



Selling Broker Handbook

A Guide to Selling HUD Homes
in 1S - Arizona, Nevada and Idaho



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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 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 is presented as a general guide regarding the selling process, applies to HUD Homes in Arizona, Nevada and Idaho, and is subject to periodic review and change.

1.1 Who is BLB Resources, Inc.?

BLB Resources is a woman-owned small business, with its corporate office in Irvine, California. BLB Resources' principals, Rod and Susie Gaston, each have over 28 years of successful HUD REO sales and marketing experience, with over **5,600 personal HUD Home sales**, and have overseen more than **93,000 HUD Home listings** and 10,000 Bank Owned listings.

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.

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

- 1P: Michigan
- 1S: Arizona, Nevada, and Idaho
- 2S: California, Oregon, Washington, Alaska, Hawaii, Guam, Northern Mariana Islands and American Samoa

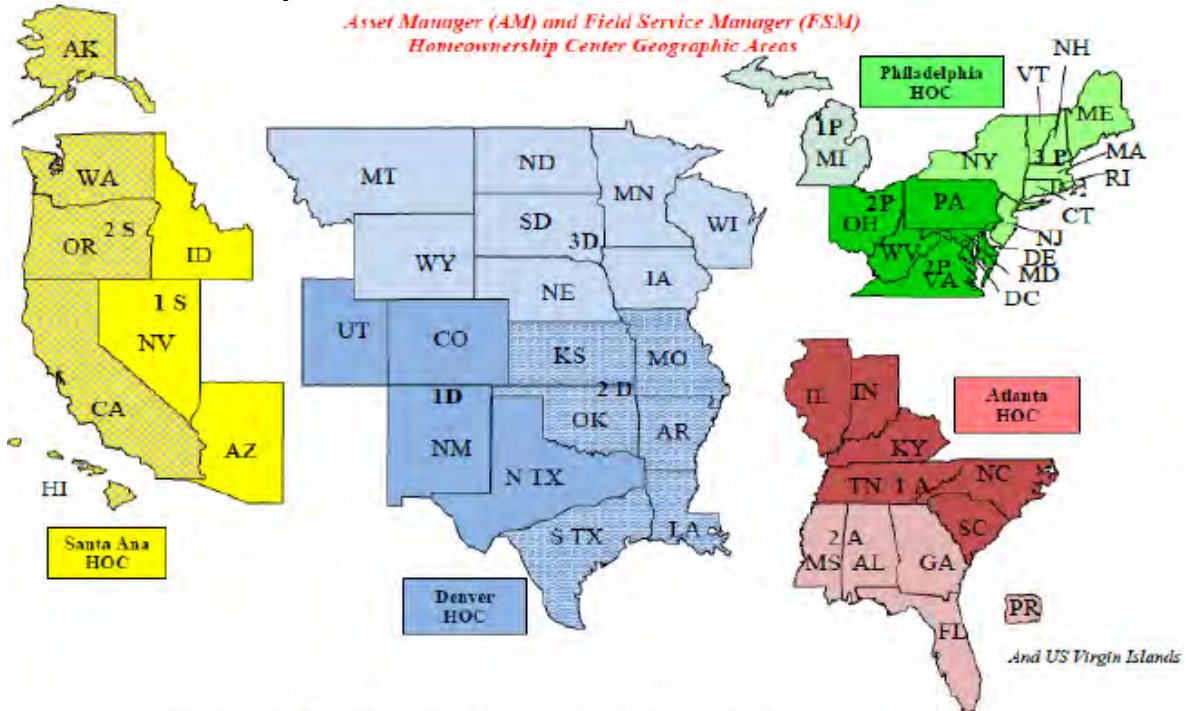
1.2 What is a HUD home?

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 Asset Management (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 BLB Resources handles the marketing and sale of HUD Homes. Who handles the property preservation and protection services?

Field Service Managers (FSM) are companies that provide property preservation and protection services consisting of, but not limited to, inspecting and securing the property, performing cosmetic enhancements/repairs, and providing ongoing maintenance. There are

multiple FSMs in each contract area. Each HUD Home is assigned to one FSM. Please visit the Agent Info tab of a specific property on www.HUDHomestore.com to obtain contact information for the FSM assigned to that particular property. A map and list of the current AM and FSM Contractors may be found below.



HI*** Consists of Hawaii, Guam, the Northern Mariana Islands, and American Samoa

Color Code	Area	States	AM Contractors	FSM Contractors
Yellow	Area 1S	AZ, ID, NV	• BLB Resources	• First Preston • SIGMA Construction
Yellow with dots	Area 2S	AK, CA, HI, OR, WA	• BLB Resources • PEMCO	• Asset Management Specialists • Cityside Management
Blue with horizontal lines	Area 1D	CO, NM, No. TX, UT	• HomeTelos • Matt Martin Real Estate • PEMCO	• Asset Management Specialist • SIGMA Construction
Blue with wavy lines	Area 2D	AR, KS, LA, MO, OK, So. TX	• HomeTelos • Matt Martin Real Estate • PEMCO	• A2Z Field Services • Asset Management Specialists • Cityside Management
Blue with vertical lines	Area 3D	IA, MN, MT, ND, NE, SD, WY, WI	• BestAssets	• Asset Management Specialists • First Preston
Green with dots	Area 1P	Michigan	• BLB Resources • Cityside/HHN	• Asset Management Specialists • A-Sons Construction • IEI-Tidewater • SIGMA Construction
Green	Area 2P	DC, DE, MD, OH, PA, VA, WV	• HomeTelos • Matt Martin Real Estate • Ofori	• A2Z Field Services • Cityside Management • Innotion Enterprises
Light Green	Area 3P	CT, MA, ME, NH, NJ, NY, RI, VT	• Cityside/HHN • Ofori	• Asset Management Specialists • A-Sons Construction • Cooper-CitiWest
Red	Area 1A	IL, IN, KY, NC, SC, TN	• HomeTelos • Ofori • PEMCO	• A2Z Field Services • Asset Management Specialists • Cityside Management • Cooper-CitiWest • Innotion Enterprises
Light Red	Area 2A	AL, FL, GA, MS, PR, VI	• HomeTelos • Ofori • PEMCO	• Cityside Management • Cooper-CitiWest • CWIS LLC • Innotion Enterprises • PK Management Group

1.4 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. Interested buyers must submit bids through a HUD-registered real estate agent. A pre-qualification letter from a lender is required for buyers obtaining financing. Cash buyers are required to provide proof of funds for at least the amount of the purchase price. HUD will award the winning bid to the purchaser with the highest acceptable net to HUD. Up to 3 back-up offers may be selected as well. Back-up offers will be honored until the property closes. Winning bids are subject to completion and receipt of all required documentation by BLB Resources.

