



BID INFORMATION

- Please be aware the bid deadline shown on the HUD Homestore website does not reflect when offers will be reviewed and awarded. Awards may take place prior to the bid deadline. For example, Exclusive Listing bids will first be reviewed on day 10. If there are no acceptable bids, than bids will be viewed on day 11. The process will continue like this until day 30. If there are no acceptable bids after day 30, investors and others may bid on day 31 and the listing will show as Extended Listing Period.
- After submitting your bid, please print the repair escrow sheet (if applicable) and PCR. These items will NOT be available on HUDhomestore.com after the bid is awarded.
- Visit www.hudpemco.com to print the Sales Contract package and any other applicable documents (under Forms link).
- Contract package should be filled out and signed in blue ink by all parties
- Earnest Money is in the form of certified funds only (cashier's check or Postal Money Order) and should have TWO payees. Make check payable to: HUD or buyer's name. For example, "HUD or John Doe".
- Double check to confirm all documents are signed and filled out properly
- If you are awarded the bid, the ORIGINAL earnest money check MUST be included with the contract package and sent to PEMCO within 2 business days of award with tracking (UPS, FEDEX, etc) to the appropriate PEMCO office:

For the States of:

California, Oregon, Washington, Alaska, and Hawaii

Submit the contract package to:

**PEMCO, LTD
1601 Response Road, Suite 260
Sacramento, CA 95815**

- Upon execution of the sales contract, the Selling Broker will receive a notice of contract acceptance, information of HUD Closing Agent and the appraisal.
- PEMCO will send a copy of the executed contract package along with the earnest money to the HUD Closing Agent.



- All property management issues should be communicated with HUD's Field Service Manager (FSM). This information can be found by using the **Property Contacts** link at HUDhomestore.com or going to the *Agent Info* tab on the specific property.



www.hudpemco.com

SALES CONTRACT INFORMATION

LINE 1: Print purchaser's full, legal name and property address (address found on HUDHOMESTORE.COM)

Line 2: Print buyer's full, legal name along with vesting. IF uncertain of vesting, leave vesting info blank, UNLESS in Washington. WA contracts must have vesting on line 2.

Line 3: Offered Sales price of property (1st line) and earnest money amount (2nd line) to be held by PEMCO (3rd line)

Earnest Money Deposit: Price under \$49,999 = \$500; Property Price \$50,000 & up = \$1,000. Certified funds (cashier's check or Postal Money Order ONLY) to be made payable to BUYER OR HUD (both names on check). If more than one buyer is listed on check, all full names must be separated by the word "OR". Do not write anything other than payees' names on "Make Check Payable To" line. If you add property case number, please make sure it is on the bottom left side of check.

Line 4: Check financing type. If FHA, be sure to check FHA Box plus the FHA type box (i.e. 203B, 203B repair escrow). If using FHA 203B repair escrow, list repair escrow amount on line (repair escrow info found on HUDHOMESTORE.COM)

- Use TBD "to be determined" on 3 spaces on line 4: "down payment of \$ TBD" ; "in the amount of \$ TBD"; "for TBD months"

If cash or conventional, check appropriate box. Repair escrow does NOT apply!

Line 5: Closing Costs: HUD will pay up to 3% towards closing costs except Lottery & GNND programs

Line 6a: Commission: HUD will pay Selling Agent commission up to 3% of bid price except on Non-Profit properties. No commission paid by HUD.

Line 6b: HUD will pay broad local listing agent 3% of bid price except Non-Profit properties. No commission paid by HUD.

Line 7: NET to HUD (offered sales price minus closing costs & commissions). Winning bid is always determined by NET to HUD.

Line 8: Purchasing Type: Select appropriate type of purchaser (i.e. owner occupant, investor)

Line 9: 45 days in escrow EXCEPT if using 203K financing, then it will be 60 days

Line 10: Choose "may" so that buyer may be a possible back up bidder if award was not made to him/her.

Line 11: LBP: If property was built prior to 1978, LBP addendum must be attached to contract. If buyer uses FHA financing, HUD will pay up to \$4,000 to stabilize LBP issues.



