations@blbresources.com) or fax to 949-379-2896. BLB Resources will process the request within two (2) business days of receipt. Please note that due to possible back up bids, not all properties will be relisted if an accepted bid is cancelled.

### 7.4 Cancellation after Contract Ratification

In the event a purchaser wishes to cancel a contract after ratification, they will submit a signed BLB Resources Cancellation Request form to the appropriate BLB Resources office for processing. In addition to this form, the purchaser must submit additional documentation describing the reason for cancellation. After reviewing the additional documentation, the closing department will determine whether the case qualifies for a refund of the EMD. If no documentation is submitted with the Cancellation Request form, the EMD will be automatically forfeited. Please see Section [11.2 Forfeiture of Earnest Money Deposits](#) for more information.

To cancel a bid after contract ratification, please email the form and supporting documentation to [2Scancelations@blbresources.com](mailto:2Scancelations@blbresources.com) or fax to 949-379-2896. BLB Resources will process the request within two (2) business days of receipt. Please note that due to possible back up bids, not all properties will be relisted if a ratified contract is cancelled.

## 8.0 Other Changes after Contract Ratification

Please note that the purchase price, closing costs, and commissions may not be modified after the bid is accepted. However, after the contract has been ratified, the purchaser may make other changes such as adding or removing purchasers, or changing the financing type or escrow repair amount. Purchasers may also request authorization from the FSM to activate the utilities for the home inspection, and the lender may request a copy of the appraisal and/or the termite report, if a termite inspection was completed. Download the appropriate form from our website, [www.blbresources.com](http://www.blbresources.com), then complete and submit the form and any necessary documentation to the appropriate BLB Resources office for review.

### 8.1 Adding or Removing Purchasers

Up to two (2) purchasers may be entered during the bid submission process. If there are additional purchasers that are known at the time the bid is submitted, they may be added to the contract by completing the “Request to Add Purchaser” form and submitting it along with the original contract.

Other purchasers may also be added after the contract has been ratified. There is no limit to the number of purchasers that may be added to a contract. However, please note that if the purchasers are obtaining financing, the lender will usually require that all purchasers added to the contract are also added to the loan.

To add or remove purchasers after contract ratification, please complete the appropriate form from the BLB Resources’ website, then email the form and supporting documentation to [2Saddenda@blbresources.com](mailto:2Saddenda@blbresources.com) or fax to 949-379-2896. Please note that a revised proof of funds or pre-qualification letter is usually required as part of the supporting documentation when adding or removing purchasers. Please also note, in the state of Washington only, when adding purchasers, the marital status of the additional purchaser is required.

Please note that the original purchaser, under whose Social Security Number the offer was submitted, may not be removed from the contract. If the original purchaser needs to be removed from the contract, submit a cancellation request.

### 8.2 Requesting Authorization to Activate Utilities for the Purchaser’s Home Inspection

Purchasers may request activation of utilities to facilitate ordering a home inspection. The purchaser has a **15 day period after contract ratification** to activate utilities and complete the home inspection. All inspections, tests, and risk assessments are performed at the purchaser’s expense.

Please note that the purchaser must request permission to activate the utilities with the FSM assigned to the property, which may require a non-refundable deposit. After the sales contract has been ratified, a copy is emailed to the selling agent, along with the appropriate FSM’s utility turn on request form. Please follow the instructions on the FSM’s form, and send a copy via email to [2Sdemands@blbresources.com](mailto:2Sdemands@blbresources.com) or fax to 949-379-2896. Please contact the FSM assigned to the property for more information or clarification on any utility activation procedures.

### 8.3 Lender Requests for Appraisal Copies

The Appraisal Request Form is included in the Owner Occupant Sales Contract Package as well as on our website. It will be processed upon contract execution, if provided with the original contract package, or as soon



as possible after receipt, if submitted after contract ratification. If submitted separately from the original sales contract package, please email the form to [2Sappraisalrequests@blbresources.com](mailto:2Sappraisalrequests@blbresources.com) or fax to 949-379-2896.

If factual corrections are needed on the appraisal, the lender may submit a correction request to the email address above. However, please note that the appraisal reports are completed "As-Is" per HUD Handbook 4150.2 Appendix A. This means that the report cannot change and the Condition Rating as indicated in the report will remain as-is. Many HUD homes are in C5 condition or lower due to deferred maintenance or MPR repairs (if uninsurable). Many lenders or investors are unable to lend on properties with a Condition Rating of C4 or lower.

