

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, and recertify annually. Please visit the [NAID Application page](#) on HUDHomestore for information to complete this process.
2. The principal broker must [register as a Bidder](#) on HUDHomestore. Please [click here to see a short video on registering as a Principal Broker with a NAID](#) (please note Flash videos may not play on some Apple devices).
3. The selling agent (if not the same as the principal broker) must register as a Bidder on HUDHomestore. 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 searching on HUDHomestore. Please visit this site frequently for the latest HUD inventory. New listings may appear Monday – Friday.
5. Effective 5-1-17, HUD is utilizing an Electronic Signature (E-Signature) process through DocuSign for the sales contract package. Please visit the [HUDHomestore Help page](#) for details regarding bid information and to view videos and guides of this process. We recommend that your buyer has obtained a valid pre-qualification letter or proof of funds and has provided an earnest money deposit **prior to submitting a bid**, as these documents will be required to be uploaded as soon as the bid is accepted.
6. Click the “Submit an Offer” button on the lower right corner of the Property Details screen on [HUDHomestore](#). Enter the all of the required information, 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 bid status. Please be mindful of the bid submission deadline posted in the property details [**by 11:59 pm Central Time (CT) / 9:59 pm Pacific Time (PT) on the date specified**].

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 \$10,000. 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 FHA 203(k) financing.

UI (Uninsurable) – these properties do not qualify for FHA 203(b) financing. Typically these properties have MPR repairs exceeding \$10,000 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 FHA 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 15 days on the market. **The initial bid review is on the 11th day** of listing. All bids received during the first 10 days are opened and reviewed simultaneously (i.e., there is no priority given to bids submitted earlier in the bid period than bids submitted later). If no acceptable offers are received, bids are reviewed daily (Mon. – Fri.) until the exclusive 15 day owner occupant period expires. Properties are then available for all bidders, with bids reviewed daily (Mon. – Fri.).

Some properties listed as **UI** or **UK** (as well as **IN** or **IE** properties located in HUD-designated revitalization areas) are first placed into the Lottery program for nonprofit organizations, government agencies, or 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 (i.e., there is no priority given to bids submitted earlier in the bid period than bids submitted later) **on the 6th day**. If no acceptable bids are received, the properties are then available for all bidders, with bids reviewed daily (Mon. – Fri.).

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).

Winning bid notification will typically be sent within 24-48 hours of bid deadline. Daily bid result postings are also available on the [Bid Results](#) page of the HUDHomestore website. If your bid is accepted, the sales package must be received at the BLB Resources office within **2 business days** of bid acceptance. Please note that selling agents are now required to utilize E-Signatures on all HUD Sales Contract Packages. The E-Signature process will take part through online technology from DocuSign and all parties privy to this contract will receive direct emails at designated times in the workflow requiring verification and E-signatures of the sales contract document.

Earnest Money Deposits must be certified funds (i.e. cashier's check or U.S. Postal Money Order), made payable to BOTH **"(insert buyer selected escrow company) OR (insert actual buyer's name)."** It may also be acceptable to make the EMD check payable just to the buyer selected escrow company.

A copy of the EMD must be uploaded, along with other required documents (please see page 3), in the Earnest Money Deposit upload link via the "Checklist" link corresponding to the bid, found within the "Accepted Bids" tab of your HUDHomestore profile.

Original EMD checks must be delivered to the Local Listing Broker (LLB) assigned to the property within two (2) business days of bid acceptance. Upon contract execution by BLB Resources, the LLB will be instructed to deliver the EMD to the closing agent selected by the buyer.

For properties with bids accepted prior to 9-28-18, the amount of EMD required will be:

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

For properties with bids accepted on/after 9-28-18, the amount of EMD required will be:

- \$500 for properties with a sales price of \$50,000 or less
- \$1,000 for properties with a sales price greater than \$50,000 but less than \$250,000
- \$2,000 for properties with a sales price equal to or greater than \$250,000
- For vacant lots, EMD is based on disposition list price:
 - For vacant lots with a list price less than \$1,000, EMD is 50% of list price

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

The failure by a Purchaser to close on the sale of property within the allowable period (generally 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. 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.