Line 12: Purchaser **MUST** initial on the line provided for purchaser. Both initials on the same line or above line if more than one buyer. DO NOT initial on the line provided for seller (this is for HUD).

Line 13: Purchaser must print full, legal name and sign full, legal name and include complete address of existing residence and phone number (not property to be purchased). Use BLUE ink! Be sure name(s) on lines 1, 2, & 13 all match! Same legal name(s), same spelling, same individual(s).

Line 13 (cont): Purchaser's social security number needs to be listed. If incorrect, we will request a copy of identification (i.e. driver's license **and** social security card).

Line 13 (cont): Include date contract is signed in designated area.

Line 13 (cont): DO NOT sign on line for seller (this is reserved for HUD's signature)

Line 14: Broker's business name and address. This must be the principal broker who is registered with HUD. Agent may not sign on behalf of principal broker. The broker signatory authorization letter is no longer accepted by HUD. Please make sure the principal broker with NAID number signs all contract and addendum items.

Line 14 (cont): EIN number or SS# in space provided

Line 14 (cont): broker's NAID number

Line 14 (cont): broker's phone number

Line 14 (cont): broker's signature (principal broker with NAID #)

Sales Contract
Property Disposition Program

U.S. Department of Housing and Urban Development
Office of Housing
Federal Housing Commissioner

HUD Case No.

1. I (We), _____
(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:

(street number, street name, unit number, if applicable, city, county, State)

2. The Secretary of Housing and Urban Development (Seller) agrees to sell the property at the price and terms set forth herein, and to prepare a deed containing a covenant which warrants against the acts of the Seller and all claiming by, through or under him. Title will be taken in the following name(s) and style: _____

3. The agreed purchase price of the property is> 3. \$ _____
Purchaser has paid \$ _____ as earnest money to be applied on the purchase price, and agrees to pay the balance of the purchase price, plus or minus prorations, at the time of closing, in cash to Seller. The earnest money deposit shall be held by _____.

4. Purchaser is applying for FHA insured financing [203(b), 203(b) repair escrow, 203(k)] with a cash down payment of \$ _____ due at closing and the balance secured by a mortgage in the amount of \$ _____ for _____ months (does not include FHA Mortgage Insurance Premium, prepaid expenses or closing costs Seller has agreed to fund into mortgage.).

Said mortgage involves a repair escrow amounting to \$ _____.

Purchaser is paying cash or applying for conventional or other financing not involving 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> 5. \$ _____

6a. Upon sales closing, Seller agrees to pay to the broker identified below a commission (including selling bonus, if offered by seller) of> 6a. \$ _____

6b. If broker identified below is not the broad listing broker, broad listing broker will receive a commission of:> 6b. \$ _____

7. The net amount due Seller is (Purchase price [Item 3] less Items 5 and 6)> 7. \$ _____

8. Purchaser is: owner-occupant (will occupy this property as primary residence) investor
 nonprofit organization public housing agency other government agency. Discount at closing: _____ %
Discount will reduced by amounts, if any, listed on Line Items 5 and 6.

9. Time is of the essence as to closing. The sale shall close not later than _____ days from Seller's acceptance of contract. Closing shall be held at the office of Seller's designated closing agent or _____.

10. If Seller does not accept this offer, Seller may may not hold such offer as a back-up to accepted offer.

11. Lead based paint addendum is is not attached; Other addendum is is not attached hereto and made part of this contract.

12. **Should Purchaser refuse or otherwise fail to perform in accordance with this contract, including the time limitation, Seller may, at Seller's sole option, retain all or a portion of the deposit as liquidated damages. The Seller reserves the right to apply the earnest money, or any portion thereof, to any sums which may be owed by the Purchaser to the Seller for rent. Purchaser(s) Initials: _____ Seller's Initials: _____**

13. This contract is subject to the Conditions of Sale on the reverse hereof, which are incorporated herein and made part of this contract.

Certification of Purchaser: The undersigned certifies that in affixing his/her/its signature to this contract he/she/it understands: (1) all the contents thereof (including the Conditions of Sale) and is in agreement therewith without protest; (2) he/she/it is responsible for satisfying itself as to the full condition of the property; and (3) that Seller will not perform repairs after acceptance of this contract.