To resolve this issue, with authorization from BLB Resources, the lender may consult with the DE Underwriter and review the deferred maintenance and MPR repairs in the original appraisal report. The DE Underwriter has the discretion and authority to identify any additional repair items that would satisfy lender or investor requirements for lending purposes. When ordering a FHA Compliance Inspection report from the appraiser, identify: 1) the MPR repair items to be cleared, and 2) any additional repair items required by the lender or investor to be cleared. Additional repair items are not included in the Escrow Holdback.

## 8.4 Requesting to Change Financing Type

Purchasers may change financing after ratification, as long as the requested financing type is still consistent with the listed insurability of the property. To change financing, please complete the form, and fax it with supporting documentation to 949-379-2896 or email to [2Saddenda@blbresources.com](mailto:2Saddenda@blbresources.com).

Please note that if the contract is ratified with FHA financing, there may be a termite inspection completed, as well as possible termite treatment. In addition, if the home was built prior to 1978, there may be Lead Based Paint (LBP) testing and stabilization. If the purchaser changes from FHA insured financing to cash or other non-FHA financing after these inspections, treatment, and/or stabilization, **the purchaser will be responsible for the cost of the termite inspection, any subsequent termite treatment, the LBP inspection, and any LBP stabilization.** Please also note that if the property is listed as Uninsurable (UI or UK), the purchaser may **not** change financing to FHA insured.

The "Request to Change Financing Type" form may also be used to change the escrow repair amount by selecting the "FHA 203(b) repair escrow" box under the Current Financing Type section and filling in the current escrow repair amount. Then select the "FHA 203(b) repair escrow" box in the Requested Financing Type section and enter the new escrow repair amount. Ensure that a repair bid or inspector's estimate is attached as supporting documentation. Please note that the escrow repair amount may not be increased above the limit of \$5,500 (\$5,000 repair limit + 10% overage allowance). If repairs are above this limit, 203(b) repair escrow financing may not be utilized.

## 9.0 Information on Special Programs

### 9.1 Good Neighbor Next Door (GNND) Sales Program

#### About the GNND Sales Program

The program is designed to encourage renewal of revitalization areas in order to help communities and promote homeownership. HUD offers a substantial incentive in the form of a discount of 50% from the list price of the home. In return, the purchaser must commit to live in the property for 36 months as their sole residence. HUD views the occupancy obligation seriously, and vigorously pursues violators to the fullest extent of the law. Please refer to [Mortgage Letter 2013-20](#) for more information regarding the GNND program.

#### Who is Eligible?

- Law Enforcement
  - Must be employed full-time by a law enforcement agency of the federal government, a state, a unit of general local government, or an Indian tribal government; and, in carrying out such full-time employment, you are sworn to uphold, and make arrests for violations of, federal, state, tribal, county, township, or municipal laws.
- Teachers
  - Must be employed as a full-time teacher by a state-accredited public school or private school that provides direct services to students in grades pre-kindergarten through 12. Teachers are eligible to purchase HUD Homes under the GNND program in the same school system where they teach – or in the case of a private school, within the radius where the school draws the students.
- Firefighter/Emergency Medical Technicians
  - Must be employed full-time as a firefighter or emergency medical technician by a fire department or emergency medical services responder unit of the federal government, a state, unit of general local government, or an Indian tribal government serving the area where the home is located.

#### What is the bidding process?

GNND properties are listed and sold exclusively through [www.HUDHomestore.com](http://www.HUDHomestore.com). Bids must be submitted electronically, in the amount of the list price. HUD does not pay closing costs or commissions for these sales; however, if FHA financing is used, the purchaser may add closing costs and commissions to their loan.

#### How to Participate?

Purchaser must meet the [requirements](#) for verifying purchaser is a law enforcement officer, teacher, firefighter, or emergency medical technician, and comply with HUD's regulations for the program. HUD requires that purchaser sign a [second mortgage and note](#) for the discount amount. No interest or payments are required on this "silent second," provided that purchaser fulfills the [three-year occupancy requirement](#). Additional addenda are required for these sales and may be found in the [Good Neighbor Next Door Program \(GNND\) section of the Forms page](#) of the BLB Resources website.

## **Stipulations**

Neither the purchaser nor his/her spouse may have owned any residential property during the year prior to the date of submitting a bid on the home intended to purchase. For example, if the purchaser submits an offer to purchase a home on August 1, 2010, they may not have owned a home during the period from July 31, 2009 to the date the bid is submitted.

In addition, neither the purchaser nor his/her spouse may have ever purchased another home under the GNND sales program.

## **9.2 Dollar Home Program**

### **About Dollar Home Program**

The Dollar Home Program initiative helps local governments foster housing opportunities for low to moderate income families, and addresses specific community needs by offering the opportunity to purchase qualified HUD-owned homes for \$1 each.

