

Selling Broker Quick Reference Guide for 2S - Revised 12-14-11

The following steps must be completed in order for a Selling Broker/Agent to place a bid on a HUD Home:

1. The principal broker must register for and receive a NAID. Please visit the [NAID Registration page](#) on www.HUDHomestore.com for information to complete this process.
2. The principal broker must [register as a Bidder](#) on www.HUDHomestore.com. Please [click here to see a short video on registering as a Principal Broker with a NAID](#).
3. The selling agent (if not the same as the principal broker) must then register as a Bidder on www.HUDHomestore.com. Please [click here to see a short video on registering as a Selling Agent or Associate Broker](#).
4. Find a HUD Home your buyer wishes to purchase by visiting www.HUDHomestore.com. Please visit this site frequently for the latest HUD inventory. **We list properties daily**, not weekly. New listings may appear **Monday – Saturday** by 1:00 am.
5. Complete the appropriate sales contract package for your buyer, utilizing the Sales Package Verification Checklist on page 3 of this Quick Reference Guide. Please use **BLUE ink** to complete the sales contract package. Please ensure your buyer has obtained a valid pre-qualification letter or proof of funds **prior to submitting a bid**.
6. When the contract has been completed, click the “Submit an Offer” button on the lower right corner of the Property Details screen on www.HUDHomestore.com. Enter the requested NAID/license information and click “Verify NAID” to get to the Bid Submission page. Answer the questions according to the completed contract package to complete the form and click “Continue.” Review the Bid Summary page, accept the terms & conditions and click “Confirm This Bid” to submit. Retain the confirmation number to log back in and track the status of the bid.

Financing Types:

IN (Insurable) – these properties qualify for FHA 203(b) financing and have no obvious Minimum Property Requirements (MPR) repairs. These properties may also qualify for 203(k) financing, a rehabilitation loan for owner occupants only.

IE (Insurable with Escrow) – these properties qualify for FHA 203(b) with Repair Escrow, and have MPR repairs totaling less than \$5,000. The repair escrow is the buyer’s financial responsibility, never a credit to the buyer. The lender holds the repair escrow money until completed (which must be within 90 days after closing) and is responsible for disbursing the funds to the appropriate parties. The escrow repair amount only applies to FHA 203(b) financing. These properties may also qualify for 203(k) financing.

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

UK (Uninsurable, 203k Eligible) – these properties do not qualify for FHA 203(b) financing, but may qualify for 203(k) financing.

Property Availability and Bid Deadlines:

Properties listed as **IN** and **IE** are available exclusively for owner occupant, nonprofit and government agency bidders for the first 30 days on the market. Please note **the initial bid review is on the 11th day** of listing. All bids received during the first 10 days are opened and reviewed simultaneously. If no acceptable offers are received, bids are reviewed daily (Mon. – Fri.) until the exclusive 30 day owner occupant period expires. Properties are then available for all bidders, with bids reviewed daily (Mon. – Fri.).

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Properties listed as **UI** or **UK** (and some IN or IE properties located in HUD-designated revitalization areas) are first placed into the Lottery program for nonprofits and government agencies or for Good Neighbor Next Door participants. If no acceptable bids are received after 7 days in the Lottery program, these UI and UK properties enter a 5 day owner occupant exclusive listing period, with all **bids** received during this period opened and **reviewed** simultaneously **on the 6th day**. If no acceptable bids are received, the properties are then available for all bidders, with bids reviewed daily (Mon. – Fri.).

Please note that **properties are removed from the HUDHomestore 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 prior to submitting a bid as it is no longer available after a bid has been accepted.

Winning bid notification will typically be sent within 24-48 hours of bid deadline. Daily bid result postings may be forthcoming on the HUDHomestore website. If your bid is accepted, the sales package must be received at the appropriate BLB Resources office within **2 business days** of bid acceptance. The package may be hand delivered or sent in through OVERNIGHT mail or delivery service to assure timely delivery.