Purchaser(s): (type or print names & sign)

Purchaser(s) Address:



Purchaser(s) Social Security Number (SSN) or Employer Identification Number (EIN) (include hyphens) Phone No:

Date Purchaser(s) Signed Contract:

Seller: Secretary of Housing and Urban Development By: (type name & title, & sign)

Date Contract Accepted by HUD:

X

Certification of Broker: The undersigned certifies that: (1) neither he/she nor anyone authorized to act for him/her has declined to sell the property described herein to or to make it available for inspection or consideration by a prospective purchaser because of his/her race, color, religion, sex, familial status, national origin, or disability; (2) he/she has both provided and explained to the purchaser the notice regarding use of Seller's closing agent; (3) he/she has explained fully to the purchaser the entire terms of the contract, including Condition B on the reverse hereof; and (4) he/she is in compliance with Seller's earnest money policy as set forth on HUD forms SAMS-1111, Payee Name and Address, and SAMS-1111-A, Selling Broker Certification, which he/she has executed and filed with Seller.

Broker's Business Name & Address: (for IRS reporting) (include Zip Code)	Broker's EIN or SSN: (include hyphens)	SAMS NAID:
	Signature of Broker:	Broker's Phone No:
	X	

Type or print the name and phone number of sales person:

This section for HUD use only. Broker notified of:
 Acceptance Back-Up No. _____
 Rejection Return Earnest Money Deposit

Authorizing Signature & Date:

X

Conditions of Sale

- A. All assessments, including improvement assessments which are available for payment without interest or penalty for advance payment, taxes, rent, and ground rent, if any, shall be prorated as of the closing date.
- B. Seller makes no representations or warranties concerning the condition of the property, including but not limited to mechanical systems, dry basement, foundation, structural, or compliance with code, zoning or building requirements and will make no repairs to the property after execution of this contract. Purchaser understands that regardless of whether the property is being financed with an FHA-insured mortgage, Seller does not guarantee or warrant that the property is free of visible or hidden structural defects, termite damage, lead-based paint, or any other condition that may render the property uninhabitable or otherwise unusable. Purchaser acknowledges responsibility for taking such action as it believes necessary to satisfy itself that the property is in a condition acceptable to it, of laws, regulations and ordinances affecting the property, and agrees to accept the property in the condition existing on the date of this contract. It is important for Purchaser to have a home inspection performed on the property in order to identify any possible defects. If FHA insured financing is used, up to \$200 of the cost to perform the inspection may be financed into the mortgage. Names of home inspection companies can be found in the yellow pages of your telephone directory under the heading "Home Inspection Services."**
- C. If financing is involved in this transaction (Item 4), Purchaser agrees that should he/she/it fail to provide documentation indicating that proper loan application was made in good faith within 10 calendar days of the date this contract was accepted by Seller, and/or thereafter otherwise to put forth good faith efforts to obtain necessary financing, Seller shall have the option of rescinding this contract and retaining all or a portion of Purchaser's earnest money deposit.
- D. Seller may rescind this contract and return all or a portion of Purchaser's earnest money deposit under the following conditions:
1. Seller has not acquired the property.
 2. Seller is unable or unwilling to remove valid objections to the title prior to closing.
 3. Seller determines that purchaser is not an acceptable borrower.
- Tender of the deposit shall release the Seller from any and all claims arising from this transaction.
- E. Purchaser may not perform repairs nor take possession of the property until sale is closed. Risk of loss or damage is assumed by Seller until sale is closed, unless Purchaser takes possession of the property prior thereto, in which case State law shall apply. (1) If sale involves FHA insured financing and after damage the property no longer meets the intent of Minimum Property Standards (MPS), Seller may, at its option, perform repairs or cancel the contract and return Purchaser's full earnest money deposit. If, after damage, the property still meets the intent of MPS, Purchaser has the option of accepting the property as-is, with a purchase price adjustment at Seller's sole discretion, or cancelling the contract and receiving refund of full earnest money deposit. (2) If sale does not involve FHA insured financing, Seller will not repair damage but may, at Seller's sole discretion, reduce the sale price. Purchaser has option to cancel the contract and receive refund of full earnest money deposit. Tender of the earnest money shall release Seller from any claims arising from this transaction.
- F. If this property is being offered with FHA insured mortgage financing available, Seller's acceptance of this contract constitutes a commitment to insure, conditioned upon Purchaser being determined by Seller or Direct Endorsement Underwriter to be an acceptable borrower and further conditioned upon Seller's authority to insure the mortgage at the time the sale is closed.
- G. Purchaser understands that Seller's listing price is Seller's estimate of current fair market value.**
- H. No member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.
- I. Purchaser and Seller agree that this contract shall be binding upon their respective heirs, executors, administrators, successors or assigns but is assignable only by written consent of the Seller.
- J. If this property was constructed prior to 1978, Seller has inspected for defective paint surfaces (defined as cracking, scaling, chipping, peeling or loose paint on all interior and exterior surfaces). Seller's inspection found no defective paint surfaces, or if defective paint surfaces were found, Seller has treated or will treat such defective surfaces in a manner prescribed by Seller prior to closing. **Purchaser understands and agrees that the Seller's inspection and/or treatment is not intended to, nor does it guarantee or warrant that all lead-based paint and all potential lead-based paint hazards have been eliminated from this property.** Purchaser acknowledges that he/she/it has received a copy of a pamphlet which discusses lead-based paint hazards and has signed, on or before the date of this contract, the Lead-Based Paint Addendum to Sales Contract - Property Built Before 1978. Purchaser understands that the Lead-Based Paint Addendum must be signed by all Purchasers and forwarded to Seller *with* this contract. Contracts which are not in conformance with these requirements will not be accepted by Seller.
- K. The effective date of this contract is the date it is accepted (signed) by the Seller.
- L. If the amount stated in Item 5 exceeds actual and typical financing and/or closing costs, such excess shall not be paid by Seller and may not be used by Purchaser to reduce amount(s) due Seller.
- M. Seller's policies and requirements with regard to earnest money (including forfeiture thereof), extensions of time in which to close the sale, back-up offers, and allowable financing and/or closing costs are detailed in instructions issued to selling brokers.
- N. Seller makes no representations or guarantees that the property will, in the future, be eligible for FHA insured mortgage financing, regardless of its condition or the repairs which may be made.
- O. Warning: Falsifying information on this or any other form of the Department of Housing and Urban Development is felony. It is punishable by a fine not to exceed \$250,000 and/or a prison sentence of not more than two years. (18 U.S.C. 1010, 3559; 3571)**
- P. This contract contains the final and entire agreement between Purchaser and Seller and they shall not be bound by any terms, conditions, statements, or representations, oral or written, not contained in this contract.

Case #

[Empty box for Case #]

Electronic Filing of 9548 Contract Addendum

Purchaser(s) and Broker have elected to use the electronic 9548 contract downloaded form in the submission of their bid _____ (confirmation number) for case # _____.

By doing so, all parties to this agreement certify, warrant, and represent that no information and/or content of the 9548 contract has been altered in any manner. They further certify, warrant, and represent that this is a true and accurate copy of the 9548 contract.

The broker and purchaser(s) further agree that (i) they read and understand their responsibilities, as stated in the "Conditions of Sale," which is a part of the HUD-9548 Sales Contract and (ii) no contract or binding agreement exists unless and until a written HUD-9548 Sales Contract, executed by the U.S. Department of Housing and Urban Development is returned to purchaser.

The broker and purchaser(s) knowingly execute this addendum with full understanding that "falsifying information on this or any other form of the Department of Housing and Urban Development is felony. It is punishable by a fine not to exceed \$250,000 and/or a prison sentence of not more than two years (18 U.S. C. 1010, 3559, 3571)."

CERTIFICATION OF ACCURACY

The following parties have reviewed the information above and certify to the best of their knowledge it is true and accurate, and that they agree to all of the terms and provisions hereof.