1.5 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](#) and the [NAID Registration](#) page on www.HUDHomestore.com. Please note: Brokers will be required to re-new 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.

Please also note that **an active NAID is not required to show HUD homes**, but is required to submit bids on HUD Homes.

1.6 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. 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.

1.7 When are new and relisted properties released for sale?

Please visit 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**, non weekly, **Monday through Saturday**, by 1:00 a.m.

1.8 What is an Owner Occupant?

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



1.9 What is an Investor?

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.

1.10 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.

If the property is being sold as Insured (**IN**) or Insured with Escrow (**IE**), the Exclusive Listing Period is 30 days for owner-occupant buyers, non-profit organizations, and government entities. Bids received during the first 10 days are considered to be received simultaneously, and the **initial bid review is on the 11th day** of the Exclusive Listing Period. If there is no winning bid, bids continue to be reviewed on a **daily** basis until the 30-day period ends.

If the property is Uninsured (**UI**) or Uninsured 203(k) eligible (**UK**), the Exclusive Listing Period is 5 days for owner-occupant buyers, non-profit organizations, and government entities. Bids received during these 5 days are considered as though they are received simultaneously, and are not opened until **the 6th day** of the Exclusive Listing Period.

1.11 What is the Extended Listing Period for HUD homes?

After the Exclusive Listing Period has expired, 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 following business day.

1.12 What is the Lottery Period?

Certain property eligibilities allow Good Neighbor Next Door participants, HUD registered non-profit organizations, and 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.

1.13 When can investors submit bids?

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

1.14 May more than one bid be submitted?

An Owner Occupant can submit multiple bids for different properties, and BLB Resources will select and award the bid that is in the best interest of HUD. Investors may also submit bids on and purchase multiple properties, provided they can obtain adequate financing or pay cash.

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

HUD will pay up to 3% of the purchase price in closing costs that are considered to be reasonable and customary in the jurisdiction where the property is located. Closing costs should be entered on Line 5 of the Sales Contract. HUD will pay the lesser of the amount requested on either Line 5, or the actual closing costs. Any funds remaining after the allowable closing costs have been paid will not be credited to the buyer at closing. Review the Forfeiture and Extension Policy addendum to the sales contract package for the list of closing costs that will be paid by HUD.

HUD also allows, and will pay, up to **3%** of the purchase price **(or \$1,250, whichever is greater)** 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 or \$1,250, whichever is greater.

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.

1.16 When can the buyer get a home inspection done?

All HUD Homes are sold "As Is." HUD does not make any repairs to the property. Therefore it is important that the buyer do a visual inspection of the property prior to submitting a bid. The buyer is also encouraged to have a professional home inspection performed with the utilities activated, AFTER the contract has been accepted and signed by HUD. The buyer 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.

1.17 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).



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, HUD strongly urges every potential homebuyer to get a professional inspection. As stated in paragraph 1.16, 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. 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 until the bid review date, 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.

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. 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 website.



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 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 buyers occupy the property prior to closing of escrow and notification of the deed recording.

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. Once 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 Standard (MPS) repairs. Please note that properties with MPS repairs totaling \$250 or less will be listed as IN and will not include those MPS 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. This disposition represents properties that have MPS repairs which must be addressed post closing. The MPS repairs cannot total more than \$5,000, except in cases where the 10% contingency causes the increase in escrow, and is the financial responsibility of the buyer.

The repair escrow is **never** a credit to the buyer. The purchaser must finance the repair escrow with the lender writing the FHA loan. The lender holds the money for repairs in an escrow account until they are completed. FHA allows up to 90 days after closing for MPS repairs to be completed. Once the repairs have been completed for the property, the lender will inspect the contractor's work and disburse the funds to the appropriate parties.

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.

3.3 (UI) Uninsurable

Properties listed as Uninsurable (UI) do not qualify for FHA 203(b) financing. Typically, these properties have MPS 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. Most lenders offer both the standard FHA 203(k) and the 203(k) streamlined loan.

3.5 Over-Bidding with FHA Financing and 2nd Appraisals

If a buyer is securing FHA financing, their lender will be **required** to use HUD's FHA "As-Is" Appraisal, unless HUD's Appraisal is over 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 appraisal is over 4 months old at the time of 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 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.

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 or not.

4.0 NAID Application Process

4.1 Overview

In order for a real estate broker or agent to place bids on HUD Homes, the principal broker must first register for a NAID (Name/Address Identifier). 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 from HUD, 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 principal broker, all the agents in the office will use the same NAID as the broker.

Please complete the following steps to obtain an NAID:

1. Complete form 1111 and form 1111-A in its entirety in **BLUE** or **BLACK** ink only. Please see additional information below for completion instructions.
 - a. FORM 1111:
<http://www.hud.gov/offices/adm/hudclips/forms/files/1111sams.pdf>
 - b. FORM 1111-A:
<http://www.hud.gov/offices/adm/hudclips/forms/files/1111asam.pdf>
2. Provide the necessary identification requirements as explained below.
3. Mail the originals to the following HUD Homeownership Center (HOC):

US Dept. of HUD Santa Ana Homeownership Center
Attn: Sally Ybarra
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 each specific NAID
 - ii. A single broker can only be linked to one NAID
2. Individual
 - a. One Social Security Number = one NAID
 - b. You cannot have multiple brokers as an individual

4.2 SAMS Form 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 adding additional brokers.

Select Box 1c if you have multiple branches. 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.