Please visit www.blbresources.com to download the **Selling Broker Handbook** and other addenda. Please also visit the HUDHomestore Help page for additional instructions, videos, and tutorial guides on the E-Signature Process. Best of success with your bidding.

E-Signature Additional Instructions

The E-Signature Contract Package must include the EMD and Proof of Funds/Pre-Qualification Letter listed below. If any other items listed applies to your case, then please upload it. Only upload the items applicable to your case. To upload these documents, please access the checklist through the Accepted Bids tab in your www.HUDHomestore.com bidder account. Upload the respective documents to the respective section of the checklist.

1. Earnest Money Deposit (EMD)

- a. A **COPY** of the Certified Check or Money Order in the correct amount:
 - i. For properties with bids accepted prior to 9-28-18, the amount of EMD required will be:
 1. \$500 for properties with a sales price of \$50,000 or less
 2. \$1,000 for properties with a sales price greater than \$50,000
 3. For vacant lots, EMD is based on disposition list price:
 - a. For vacant lots with a list price less than \$1,000, EMD is 50% of list price
 - b. For vacant lots with a list price of \$1,000 or more, EMD is \$500
 - c. For vacant lots with a list price of \$50,000 or more, EMD is \$1,000
 4. For GNND properties, the EMD is 1% of the list price (not less than \$500 and not to exceed \$2,000)
 - ii. For properties with bids accepted on/after 9-28-18, the amount of EMD required will be:
 1. \$500 for properties with a sales price of \$50,000 or less
 2. \$1,000 for properties with a sales price greater than \$50,000 but less than \$250,000
 3. \$2,000 for properties with a sales price equal to or greater than \$250,000
 4. For vacant lots, EMD is based on disposition list price:
 - a. For vacant lots with a list price less than \$1,000, EMD is 50% of list price
 - b. For vacant lots with a list price of \$1,000 or more, EMD is \$500
 - c. For vacant lots with a list price of \$50,000 or more, EMD is \$1,000
 5. For GNND properties, the EMD is 1% of the list price (not less than \$500 and not to exceed \$2,000)
- b. Made payable to “[Buyer Select Escrow Company] **OR** [purchaser’s name]” or just to “[Buyer Select Escrow Company]”
 - i. Note: please reference the Buyer Select Escrow Company by name. For example, if the company name is ABC Title and purchaser is John Doe, the check should be made payable to “ABC Title or John Doe” or just to “ABC Title.”
- c. **ORIGINAL** check or money order delivered to Listing Agent within 2 business days of bid acceptance

2. Prequalification Letter or Certification of Cash Funds

- a. If paying cash, **proof of funds** (e.g. bank statement) must be equal to or greater than purchase price
- b. If obtaining financing, a valid prequalification letter must be included
 - i. Includes purchaser(s) name, type of loan, escrow amount (if any) and amount of prequalification (equal to or greater than purchase price, proof of additional funds may be required if less than purchase price)
 - ii. Must be on lender’s letterhead with lender’s contact information, including loan officer’s email address

3. Broker Authorization Letter (as needed)

- a. If the designated broker for the NAID is unavailable to sign the contract, an alternative broker may be authorized to sign instead by including the completed and signed Broker Authorization Letter

- 4. Buyer Select Closing Agent License and E&O Insurance (required ONLY IF PROMPTED)**
 - a. If prompted in the Buyer Select Closing Agent section of the checklist, please upload the closing agent's active professional license and their current E&O Insurance. The file will not be able to move forward if these documents are needed.
 - b. If you are not prompted, then the system already has their current information on file and it does not need to be uploaded until it expires.
- 5. Investor documentation (as needed)**
 - a. If purchaser is an LLC, please include articles of incorporation
 - b. If purchasing under a trust, please include trust documentation
 - c. Please note that HUD will NOT pay a sales commission to the Selling Agent/Broker if the Investor Purchaser(s) is also the Selling Agent/Broker and/or affiliated with the Selling Agent/Broker. Purchaser is considered affiliated if their brokerage or company shares the same EIN and/or ownership as the Selling Agent/Broker, or if purchaser is an immediate family member of the Selling Agent/Broker.
- 6. Agency Disclosure Form (optional – This is your state/local Buyer Representation or Agent Disclosure Agreement, not a BLB Resources or HUD form)**