_____		_____
Purchaser		Date

Print Name (Purchaser)		

_____		_____
Purchaser		Date

Print Name (Purchaser)		

_____		_____
Broker/Agent		Date

Print Name Broker		



**FORFEITURE AND EXTENSION POLICY
(REV 2-2-11)**

HUD Case Number: _____

Property Address: _____

With the exception of properties being purchased with 203(k) financing, all HUD Property Disposition sales of HUD-acquired properties are to close within 45 days of acceptance of a HUD-9548 (1/99) Sales Contract offer to purchase. Purchases involving 203(k) financing are to close within 60 days of acceptance of a HUD-9548 (1/99) Sales Contract offer to purchase.

Forfeiture of Earnest Money Deposits

The failure by a Purchaser to close on the sale of property within the allowable time period, including any extensions granted by HUD, will result in the forfeiture of the earnest money deposit, except where the Purchaser presents documentation to HUD that one of the special circumstances described in paragraphs (a), (b) or (c) below of this section has occurred.

(a) **Investor Purchasers** BUYER INITIALS _____ INITIAL HERE BUYER INITIALS _____ INITIAL HERE

1. The failure by an investor Purchaser to close on an uninsured sale will result in forfeiture of the entire earnest money deposit.
2. Fifty percent of the earnest money deposit on an insured sale will be returned to an investor Purchaser where HUD (or a Direct Endorsement lender using HUD guidelines) determines that the Purchaser is an unacceptable borrower. Forfeit 100 percent if the sale fails to close for any other reason.

(b) Owner-Occupant Purchasers

1. Return 100 percent of the deposit where:
 - i. There has been a death in the immediate family (contract holder, spouse, or children living in the same household);
 - ii. 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;
 - iii. There has been a loss of job by one of the primary breadwinners, or substantial loss of income through no fault of the Purchaser;
 - iv. On an insured sale, HUD (or a Direct Endorsement lender using HUD guidelines) determines that the Purchaser is not an acceptable borrower; or
 - v. On an uninsured sale, 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 specific dollar amount sufficient to purchase the property.
 - vi. For other good cause, as determined by HUD.

On an uninsured sale, forfeit 50 percent of the deposit 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.

(c) Vacant Lot Sales

1. The purchaser will be considered as an investor and the instructions pertaining to forfeiture by investors will apply.

On any type of sale, the Purchaser will forfeit 100 percent of the deposit in those instances where no documentation is submitted, where the documentation fails to provide an acceptable cause for the buyers failure to close, or where documentation is not provided within a reasonable time following contract cancellation.



**FORFEITURE AND EXTENSION POLICY
(REV 2-2-11)**

HUD Case Number: _____

Extensions

PEMCO, Ltd. will grant extensions of time upon written request from Purchaser. Extensions of time to close the sale are entirely within the Seller's discretion. An extension, if granted, will be under the following conditions:

1. A written request for an extension must be received by HUD's Closing Agent no later than five days before the expiration of the sales contract. HUD's Closing Agent will forward the request to PEMCO for consideration.
2. The documentation submitted with the request must establish the cause of the delay that mortgage approval is Imminent during the extension period.
3. An extension will be for a period of fifteen calendar days. Fees will be based on the Contract Sales Price of the property, \$10 per day is charged if the sales price is \$25,000 or less; \$15 per day if the sales price is more than \$25,000, but not more than \$50,000; and \$25 per day if the sales price is over \$50,000. Extension requests must be submitted through the Closing Agent and all fees (in the form of cashier's check or money order) must accompany the request at the time of submission.
4. Extension fees shall be retained by Seller if a closing does not occur.
5. At time of closing, unused extension fees will be prorated to the Purchaser and refunded by escrow.
6. The granting of one extension shall not obligate the seller to grant additional extensions and the Seller shall declare a Default for the Purchaser's failure to close the sale upon the expiration of the original closing period or upon expiration of the extension.