Please send sales packages for

AZ, NV, ID, CA, OR, WA, AK, HI, Guam, N. Mariana Islands and American Samoa to:

BLB Resources

16845 Von Karman Avenue, Suite 100

Irvine, CA 92606

Phone: (800) 960-2526

Extended hours: Monday – Friday 7:00 am – 6:00 pm PST (except Federal Holidays)

Earnest Money Deposits must be certified funds (i.e. cashier's check or U.S. Postal Money Order), made payable to BOTH "**HUD OR (insert actual buyer's name)**." Please note that no Money Gram or Western Union money orders will be accepted. The original EMD (**NOT** a copy of the check) must be included with the contract package received by BLB Resources within 2 business days of bid acceptance. 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

The failure by a Purchaser to close on the sale of property within the allowable period (45 days), including 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. Please note 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.

Overbidding information: Please note that if a buyer is securing FHA financing, their lender will be required to use HUD's FHA "AS-IS" Appraisal. A second appraisal **may not** be ordered simply to support a higher purchase price. In the event the appraisal is over 4 months old at the time of contract acceptance, the buyer will be required to obtain a new FHA "AS-IS" appraisal at the buyer's expense. If a buyer's bid is accepted and their bid amount is in excess of the HUD appraised value, **the purchaser must pay the difference between bid amount and appraised value in cash**, because FHA will not approve a loan amount that is greater than the appraised value of the property. If a buyer is securing a loan that does not involve FHA financing, then the buyer's lender will always order a new appraisal on the property at the buyer's expense regardless of whether they overbid the property.

Please visit www.blbresources.com to download the **Selling Broker Handbook, Sales Contract Packages**, and other addenda. Best of success with your bidding.

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Sales Package Verification Checklist for Owner Occupant and Investor Purchasers

_____ **Sales Contract** (Please use **BLUE ink** to complete forms)

_____ FHA Case Number is correct

_____ Property Address includes City, State, and County

_____ **Purchase information matches the accepted bid**

- Line 3: Purchase Price, EMD amount is accurate, “HUD designated closing agent”
- Line 4: Chosen financing type matches bid submission, escrow amount is included if IE was chosen
- Line 5: Closing Costs
- Line 6a: Selling Agent Commission
- Line 6b: Listing Broker Commission
- Line 7: Net to HUD
- Line 8: Appropriate purchaser type is indicated (e.g.: owner occupant, investor)
- Line 9: must be 45 days (or 60 days for 203k financing), Closing Agent = “HUD designated closing agent”

_____ Purchaser(s) initialed Line 12 of the Sales Contract

_____ Purchaser(s) signed and dated the sales contract (under line 13)

- Purchaser address (cannot be P.O. Box)
- Purchaser SSN (must match bid submission)
- Purchaser phone number

_____ Brokerage information including name, address, NAID, EIN, phone number, and signature (must be brokers’s original signature)

_____ Selling Agent name and phone number is correct

_____ **Earnest Money Deposit (ACTUAL CHECK is included in Sales Package)**

_____ Certified check **OR** U.S. Postal Money Order is attached

_____ Certified check **OR** money order is made out to BOTH “**HUD or actual buyer’s name**”

_____ **Addenda**

_____ Purchaser(s) signed the “Conditions of Sale”

_____ Purchaser(s) signed the “Radon Gas and Mold Notice Agreement”

_____ Purchaser(s) **AND** broker signed the “Individual Owner Occupant Certification” if purchaser is an owner occupant

_____ Purchaser(s) **AND** broker signed and initialed the “Lead Based Paint Addendum” if property was built prior to 1978

_____ Purchaser(s) **AND** agent **initialed and signed** “Forfeiture and Extension Policy” (all 3 pages are included)

_____ Purchaser(s) signed the “For Your Protection, Get a Home Inspection” form

_____ Agency Disclosure

Financed Sales

_____ Prequalification Letter is attached

_____ Prequalification Letter includes purchaser(s) name and amount of prequalification

_____ Prequalification Letter is printed on lender’s letterhead and signed by loan officer

Cash Sales

_____ Proof of Funds