Properties are made available in this program when they have been listed and unsold for 6 months. They will be available exclusively for eligible units of local government for 10 days. If a valid offer is not submitted within those 10 days, the property will then be moved back to the general Extended listing period for all purchasers to bid. Please note that the property will still be available for the Dollar Home Program for eligible units of local government after it goes back to the extended listings.

Please also note that if a property sells under the Dollar Home Program, or to a Dollar Home participant, the LLB will not receive a commission. Generally, the participant submits a bid directly, without utilizing the services of a selling agent, so there is also no selling agent commission paid.

### **Who is eligible?**

HUD registered Units of Local Government including:

- Counties
- Cities
- Townships

### **Sales Contract Requirements**

The Sales Contract Package must include the intended use of the property, and in the case where there are proceeds, must include the specific community development programs for which they will be used.

## **9.3 Programs for Approved Nonprofits**

FHA offers community and faith-based nonprofit organizations the opportunity to purchase HUD homes at discounts up to 30 percent under the direct sales program. With this discount, local nonprofit organizations invest in their communities through property rehabilitation, and resell to first-time homebuyers and low to moderate income families.

## How do nonprofit organizations bid on HUD Homes?

Nonprofit organizations must be approved by the local Homeownership Center (HOC), as well as HUD-registered with an active NAID. Please visit the [FHA Approved Nonprofits](#) page of HUD's website for additional information on approval information. Also, please review [Section 4.0 NAID Application Process](#) in this handbook for details on obtaining a NAID.

After obtaining FHA Approval and a valid NAID, nonprofit organizations may bid on HUD Homes available on [www.HUDHomestore.com](http://www.HUDHomestore.com). Please note the following:

1. During the **Lottery** period, nonprofit organizations may bid on their own (do not need a real estate agent to submit a bid). Bids must be full-price offers, but if the bid is awarded to the nonprofit, it **will** receive the discount.
2. During the Competitive listing period, bids are awarded to the highest bidder.
  - a. During the **Exclusive** Listing Period, nonprofits may bid on their own (do not need a real estate agent to submit a bid). The bid may be submitted in any amount desired. However, the nonprofit organization **will NOT** receive a discount if the bid is awarded to it.
  - b. During the **Extended** Listing Period, nonprofits can submit bids on their own or utilize a real estate agent to submit the bid on their behalf. Nonprofits bidding during this time will be considered investors. Bids may be submitted in any amount desired. However, the nonprofit organization **will NOT** receive a discount if the bid is awarded to it.

## 10.0 Buyer Select Closing Agent Programs

HUD has implemented a “Buyer Select” closing agent program in the following states:

- Oregon, effective January 22, 2013
- Washington, effective February 27, 2013
- Southern California, effective March 8, 2013
- Alaska, effective June 9, 2013
- Hawaii, effective June 22, 2013
- Central and Northern California, effective September 20, 2013

All buyers whose contracts are executed on or after this date in these states will be required to select their own escrow company. The selling agent will be required to complete an addendum providing the name and contact information of the selected escrow company. This addendum must be submitted with the sales contract package at the time of bid acceptance.

Please note, escrow fees will now be a buyer expense. HUD will only pay a portion of the closing fees if the buyer includes closing costs on line 5 at the time of bid submission, and there are sufficient funds remaining to allow for this fee to be paid. If there are no closing costs included in the bid, the buyer will be required to pay all escrow and closing fees.

### 10.1 How does the Buyer Select Closing Agent Program work?

The purchaser must select any state licensed escrow company upon bid acceptance. The selected escrow company must be indicated on Line 9 of the sales contract as well as on the Buyer Select Closing Agent Addendum. The complete, correct contract package, including the addendum, must be submitted to BLB Resources within 2 days of bid acceptance. The BLB Resources’ Sales team will conduct our normal contract package review, ensuring the Buyer Select Addendum is included and complete.

If the selected escrow company does not already have an assigned Title ID #, the Sales team will forward the Buyer Select Addendum to the Santa Ana Home Ownership Center (HOC) so HUD can assign the Title ID #. HUD anticipates a 24 hour turnaround time for this task, but it could potentially take longer in some cases. Please note that BLB Resources is not able to ratify the contract until this number is obtained; therefore it is extremely important to provide any requested information in a timely manner. When the Title ID # is obtained and all other components of the contract package are correct, the contract package will be ratified and closing proceeds as normal. Training materials and instructions will be provided to new escrow companies to guide them through the process.

Please note that the purchaser may select the previous HUD Designated Closing Agent as their escrow company. However, please note that HUD will not automatically pay the escrow fee as this is now a buyer expense. HUD will only pay a portion of the closing fees if the purchaser includes closing costs on Line 5 of the sales contract at the time of bid submission and there are sufficient funds remaining to allow for this fee to be paid. If there are no closing costs included in the bid, the buyer will be required to pay all escrow and closing fees even if the previous HUD Designated Closing Agent is selected.