4.3 Instructions to complete SAMS Form 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 & 10.
- Box 2c: Enter Brokers name as shown on the Brokers License
- Box 4: Only enter a NAID if you already have an existing NAID and you are attempting to recertify (if you are recertifying and have a NAID number to enter into box 4, be sure to check mark box 1d. If you are a new applicant, be sure to mark box 1a and leave this box blank)
- Box 5: Enter in HOC Area Identifier: 1S – AZ, NV, ID
- Box 6: Payee Type (Selling brokers are the most common payee type)
- Box 7: Enter Business Phone number
- Box 8: Enter Business Address. Must match the address provided on the utility bill or bank statement provided as documentation
- Box 9 & 10: Only fill out this box for a DBA, otherwise it is unnecessary
- Boxes 11, 12 & 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 & 20: enter the title, date and phone number

4.4 Instructions to complete SAMS Form 1111 with Social Security Number

- Box 2c: Enter Brokers name as shown on the Broker's License
- Box 3a: Enter Social Security Number as shown on Social Security Card
- Box 3b: Enter Name (name that is printed on social security card), Last, First, MI
- Box 4: Only enter a NAID if you already have an existing NAID and you are attempting to recertify (if you are recertifying and have a NAID number to enter into box 4, be sure to check mark box 1d. If you are a new applicant, be sure to mark box 1a)
- Box 5: Enter in HOC Area Identifier: 1S – AZ, NV, ID
- Box 6: Payee Type – “SB”
- Box 7: Enter Business Phone number
- Box 8: Enter Business Address. Must match the address provided on the utility bill or bank statement provided as documentation
- Box 9 & 10: Only fill out this box for a DBA, otherwise it is unnecessary
- Boxes 11, 12 & 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 & 20: enter the title, 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, and completing boxes 1 – 20. In addition, although indicated as, “HUD Only,” 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 information is for Selling Brokers – “SB” (the most common payee type).

Attachments that must accompany this form to establish a new payee. When modifying an existing payee, attach applicable documentation relating to modification, e.g., change of banking institution, attach new Form SF-3881.

	Payee Type								
	AP	CA	GT	HA	NB	NP	PM	SB	TS
For All Payees: 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.	√	√	√	√	√	√	√	√	√
In addition, for Payees not under formal contract with HUD:									
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						√**			
In addition, for Payees under formal contract with HUD:									
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.									

Previous edition is obsolete

Page 2 of 2

form SAMS-1111 (12/2007)
ref Handbook 4310.5

NAIDs require **4 types** of identification to accompany the 1111 & 1111-A:

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 1111 and the “Company’s Name” at the bottom of form 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 1111 and on “TIN/SSN” box on form 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 1111.
- c. Ensure that box 3b is completed on form 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 box 2a and 2b are left blank, and that box 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. Drivers 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 1111-A in the box titled, "Broker's Name."
- d. The Broker's license number must be listed on the 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 1111, and the "Company's Mailing Address" on form 1111-A.

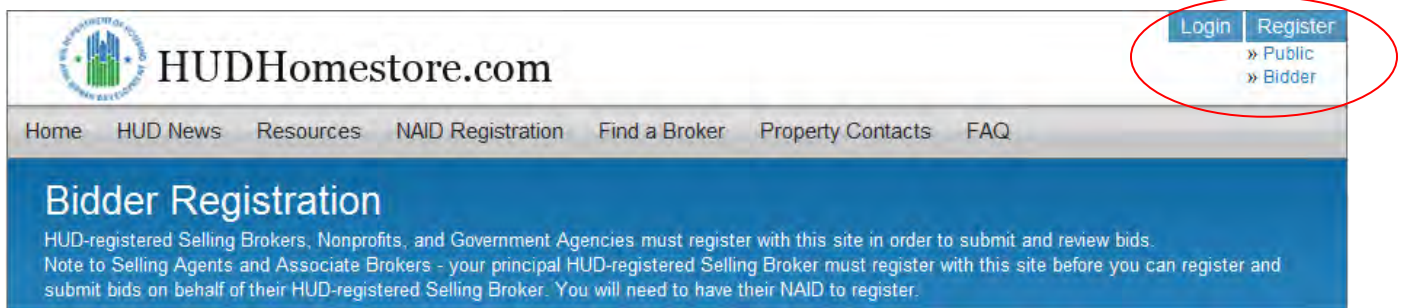
5.0 Registration to bid on www.HUDHomestore.com

HUD requires each selling broker/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.

In order for associate brokers and selling agents to register on 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.

To begin the Bidder Registration process, go to 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 on your screen. Fill in the required fields, including selecting a user name, password, and security questions. Please note the system requires creating a complex password that includes at least 8 characters, and contains at least 1 uppercase letter, 1 lowercase letter, 1 number, and 1 special character (such as #, !, or \$).

1. User Name and Password

*User Name:

*Password: Password must be at least 8 characters and contain at least 1 uppercase letter, 1 lowercase letter, 1 number, and 1 special character.

*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. For both the Principal Broker, Associate Brokers, and Selling Agents, 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, and the Principal Broker will enter the information.

3. NAID Information

[Check NAID Status](#) [NAID Information](#)

*NAID Type: *Role: *NAID:

*Real Estate License: Real Estate License: Real Estate License:

License Date: License Date: License Date:

*State Licensed: State Licensed: State Licensed:

*License Expiration: License Expiration: License Expiration:

Once 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](#) [NAID Information](#)

*NAID Type: *Role:

*Primary Broker's NAID: Additional Broker's NAID: Additional Broker's NAID:

*Real Estate License: Real Estate License: Real Estate License:

License Date: License Date: License Date:

*State Licensed: State Licensed: State Licensed:

*License Expiration: License Expiration: License Expiration:

A Selling Agent may be linked to up to three different Selling Brokers in up to three 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 a particular state. A selling agent may not register with multiple brokers in the same state. Please note that the NAID code 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, while Associate Brokers and Selling Agents are also required to enter a phone number and an optional fax number.