Closing costs automatically paid by HUD

Proration of property taxes and any special assessments such as Homeowner's Association (HOA) fees and utility bills	Paid by HUD automatically
Condominium or HOA Transfer Fee (from HUD to buyer only)	If applicable
Costs to provide condominium documents to Purchaser	If applicable
Repair escrow administration fee of \$200	Where applicable on FHA insured loans only
Settlement or Closing Fee	The Department will pay HUD's Closing Agent.
Recording Fees	HUD will automatically pay recording fees and charges for The deed only (i.e. nominal amount charge per recordation)

A sales commission of up to three (3) percent of the gross purchase price will be paid by HUD to the Selling Broker, if indicated on Line 6a of form HUD-9548.

If indicated online 5 of the HUD-9548, closing costs that are considered to be reasonable and customary in the jurisdiction where the property is located will be paid by HUD. In no event may these costs exceed 3% of the property's gross purchase price. Please reference the most recent HUD Notices for additional information.

**Radon Gas and Mold Notice
and Release Agreement**

**U.S. Department of Housing
and Urban Development**
Office of Housing
Federal Housing Commissioner

Property Case #: _____
Property address: _____

**PURCHASERS ARE HEREBY NOTIFIED AND UNDERSTAND THAT
RADON GAS AND SOME MOLDS HAVE THE POTENTIAL TO CAUSE
SERIOUS HEALTH PROBLEMS.**

Purchaser acknowledges and accepts that the HUD-owned property described above (the "Property") is being offered for sale "AS IS" with no representations as to the condition of the Property. The Secretary of the U.S. Department of Housing and Urban Development, his/her officers, employees, agents, successors and assigns (the "Seller") and PEMCO, LTD., an independent management and marketing contractor ("M & M Contractor") to the Seller, have no knowledge of radon or mold in, on, or around the Property other than what may have already been described on the web site of the Seller or M & M Contractor or otherwise made available to Purchaser by the Seller or M & M Contractor.

Radon is an invisible and odorless gaseous radioactive element. Mold is a general term for visible growth of fungus, whether it is visible directly or is visible when barriers, such as building components (for example, walls) or furnishings (for example, carpets), are removed.


Purchaser represents and warrants that Purchaser has not relied on the accuracy or completeness of any representations that have been made by the Seller and/or M & M Contractor as to the presence of radon or mold and that the Purchaser has not relied on the Seller's or M & M Contractor's failure to provide information regarding the presence or effects of any radon or mold found on the Property.


Real Estate Brokers and Agents are not generally qualified to advise purchasers on radon or mold treatment or its health and safety risks. **PURCHASERS ARE ENCOURAGED TO OBTAIN THE SERVICES OF A QUALIFIED AND EXPERIENCED PROFESSIONAL TO CONDUCT INSPECTIONS AND TESTS REGARDING RADON AND MOLD PRIOR TO CLOSING.** Purchasers are hereby notified and agree that they are solely responsible for any required remediation and/or resulting damages, including, but not limited to, any effects on health, due to radon or mold in, on or around the property.

In consideration of the sale of the Property to the undersigned Purchaser, Purchaser does hereby release, indemnify, hold harmless and forever discharge the Seller, as owner of the Property and separately, M & M Contractor, as the independent contractor responsible for maintaining and marketing the Property, and its officers, employees, agents, successors and assigns, from any and all claims, liabilities, or causes of action of any kind that the Purchaser may now have or at any time in the future may have against the Seller and/or M & M Contractor resulting from the presence of radon or mold in, on or around the Property.

Purchaser has been given the opportunity to review this Release Agreement with Purchaser's attorney or other representatives of Purchaser's choosing, and hereby acknowledges reading and understanding this Release. Purchaser also understands that the promises, representations and warranties made by Purchaser in this Release are a material inducement for Seller entering into the contract to sell the Property to Purchaser.

Dated

Purchaser's Signature 

Purchaser's Signature 

Purchaser's Printed Name

Purchaser's Printed Name

CAUTION

U.S. Department of Housing
and Urban Development
Federal Housing Administration (FHA)



OMB Approval No: 2502-0538
(exp. 07/31/2009)

For Your Protection: Get a Home Inspection

Why a Buyer Needs a Home Inspection

A home inspection gives the buyer more detailed information about the overall condition of the home prior to purchase. In a home inspection, a qualified inspector takes an in-depth, unbiased look at your potential new home to:

- ✓ Evaluate the physical condition: structure, construction, and mechanical systems;
- ✓ Identify items that need to be repaired or replaced; and
- ✓ Estimate the remaining useful life of the major systems, equipment, structure, and finishes.