## 10.2 Are there changes to the contract package?

Yes, the selected escrow company must be entered on Line 9 of the sales contract, and the Buyer Select Addendum must be included. DO NOT enter “HUD Designated Closing Agent.” If the escrow company does not have a Title ID #, a copy of the escrow company’s state Real Estate agency license, state Insurance Commissioner license, and Errors and Omissions (E&O) insurance must also be included.

In addition, the U.S. Department of House and Urban Development (HUD) Closing Instructions and Certification along with the Additional Escrow Instructions must be completed and included.

## 10.3 Are there changes to the Earnest Money Deposit (EMD) Requirements?

Yes, there are two changes to the EMD requirements.

1. The EMD check must be made payable to BOTH the purchaser’s selected escrow company and the actual Purchaser(s). The funds must state “(insert escrow company) or (insert actual purchaser’s name).” For example, if the purchaser is named John Doe, and John Doe selected ABC Escrow Company, the funds must be made payable to “ABC Escrow Company or John Doe.”
2. The original EMD check must be delivered to the LLB assigned to the property within 2 business days of bid acceptance. A copy of the EMD must be included in the contract package submitted to BLB Resources. Original EMD checks may NOT be submitted to BLB Resources. Upon contract ratification, the LLB will be instructed to deliver the EMD check to the buyer’ selected escrow company.

The check must still be in the form of cashier’s check, money order, or other certified funds with no termination date or cancellation provision. EMD rules and regulations apply to all owner occupant and investor purchases. Please see [Section 12.0 Information on Earnest Money Deposits](#) for details.

## 10.4 Who do I contact if I have more questions regarding this program?

Please contact our Customer Service Department or our Sales Manager Susan Durik [sdurik@blbresources.com](mailto:sdurik@blbresources.com).

## 11.0 Sales Package Requirements

Please note that BLB Resources strongly recommends that you complete the appropriate sales contract package for your buyer (owner occupant, investor, GNND) prior to visiting the HUDHomestore website to submit the electronic bid. Please also ensure that your buyer has obtained a valid pre-qualification or pre-approval letter (if obtaining financing) or proof of funds (if paying cash), as well as the earnest money deposit. This will help ensure that the bid is submitted accurately and that you have all the necessary documents ready to submit to BLB Resources in a timely manner if your bid is accepted.

Please view the PDF file "[How to Complete a HUD Sales Contract Package](#)" on our website, which provides instructions for correctly completing the sales contract package. [Completed samples](#) are also available for your reference. Please do not submit your state contract forms, as we can only accept the HUD contract packages found on our website. Please contact our Sales Department or our Customer Service Department if you have any questions on sales package requirements.

### 11.1 Sales Package Required Addenda

The sales package must be submitted to the correct BLB Resources office within 2 business days after the bid acceptance notification has been sent out. Please use **BLUE ink** to complete the sales contract package. We prefer all signatures to be in blue ink so it is easier to confirm they are original, wet signatures.

A correct and complete sales contract **MUST** include all of the following:

- HUD Sales Contract-9548
- Conditions of Sale
- Electronic Filing of HUD-9548 Contract Addendum
- Radon Gas and Mold Notice Release Agreement
- Individual Owner Occupant Certification (if applicable)
- Lead-Based Paint Addendum (for any home built prior to 1978)
- Forfeiture and Extension Policy
- For Your Protection: Get a Home Inspection
- Agency Disclosure Form
- Flood Zone Disclosure and Addendum (if located in FEMA Flood Zone)
- Buyer Select Closing Agent Addendum
- U.S. Dept. of HUD Closing Instructions and Certification and Additional Escrow Instructions
- Oregon Wood Burning Stove Addendum (in Oregon ONLY)
- Carbon Monoxide Detector Addendum (in California, Oregon, and Washington)
- Proof of Funds
  - Pre-Qualification Letter for any financed sales
    - Must be dated within the last 30 days, and printed on lender's letterhead
    - Must include purchaser's name, type of financing, escrow amount (if any), and lender's contact information including loan officer's email address
    - Please note that the Forfeiture and Extension policy requires a valid *pre-approval* letter for earnest money refunds in the event a ratified contract is cancelled. This policy is strictly enforced
  - Cash Sale
    - Bank statement (within last 30 days)