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.

Acceptance of Terms & Conditions


Welcome to HUDHomestore.com (the "Site"). Please read the following Terms of Use carefully before using this Site. If you do not agree to these Terms of Use, do not submit information to, or access any information from, this Site.

By using this Site, which includes any software, applications or other functionality contained or offered through the Site, you signify your irrevocable acceptance of this Terms of Use. HUDHomestore.com has the right to revise this Terms of Use at any time without providing notice to its users. Your continued use of this Site shall be deemed irrevocable acceptance of those revisions.

HUDHomestore.com reserves the right to change, modify, suspend or discontinue any portion of this Site at any time. HUDHomestore.com may also impose limits on certain features or restrict your access to parts or the entire Site without notice or liability.

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

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

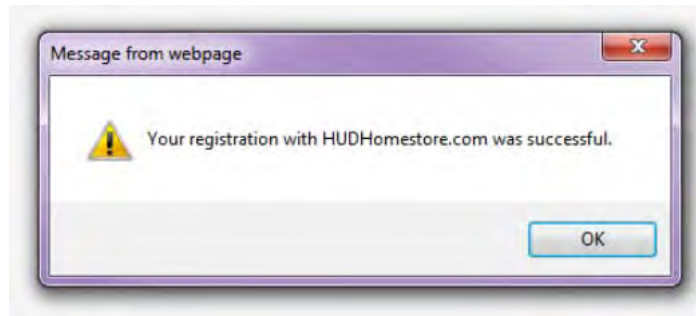


[Try a new code](#)

[Already Registered? Click here to log in.](#)

* Required field

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 “User 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 Available Properties

BLB Resources has selected a network of Local Listing Brokers (LLBs) to list and market the HUD Homes. These LLBs feature the HUD Homes in their local MLS. In addition, properties are also featured on HUD’s national bid site, www.HUDHomestore.com.

To start the electronic bidding procedure, you must first find the property for which you wish to bid by searching on www.HUDHomestore.com. There are several methods of searching for available properties. 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.

The screenshot shows the HUDHomestore.com website. At the top left is the HUD Department of Housing and Urban Development logo. The main header includes the site name and navigation links: Home, HUD News, Resources, NAID Registration, Find a Broker, Property Contacts, and FAQ. On the right, there are links for 'Traducir al español', 'Login', and 'Register' (with sub-links for 'Public' and 'Bidder').

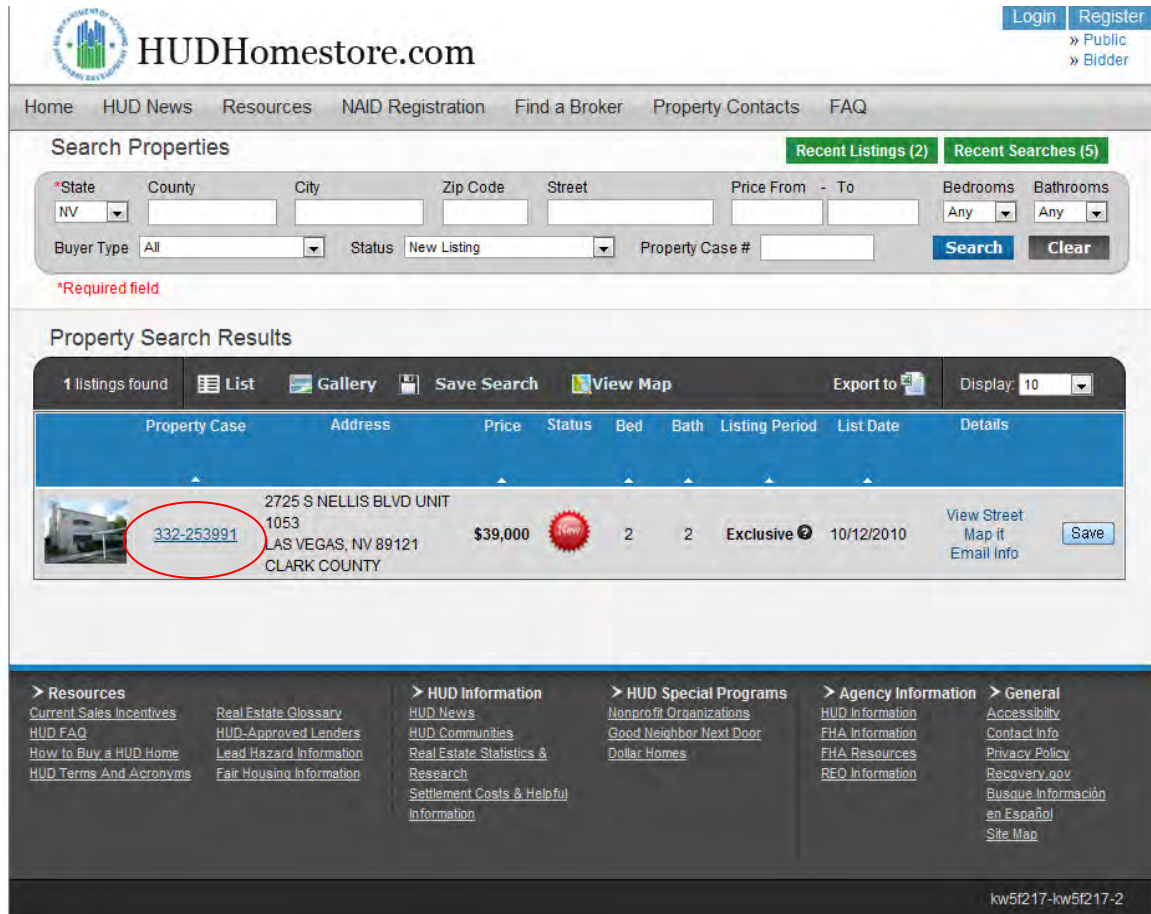
The main content area is divided into two sections. On the left, a blue box titled 'HUD Homes' provides instructions: 'Search for a HUD home to purchase by doing one of the following: Click a state on the map to the right; Click one of the HUD Special Program links below; Enter more detailed criteria in the Search Properties area below and click Search.' Below this, it lists 'HUD Special Programs' with links for 'Good Neighbor Next Door', 'Nonprofits', and '\$1 Homes-Government Sales'.