Appraisals are Different from Home Inspections

An appraisal is different from a home inspection. Appraisals are for lenders; home inspections are for buyers. An appraisal is required to:

- ✓ Estimate the market value of a house;
- ✓ Make sure that the house meets FHA minimum property standards/requirements; and
- ✓ Make sure that the property is marketable.

FHA Does Not Guarantee the Value or Condition of your Potential New Home

If you find problems with your new home after closing, FHA can not give or lend you money for repairs, and FHA can not buy the home back from you. That is why it is so important for you, the buyer, to get an independent home inspection. Ask a qualified home inspector to inspect your potential new home and give you the information you need to make a wise decision.

Radon Gas Testing

The United States Environmental Protection Agency and the Surgeon General of the United States have recommended that all houses should be tested for radon. For more information on radon testing, call the toll-free National Radon Information Line at 1-800-SOS-Radon or 1-800-767-7236. As with a home inspection, if you decide to test for radon, you may do so before signing your contract, or you may do so after signing the contract as long as your contract states the sale of the home depends on your satisfaction with the results of the radon test.

Be an Informed Buyer

It is your responsibility to be an informed buyer. Be sure that what you buy is satisfactory in every respect. You have the right to carefully examine your potential new home with a qualified home inspector. You may arrange to do so before signing your contract, or may do so after signing the contract as long as your contract states that the sale of the home depends on the inspection.



BUYER INITIALS _____

INITIAL HERE

BUYER INITIALS _____

INITIAL HERE

HUD-92564-CN (6/06)



CAUTION

EARNEST MONEY GUIDELINES
FOR OWNER OCCUPANT AND
INVESTOR CONTRACTS

HUD Case Number: _____

REMINDER: Once your bid has been accepted, you MUST submit the original earnest money funds (NOT a copy of the check) with your Sales Contract Package to PEMCO, Ltd. Your Contract package will be REJECTED without the original funds!

Guidelines: The earnest money must be collected from your prospective Purchaser prior to submitting an offer on the HUDHomeStore website.

Earnest Money Requirements: The earnest money deposit for owner occupant and investor contracts is \$500 when the purchase price is \$50,000 and under, and \$1,000 when the purchase price is \$50,001 and over. For vacant lots, the earnest money deposit is 50% of the list price.

Payee: The certified funds (i.e. cashier's check or money order) should have two payees. The two payees are HUD and the buyer as shown below:

Pay to the order of "HUD or Jane Doe".

It is very important to show both names. In the event the bid is not accepted the buyer will be able to cash the check. If the bid is awarded, the check will be deposited by the HUD agent.

Selling Broker Certification: I hereby certify that I have collected the appropriate certified funds from the Purchaser(s) in connection with the referenced contract.

I have fully explained HUD's earnest money forfeiture policy to the Purchaser(s).

Should HUD not accept the bid, I shall return the certified funds to the purchaser(s) by 4:00 pm on the next business day following HUD's declination.

Selling Broker's Signature

Date

LEAD-BASED PAINT DISCLOSURE ADDENDUM

SELLER HAS NO RECORDS OR REPORTS PERTAINING TO LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS

Property Case#: _____
Property Address: _____

Lead Warning Statement

Every Purchaser of any interest in residential real property on which a residential dwelling was built before 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The Seller of any interest in residential property is required to provide the Purchaser with any information on lead-based paint hazards from risk assessments or inspections in the HUD’s possession and notify the Purchaser of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended before purchase.