- If gift funds are being used, gift letter signed by donor and recipient must be included
  - Must also include a copy of the gift check or bank statement from the donor reflecting the gift withdrawal, as well as a copy of the deposit receipt or purchaser's bank statement evidencing receipt of funds
- Special Programs Additional Addenda (if applicable)
  - GNND Program Certification
    - Agreement to Execute a Second Mortgage and Note
    - Employer Verification of Participant Questionnaire
    - Good Neighbor Next Door Sales Program Personal Information Questionnaire
    - Officer, Teacher, or Firefighter/Emergency Responder Pre-Qualification Questionnaire
    - Attachment A: Note
    - Attachment B: Second Mortgage
  - Dollar Home Program
  - Non-Profit Program
- Articles of Incorporation showing who has signing authority for company if purchaser is a corporation
- Proof of identity (Optional – purchaser may submit copies of documentation to show legal name entered on contract matches purchaser's identification, e.g., copy of driver's license, passport, Social Security Card, and/or recent paystub that includes Social Security Number)
- Earnest Money Deposit – a COPY must be included with the original sales contract package submitted to BLB Resources and the ORIGINAL EMD delivered to the LLB

## 11.2 Completing the Sales Contract

The Sales Contract **MUST** be submitted with **ORIGINAL** signatures from both the Purchaser and the Broker, and to the correct BLB Resources office within two (2) business days of bid acceptance. Please use **BLUE ink** to complete the sales contract package. Verify the contract contains the correct information and required initials and/or signatures as shown in the following tables:

<b>FHA CASE #</b>	The correct FHA case number is entered in the box on the top right of the page.
<b>Item 1</b>	All purchasers' names and <u>complete</u> address of the property intended to purchase.
<b>Item 2</b>	All purchasers' names and how title is to be taken. (Example: John Smith, single man)
<b>Item 3</b>	<b>Line 1:</b> The purchase price (far right) <b>Line 2:</b> The EMD amount (verify correct amount) <b>Line 4:</b> Buyer selected escrow company
<b>Item 4</b>	<b>Line 1:</b> Financing Type indicated MUST match bid submission. Verify that financing is applicable for property approval type (e.g.: 203(b), 203(b) with repair escrow, 203(k), cash/conventional/other financing). <b>Line 2:</b> Down Payment amount is BLANK <b>Line 3:</b> Mortgage Amount and term is BLANK <b>Line 5:</b> If financing is a 203(b) with escrow repairs, the amount of repairs on this line must match the repair amount on the listing. <b>Line 6:</b> Check box (✓) if financing is not FHA. Lines 1 – 5 should be blank.
<b>Item 5</b>	Closing Costs are up to 3% of the purchase price.
<b>Item 6</b>	Commission structure is 6% of bid amount or \$2,500 (on select properties designated in HUDHomestore.com), split 50/50 between selling and listing brokers, with only selling brokers able to reduce their portion.

	<b>Part a)</b> Selling Agent Commission up to 3%, or up to \$1,250 <b>Part b)</b> Listing Agent Commission 3%, or \$1,250
<b>Item 7</b>	Net to HUD = (purchase price) minus (commissions and closing costs)
<b>Item 8</b>	Purchaser Type (Example: Owner Occupant or Investor)
<b>Item 9</b>	The sale shall close no later than <b>45 days</b> from seller's acceptance of contract, or 60 days for 203(k) financing. Must enter the buyer selected escrow company.
<b>Item 10</b>	Back-up offer – When submitting the offer, if purchaser would like bid held as a back-up if it is not accepted, this box must be checked. If offer is held as a back-up offer, purchaser may not submit the contract unless and until originally accepted offer is cancelled and back-up offer accepted.
<b>Item 11</b>	LBP: If property is built prior to 1978, "is" box must be checked (✓), and LBP Addendum <b>MUST</b> be attached to Sales Package. Box for other addendum "is" attached must also be checked (✓).
<b>Item 12</b>	All Purchasers must initial. Do not initial on Seller's line.
<b>Item 13</b>	Contains all Purchaser(s) Name(s), all ORIGINAL Signature(s), and Purchaser's Address
<b>Purchaser's Information:</b> Below Item 13 - Purchaser's SSN, Phone number, and Date	
<b>Broker Information:</b> Name, business address, EIN or SSN (this must match the EIN/SSN on the NAID application), SAMS NAID #, original signature of broker (not agent)	
<b>Selling Agent Information:</b> Name and phone number	