On the right is a map of the United States with state abbreviations. A legend indicates that dark blue states have 'Available' properties for purchase, while light blue states have 'Not available' properties.

Below the map is the 'Search Properties' section, which includes a search form with fields for State, County, City, Zip Code, Street, Price From - To, Bedrooms, and Bathrooms. There are also dropdown menus for Buyer Type, Status, and Property Case #, and buttons for 'Search' and 'Clear'. Above the search form are tabs for 'Recent Listings' and 'Recent Searches'.

At the bottom of the page is a navigation menu with categories: Resources, HUD Information, HUD Special Programs, Agency Information, and General. Each category has several sub-links to various resources and information pages.

When you have completed your search, the “Property Search Results” will appear on your screen. Click on the “Property Case” number to view the Property Details.



HUDHomestore.com Login Register
» Public
» Bidder

Home HUD News Resources NAID Registration Find a Broker Property Contacts FAQ

Search Properties Recent Listings (2) Recent Searches (5)



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

Buyer Type All Status New Listing Property Case # **Search** **Clear**

*Required field

Property Search Results

1 listings found [List](#) [Gallery](#) [Save Search](#) [View Map](#) Export to Display: 10

Property Case	Address	Price	Status	Bed	Bath	Listing Period	List Date	Details
 332-253991	2725 S NELLIS BLVD UNIT 1053 LAS VEGAS, NV 89121 CLARK COUNTY	\$39,000		2	2	Exclusive	10/12/2010	View Street Map it Email Info Save

Resources
[Current Sales Incentives](#)
[HUD FAQ](#)
[How to Buy a HUD Home](#)
[HUD Terms And Acronyms](#)
[Real Estate Glossary](#)
[HUD-Approved Lenders](#)
[Lead Hazard Information](#)
[Fair Housing Information](#)

HUD Information
[HUD News](#)
[HUD Communities](#)
[Real Estate Statistics & Research](#)
[Settlement Costs & Helpful Information](#)

HUD Special Programs
[Nonprofit Organizations](#)
[Good Neighbor Next Door](#)
[Dollar Homes](#)

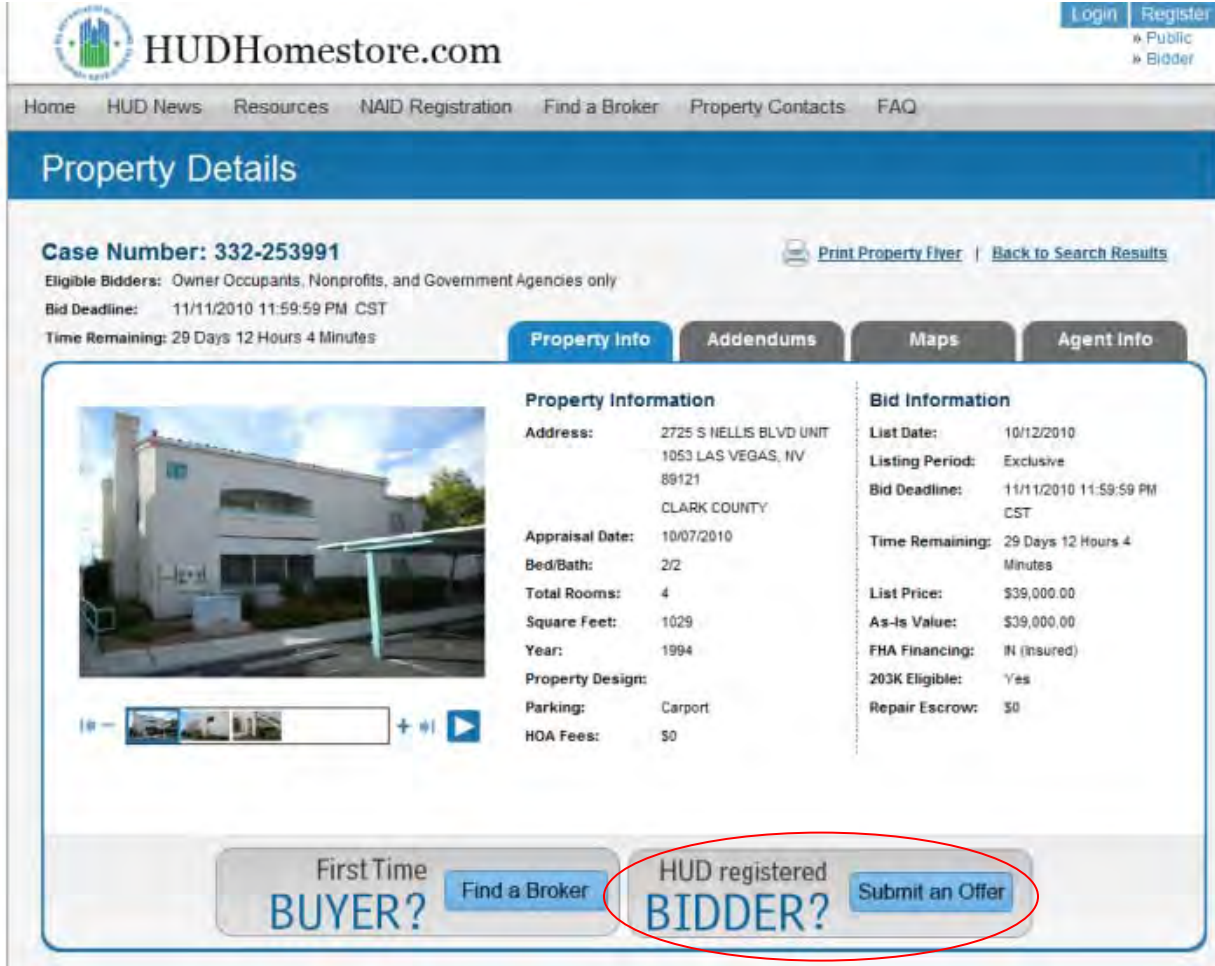
Agency Information
[HUD Information](#)
[FHA Information](#)
[FHA Resources](#)
[REO Information](#)