Inspection Contingency

Seller has no records or reports pertaining to lead-based paint and/or lead-based paint hazards. The Purchaser has a contingency period that expires fifteen (15) calendar days from the date the contract is accepted by HUD, to conduct at the Purchaser’s expense, an independent lead-based paint inspection, visual assessment for deteriorated paint, or risk assessment. The Purchaser may withdraw from the contract by providing written notice of withdrawal on or before the contingency expiration date (as evidenced by the postmark on the Purchaser’s notice of withdrawal). The Purchaser will be entitled to a refund of earnest money only if the Purchaser obtains an independent lead-based paint inspection performed by a Certified Lead-Based Paint Inspector or Risk Assessor, and the Purchaser provides HUD with a copy of the inspection report.

Financing Type (Selling Broker to initial applicable clause)

_____ ***No FHA Financing of Property Constructed Prior to 1978:*** The purchase of this property is not being financed with an FHA insured loan. The Purchaser has an inspection contingency that expires 15 days from the date of the Purchaser’s signature below. The property is being sold as is with respect to all conditions including, subject to the above contingency, the potential presence of lead or lead-based paint hazards.

_____ ***Any FHA Insured Financing Except 203(k):*** This property is being sold subject to FHA insured financing under any program other than a 203(k) Rehabilitation Mortgage.

Upon contract execution, the HUD will procure a lead-based paint inspection and will deliver the inspection report to the Selling Broker by overnight delivery service along with a paint stabilization plan and cost estimate if deteriorated lead-based paint is found and a supplemental Lead-Based Paint Disclosure Addendum.

The Purchaser shall have the right to review the inspection report, paint stabilization plan and cost estimate.

If deteriorated lead-based paint was identified in the Report, HUD will only perform stabilization if the cost estimate is \$4000.00 or less. If the cost estimate is greater than \$4000.00, HUD at its sole discretion may: (1) cancel the sale contract, or (2) allow the purchaser to amend the contract financing to FHA 203k or conventional. In the event that HUD cancels the sale, the purchaser will be entitled to a 100% refund of earnest money.

If the cost estimate is \$4000.00 or less and the Purchaser is dissatisfied with the information provided, the Purchaser may withdraw from the contract and receive a full refund of earnest money by providing written notification to HUD of the intention to withdraw. Written notification must be postmarked by the latest of fifteen (15) calendar days from the date the contract is accepted by HUD or two (2) business days following the date of the Purchaser's signature on the supplemental Lead-Based Paint Disclosure Addendum.

If deteriorated lead-based paint was identified in the Report and the Purchaser does not exercise its option to withdraw from the sale contract, HUD will stabilize the deteriorated lead-based paint in accordance with the stabilization plan and obtain lead clearance by the close of the escrow period or any extensions thereof.

FHA 203(k) Financing: This property is being sold subject to a 203(k) Rehabilitation Mortgage. Upon contract execution, HUD will procure a lead-based paint inspection and will deliver the Report to the Purchaser by overnight delivery service along with a lead-based paint stabilization plan, if deteriorated lead-based paint is found, and a supplemental Lead-Based Paint Disclosure Addendum.


The Purchaser shall have the right to review the inspection report, paint stabilization plan and cost estimate. If the Purchaser is dissatisfied with the information provided, the Purchaser may withdraw from the contract and receive a full refund of earnest money by providing written notification to the Seller of the intention to withdraw. Written notification must be postmarked by the later of fifteen (15) calendar days from the date of the Purchaser's signature below, or two (2) business days following the date of the Purchaser's signature on the supplemental Lead-Based Paint Disclosure Addendum.

If deteriorated lead-based paint was identified in the Report and the Purchaser does not exercise its option to withdraw from the sale contract, the Purchaser shall stabilize the deteriorated lead-based paint as part of its work plan for the property rehabilitation and

shall obtain lead clearance before occupancy. Purchaser shall complete the 203(k) Rehabilitation Financing Lead Agreement form.

Purchaser Acknowledgement (initial)

_____  Purchaser has received the pamphlet *Protect Your Family from Lead In Your Home*.

_____  Purchaser has received a 15-day opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

Selling Broker Acknowledgement (initial)

_____  Selling Broker is aware of his/her responsibility to ensure compliance with 42 U.S.C 4852d.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

_____ (Purchaser) _____ (date)

_____ (Co-Purchaser) _____ (date)

_____ (Selling Broker) _____ (date)

_____ (Seller) _____, 20____ (date)