Required Initial(s) or Signature(s) Throughout Package	
Contract/Addenda	Requirement
HUD Sales Contract-9548	Line 12: Purchaser(s) initials; Line 13: Purchaser(s) ORIGINAL signature Broker's ORIGINAL signature
Conditions of Sale	Purchaser(s) signature
Electronic Filing of HUD-9548 Contract Addendum	Purchaser(s) signature; Broker's signature
Radon Gas and Mold Notice	Purchaser(s) signature
Owner Occupant Certification (only Owner Occupant purchasers)	Purchaser(s) signature; Broker's signature
Lead-Based Paint Addendum (ONLY homes built pre-1978)	Purchaser(s) initials & signature; <b>Broker's</b> initials & signature
Forfeiture & Extension Policy	Purchaser(s) and Selling Agent's initials on all 3 pages; Purchaser(s) and Selling Agent's signature on page 3
For Your Protection	Purchaser(s) initials & signatures
Flood Zone Disclosure & Addendum	Purchaser(s) signatures; Selling Agent's signature
Buyer Select Closing Agent Addendum	Purchaser(s) signatures; Selling Agent's signature
U.S. Dept. of HUD Closing Instructions and Certification	Must be completed and signed by Escrow Officer
Additional Escrow Instructions	Purchaser(s) signature; Selling Agent's signature; Escrow Officer's signature
Oregon Wood Burning Stove Addendum (only in OR)	Purchaser(s) signature; Broker's or Agent's signature
Carbon Monoxide Detector Addendum (only in CA, OR, WA)	Purchaser(s) signature; Broker's or Agent's signature



### 11.3 Delivery Options

Within two (2) business days of acceptance, the ORIGINAL sales package and COPY of the EMD must be received at the correct BLB Resources office, AND the ORIGINAL EMD must be received by the LLB. The package may be hand delivered or sent in through OVERNIGHT mail or delivery service to assure timely delivery.

**ORIGINAL Sales packages and EMD COPIES must be sent to:**

BLB Resources, Inc.  
16845 Von Karman Avenue, Suite 100  
Irvine, CA 92606  
Phone: (800) 960-2526  
[www.blbresources.com](http://www.blbresources.com)

Original EMD must be sent to the LLB within two (2) business days of acceptance. Please refer to the "Agent Info" tab of the property details on HUDHomestore or your bid acceptance email for the LLB's contact information.

## 12.0 Information on Earnest Money Deposits

### 12.1 Earnest Money Deposit (EMD) Requirements

The earnest money deposit must be in the form of cashier's check or U.S. Postal Money Order with no termination date or cancellation provision.

The EMD check must be made payable to "(insert buyer's selected escrow company) or (insert buyer's name)." For example, if purchaser is named John Smith, who selected ABC Escrow Company, the check must be made payable to "ABC Escrow Company or John Smith." **This applies to Idaho properties ONLY.**

**ORIGINAL EMD checks must be delivered to the Local Listing Broker (LLB) assigned to the property within two (2) business days of bid acceptance.** We recommend that a copy of the buyer select addendum be provided to the LLB so the LLB may verify the EMD is correct. A COPY of the EMD must be included with the original contract package submitted to BLB Resources. Upon contract execution by BLB Resources, the LLB will be instructed to deliver the EMD to the closing agent selected by the buyer.

EMD rules and regulations apply to all owner occupant and investor purchases.

The amount of EMD required is determined by the sales price as follows:

- For properties with a sales price of \$50,000 or less, the EMD is \$500
- For properties with a sales price of \$50,001 or more, the EMD is \$1,000
- For vacant lots, the EMD is 50% of the list price
- For GNND properties, the EMD is 1% of the list price (not less than \$500 and not to exceed \$2,000)

**\*These amounts are not negotiable\***

### 12.2 Forfeiture of Earnest Money Deposits

The failure by a Purchaser to close on the sale of property within the allowable period (45 days plus any extensions approved by HUD), may result in the forfeiture of the **ENTIRE** earnest money deposit, except where special circumstances exist. These situations will need to be documented and granted by HUD.

- **Investor Purchasers**
  - Please note the 15-day inspection period applies to owner occupant purchasers only. Investors may inspect the property but will forfeit the entire earnest money deposit regardless of the inspection results.
  - **Uninsured Sales** – The purchaser will forfeit the entire EMD for failure to close within the allotted time, regardless of the reason
  - **Insured Sales** – The purchaser will forfeit fifty percent (50%) of the EMD for failure to close if the purchaser is determined by HUD or a Direct Endorsement underwriter to be an unacceptable purchaser. The purchaser will forfeit the entire EMD if the sale fails to close for any other reason.