General
[Accessibility](#)
[Contact Info](#)
[Privacy Policy](#)
[Recovery.gov](#)
[Busque Información en Español](#)
[Site Map](#)

kw5f217-kw5f217-2

7.0 Electronic Bidding Procedures

To submit a bid on a property, click on the blue “Submit an Offer” button on the lower right corner of the page.



HUDHomestore.com [Login](#) [Register](#)
» Public
» Bidder


Home HUD News Resources NAID Registration Find a Broker Property Contacts FAQ

Property Details

Case Number: 332-253991 [Print Property Flyer](#) | [Back to Search Results](#)

Eligible Bidders: Owner Occupants, Nonprofits, and Government Agencies only
 Bid Deadline: 11/11/2010 11:59:59 PM CST
 Time Remaining: 29 Days 12 Hours 4 Minutes

Property Info Addendums Maps Agent Info



Property Information

Address: 2725 S NELLIS BLVD UNIT
1053 LAS VEGAS, NV
89121
CLARK COUNTY

Appraisal Date: 10/07/2010

Bed/Bath: 2/2

Total Rooms: 4

Square Feet: 1029

Year: 1994

Property Design:

Parking: Carport

HOA Fees: \$0

Bid Information

List Date: 10/12/2010

Listing Period: Exclusive

Bid Deadline: 11/11/2010 11:59:59 PM CST

Time Remaining: 29 Days 12 Hours 4 Minutes

List Price: \$39,000.00

As-Is Value: \$39,000.00


FHA Financing: IN (Insured)

203K Eligible: Yes

Repair Escrow: \$0

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. Then you will enter your real estate license number. Please note that the license number 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."



[Login](#) | [Register](#)
 » Public
 » Bidder

[Home](#) | [HUD News](#) | [Resources](#) | [NAID Registration](#) | [Find a Broker](#) | [Property Contacts](#) | [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: 332-253991 [Back to Property Details](#)

Eligible Bidders: Owner Occupants, Nonprofits, and Government Agencies only

Bid Deadline: 11/11/2010 11:59:59 PM CST

Time Remaining: 29 Days 9 Hours 38 Minutes

Property Information

Address: 2725 S NELLIS BLVD UNIT 1053 LAS VEGAS, NV 89121 CLARK COUNTY

List Price: \$39,000.00

The following can submit a bid on this property:

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

* NAID Type:

* NAID:


*Real Estate License:

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

K2o5c

[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.

Bid Submission

HUD Case Number: 271-881312	Sale Type: IN (Insured)
Address: 30693 CC-LAKE ELEVEN DR SANDSTONE, MN 55072	List Price: \$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 the 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 buyer would like the offer held as a backup, in the event the bid is not selected as the winning bid.

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

Select the Back Up Offer option

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 type="text"/></p> <p>* Confirm SSN/EIN Number: <input type="text"/></p> <p>Company Name: <input type="text"/></p> <p>* First Name: <input type="text"/></p> <p>* Last Name: <input type="text"/></p> <p>* Address: <input type="text"/></p> <p>* City: <input type="text"/></p> <p>* State: <input type="text" value="Select"/></p> <p>* Zip Code: <input type="text"/></p>	<p>SSN/EIN Number: <input type="text"/></p> <p>Confirm SSN/EIN Number: <input type="text"/></p> <p>First Name: <input type="text"/></p> <p>Last Name: <input type="text"/></p> <p>Address: <input type="text"/></p> <p>City: <input type="text"/></p> <p>State: <input type="text" value="Select"/></p> <p>Zip Code: <input type="text"/></p>

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.

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.

* Required Field

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.

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 yet been submitted. Review the information below.
To complete the bid submission, click the 'Confirm This Bid' button at the bottom of the screen.**

If any information is incorrect, scroll to the bottom of the page and click the “Back” button. This will return you 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.

Certifications

The HUD registered broker or its representative hereby certifies and assures that he/she has read, understands, and will comply with the regulations, guidelines, and requirements with respect to entering bid information on behalf of the purchaser(s) for the subject property being offered for sale. Also, the HUD registered broker or its representative gives assurances and certifies that:

1. The purchaser has received a pre-qualification letter from a lending institution if the purchase is to be mortgaged. If paying cash, the purchaser has received certification from a financial institution stating that sufficient funds are available to complete the purchase.
2. The original signed contract, including all addenda, will be delivered to the asset manager within two (2) business days of being notified of the bid award.
3. The earnest money deposit will be submitted with the Sales Contract.
4. A copy of the purchaser's driver's license (or an acceptable form of photographic identification) and social security card or employer identification number, if applicable, has been obtained to verify the purchaser(s) identity.
5. The name(s) and identification number(s) will be entered on the bid site as they legally appear on the driver's license and social security card.

Whoever, for the purpose of obtaining any loan or advance of credit from any person, partnership, association, or corporation with the intent that such loan or advance of credit shall be offered to or accepted by the Department of Housing and Urban Development for insurance, or for the purpose of obtaining any extension or renewal of any loan, advance of credit, or mortgage insured by such Department, or the acceptance, release, or substitution of any security on such a loan, advance of credit, or for the purpose of influencing in any way the action of such Department, makes, passes, utters, or publishes any statement, knowing the same to be false, or alters, forges, or counterfeits any instrument, paper, or document, or utters, publishes, or passes as true any instrument, paper, or document, knowing it to have been altered, forged, or counterfeited, or willfully overvalues any security, asset, or income, shall be fined under this title or imprisoned not more than two years, or both.