- **Owner Occupant Purchasers** – The forfeit of EMD is applicable regardless of sale type unless otherwise stated.
  - The purchaser will receive a refund of the entire EMD under the following circumstances:
    - There has been a death in the immediate family (contract holder, spouse, or children living in the same household).
    - There has been a recent serious illness in the immediate family that has resulted in significant medical expenses or substantial loss of income, thus adversely affecting the purchaser's financial ability to close the sale.
    - There has been a job loss by one of the primary sources of income, or substantial loss of income through no fault of the purchaser.
    - For Insured sales, HUD (or a Direct Endorsement underwriter using HUD guidelines) determines that the purchaser is not an acceptable borrower.
    - For Uninsured sales, the purchaser was pre-approved for mortgage financing in an appropriate amount by a recognized mortgage lender and, despite good faith efforts, is unable to obtain mortgage financing. "Pre-approved" means a commitment has been obtained from a recognized mortgage lender for mortgage financing in a specified dollar amount sufficient to purchase the property.
    - For other good cause, as determined by HUD.
  - On an uninsured sale, the purchaser will forfeit fifty percent (50%) of the EMD in those instances where, despite good faith efforts by the purchaser, there is an inability to obtain a mortgage loan from a recognized mortgage lender.
  - On either type of sale, the purchaser will forfeit the entire EMD in those instances where no documentation is submitted, where the documentation fails to provide an acceptable cause for the purchaser's failure to close, or where documentation is not provided within 30 days following contract cancellation.

Please note that in all cases where the sole reason for cancellation is to switch escrow companies, the buyer will forfeit the entire EMD, regardless of financing and purchaser types. Please also be advised that in those situations where the sole reason for cancellation is to switch escrow companies, the property may not be relisted since there may be backup bidders that may be awarded. If there are no backup bids, the property will get relisted, the buyer would need to re-bid, and there may be a chance the buyer would not get awarded the property again.

### 12.3 Vacant Lot Sales

For vacant lot sales, the purchaser will be considered as an investor and the instructions pertaining to forfeiture of EMD by investors will apply.

### 13.0 Lead Based Paint (LBP) Inspections

If the property was built prior to 1978, and FHA insured financing [203(b), 203(b) repair escrow, or 203(k)] is being used, BLB Resources will issue a work order to the FSM at contract ratification to complete an LBP inspection. If the purchaser is paying cash or obtaining non-FHA insured financing (conventional, VA, Rural Development, etc.) an LBP inspection will not be provided.

If the inspection reveals LBP that needs to be stabilized, HUD will pay for the stabilization and clearance, not to exceed \$4,000. If the stabilization costs exceed \$4,000, the purchaser has the following options:

1. Cancel the transaction and receive a full EMD refund, or
2. Proceed with 203(k) financing and include the stabilization costs in the rehab costs. If the purchaser is using 203(b) or 203(b) repair escrow financing, the purchaser will need to submit a Request to Change Financing Type, changing to 203(k) financing.
  - a. Please note that if purchaser is using 203(k) financing and stabilization costs exceed \$4,000, HUD will credit **up to** \$4,000 to the purchaser at closing.
  - b. Please also note that both the purchaser(s) and the lender will be required to sign Form HUD-9548-G: 203(k) Rehabilitation Financing Lead Agreement, which incorporates the LBP stabilization plan into the 203(k) repair.
3. Proceed with cash or non-FHA financing.

Purchasers may change financing after ratification, as long as the requested financing type is still consistent with the listed insurability of the property. If the purchaser changes from FHA insured financing to cash or other non-FHA financing after the termite inspection, termite treatment, LBP inspection, and/or LBP stabilization, **the purchaser will be responsible for the cost of the termite inspection, any subsequent termite treatment, the LBP inspection, and any LBP stabilization.**

## 14.0 Termite Inspections

### 14.1 Criteria for Ordering Termite Inspections

The FSM is responsible for ordering a termite inspection. However, please note that a termite inspection will only be ordered if the property meets one of the following criteria:

1. Termite or Wood Destroying Organism (WDO) inspections are mandated by state or local jurisdiction
2. The property is being sold with FHA financing and is located in an FHA designated Termite Probability Zone. More information on these zones can be found on the National Pest Management Association website: <http://www.npmapestworld.org/techresources/hud.cfm>.

Please note that if a termite inspection is required, it must be completed prior to close of escrow. The inspection cannot be included in the escrow holdback (if applicable). However, any unresolved items after active infestation has been cleared may be included in the escrow holdback.

If the appraisal report indicates the presence of termites or other WDO, but inspections are not mandated by state or local jurisdiction and the property is not being sold with FHA financing, a termite inspection will not be ordered. In this situation, this information will be disclosed to the purchaser, who has the right to order an inspection and treatment at their own expense.

If the purchaser is paying cash or obtaining non-FHA insured financing (conventional, VA, Rural Development, etc.), a termite inspection will NOT be provided. In addition, if the appraisal report indicates the presence of termites or other WDO, but inspections are not mandated by state or local jurisdiction and the property is not being sold with FHA financing, a termite inspection will not be ordered. In this situation, this information will be disclosed to the purchaser, who has the right to order an inspection and treatment at their own expense. Please note that in this situation, the purchaser's inspection may be conducted prior to close of escrow, however any necessary WDO treatment must be completed after the close of escrow.

### 14.2 Termite Clearance

If the FSM obtains a WDO inspection, and the inspection report indicates active WDO infestation, BLB Resources will issue a Work Order Notification to the FSM for treatment of the active infestation. However, please note that the FSM will only clear the active infestation, not all Section 1 items will be included. If the lender requires additional Section 1 repairs completed that were not part of the active infestation, they can be included in the repair escrow. Note: repair escrow cannot exceed \$5,000.

### 14.3 Requesting Termite Report Copies

The purchaser may request a copy of the Termite Report by completing the Termite Report Request Form found on the Agent Resources page for your state on our website ([www.blbresources.com](http://www.blbresources.com)) and submitting it via email to [2Steriterequests@blbresources.com](mailto:2Steriterequests@blbresources.com) or fax to 949-379-2896.

## 15.0 Well, Septic, and other Point of Sale Inspections

Depending on the location of the HUD home, the process to close escrow and transfer title on a home with a well or septic system may vary. It is the responsibility of the FSM to be aware and up to date on these requirements.

HUD will pay for these inspections and complete septic repairs ONLY if a state law or local ordinance specifically stipulates that it IS a seller-required inspection that must be completed before close of escrow and transfer of title. HUD will NOT pay for inspections or repairs that are lender-required if they are not also a state or local requirement.

In other areas, state law or local ordinances may require a certificate of occupancy or other point of sale inspection in order to close escrow and transfer title. In this case it is the seller's responsibility to pay for any required inspections or repairs in order to close escrow and transfer title.

The FSM is usually responsible for ordering the inspection(s), though BLB Resources and/or our LLBs may do so in order to expedite the process. The selling agent's responsibilities are to follow up on inspections and repairs with the FSM, and communicate the need for these requirements to BLB Resources. We can then assist the selling agent by also following up with the FSM to ensure the inspections are completed prior to close of escrow.



## 16.0 Closing Agents

Please note that there are not any HUD Designated Closing Agents in the states of Alaska, California, Hawaii, Oregon, and Washington. The Buyer Select Program is in effect in these areas and the buyer is required to choose their own escrow company.

## 17.0 Information on Sales Contract Extensions

If the scheduled closing date cannot be met, purchasers may request an extension of the closing date. BLB Resources may grant extensions, in intervals of 15 days, upon written request from the purchaser. Extensions of time to close the sale are entirely within Seller's discretion.

If granted, the following conditions apply:

- A written request for extensions must be received by BLB Resources no later than 5 days before the expiration of the sales contract.
- Documentation submitted with the extension request must establish the cause of delay and must demonstrate evidence that a closing is imminent. Contracts that exceed the expiration date are subject to cancellation.
- Extension fees are non-refundable if the closing does not occur.
- At the closing, unused extension fees will be prorated to the Purchaser, and refunded by escrow.
- The granting of one extension shall not obligate the Seller to approve additional extensions, and the Seller shall declare a Default for the Purchasers' failure to close the sale upon the expiration of the original closing period or upon the expiration of the extension.
- Extensions will be for a period of 15 calendar days. Fees will be based on the contracted sales price of the property:
  - \$10 per day for properties with a sales price \$24,999 or less
  - \$15 per day for properties with a sales price from \$25,000 to \$49,999
  - \$25 per day for properties with a sales price \$50,000 or more
- The applicable fee must be submitted with the request in the form of a certified or cashier's check or a money order.
- Extension requests must be submitted to [2Sext@blbresources.com](mailto:2Sext@blbresources.com).
- **All extension fee checks are to be made payable to "U.S. Department of HUD." Mail checks to:**

BLB Resources, Inc.  
Attention: Accounting/Lockbox  
16845 Von Karman Avenue, Suite 100  
Irvine, CA 62606



## 18.0 Conclusion

Congratulations! You are now ready to begin the exciting process of selling HUD Homes. This handbook has provided answers to the most commonly asked questions regarding HUD Homes and the selling process. If you have any additional questions, please contact our office. We are available to assist you Monday through Friday 7:00 a.m. – 6:00 p.m. PST (closed on Federal Holidays):

BLB Resources, Inc.  
16845 Von Karman Avenue, Suite 100  
Irvine, CA 92606  
Phone: (800) 960-2526  
[www.blbresources.com](http://www.blbresources.com)

We appreciate your business. Best of success with your bidding.