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 'Confirm This Bid' I certify that I have read and understand the above fraud warning.
I certify that the information contained herein is true and correct to the best of my knowledge.

Click the box to agree to
terms and conditions

[Back](#)

[Confirm This Bid](#)

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.

Bid Acknowledgement

Your bid has been successfully submitted. Please print this page. To change, cancel, or check the status of your bid, you need to log in as a Bidder.



[Print Sales Contract](#)



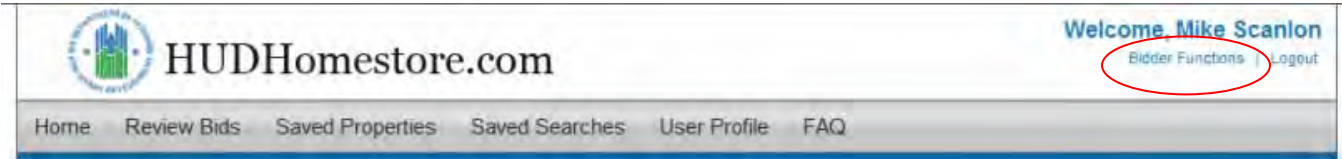
[Print Bid Acknowledgement](#)

Your Bid has been Successfully Submitted.

Confirmation number: 1359102-487144-3

Current System Time: 9/30/2010 12:32:00 PM CST

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. The Bidder Functions link is located in the upper right corner of the page, next to the Logout link.

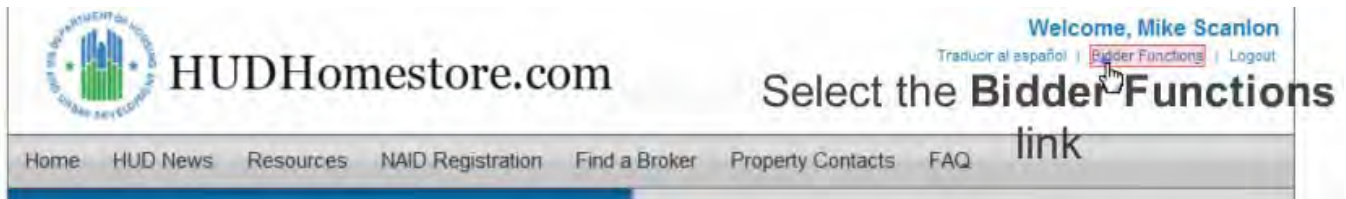


Please note that properties are removed from the general property search results of the HUDHomestore.com website at midnight the day of bid acceptance. It is vital that you download the LBP addendum, sales contract package and any other disclosure forms and addenda from the “Addendums” tab of the property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

8.0 Modifying, Withdrawing or Cancelling a Bid

8.1 Modifying a Bid Prior to Bid Acceptance

To modify a bid that you have already submitted, first verify that the bid opening date has not already passed. If the bid opening date has passed, then follow the procedures the next subsections to cancel or amend your contract. If the bid opening date has not passed, you may log in to your profile on 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 drill down to the details of the bid.

Review Your Bids

Confirmation Number Property Case # Purchaser Last Name Purchaser SSN/EIN Bid Status Bid Open Date Counter Offer

Open Select Search Clear

Bid Results

1 bids found Display: 10

Confirmation Number	Property Case	Purchaser Last Name	Purchaser SSN/EIN	Purchaser Type	Bid Amount	Bid Status	Bid Open Date	Counter Offer
1359981-486698-19	271-726865	JONES	XXX-XX-8945	O/O ?	\$95,500.00	O ?	10/12/2010	No

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

Bid Details

Case Number: 271-726865 [Print Sales Contract](#) [Print Bid Acknowledgement](#) [Back to Bid List](#)

Bid Confirmation Number: 1359981-486698-19
 Bid Submission Date: 10/11/2010 11:54:35 AM
 Bid Status: Open

Bid Info | Addendums | Agent Info

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

[Withdraw Bid](#) [Modify Bid](#)

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. When you are finished making any changes, click the Continue button at the bottom of the form.

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.

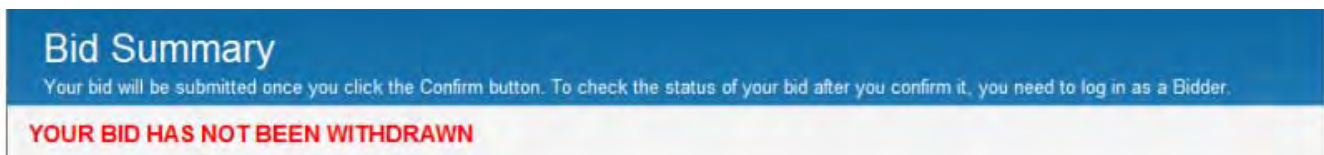
[Back](#) **Click the **Continue** button** [Continue](#)

* Required Field

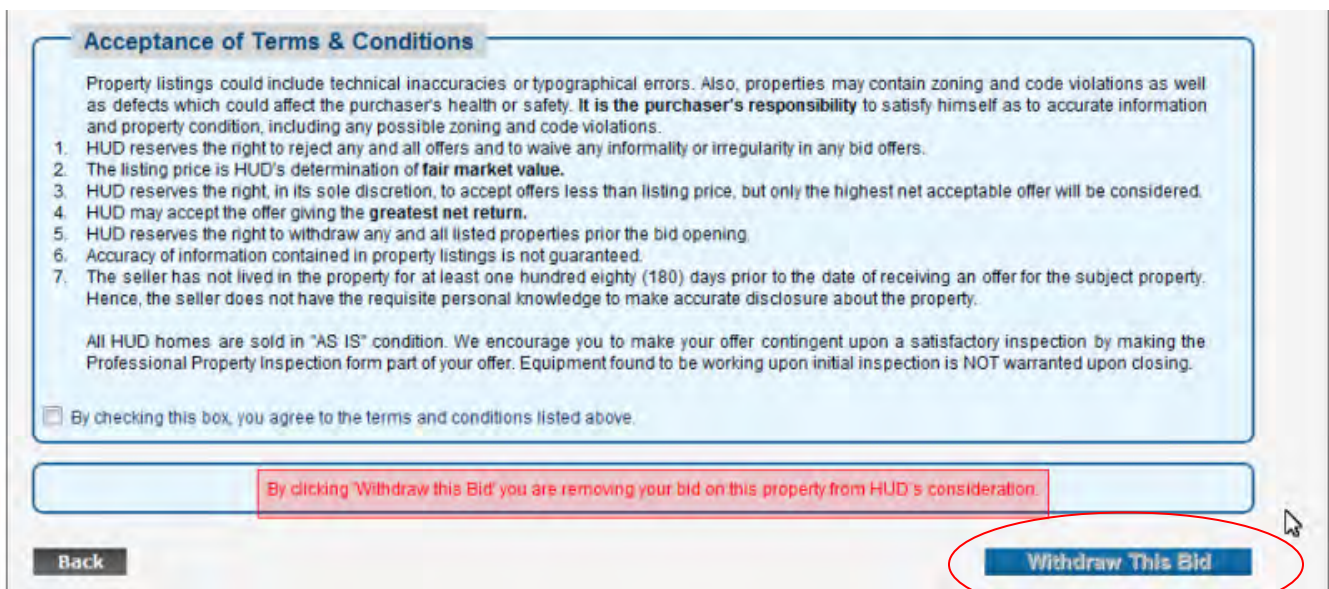
A message will display, asking you to confirm the changes and resubmit the modified bid. Read the terms and conditions and check (✓) the box to accept, then click the “Confirm This Bid” button, as you did when you submitted the original bid. Your bid will be given a new confirmation number that will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

8.2 Withdrawing a Bid Prior to Bid Acceptance

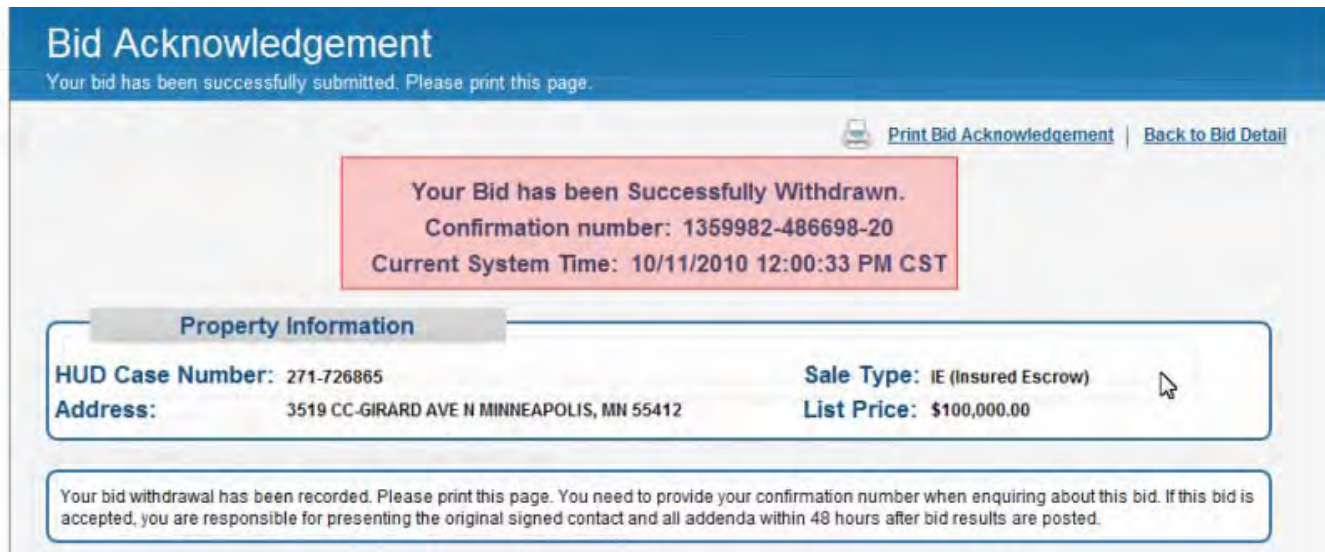
To withdraw a bid is to cancel it prior to acceptance. From the Bid Details screen you will click the Withdraw Bid button. A Bid Summary screen will appear with a warning that the bid has not yet been withdrawn.



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



A message will display stating that the bid has been successfully withdrawn. A new confirmation number will be provided, which supersedes the original. Print or save the acknowledgement by clicking the “Print Bid Acknowledgement” link.



8.3 Cancellation after Bid Acceptance and Prior to Contract Ratification

In the event a buyer wishes to cancel after the buyer’s offer has been accepted, but the contract has not yet been ratified, the buyer will need to email a signed Cancellation Request Form to 1Scancellations@blbresources.com or fax to 949-379-2895.

Upon receipt of a cancellation request, BLB Resources will process the request within 2 business days.

8.4 Cancellation after Contract Ratification

In the event a buyer 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 the Cancellation Request form, the buyer must submit additional documentation describing the reason for cancellation. After review of 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 [12.2 Forfeiture of Earnest Money Deposits](#) for more information.

To cancel a bid after contract ratification, please email the form and supporting documentation to 1Scancellations@blbresources.com or fax to 949-379-2895.

Upon receipt of a cancellation request, BLB Resources will process the request within 2 business days.

9.0 Other Changes After Contract Ratification

After the contract has been ratified, the buyer may make changes such as adding or removing purchasers, or changing the financing type. Buyers may also request authorization to activate the utilities for the home inspection, and the lender may request a copy of the appraisal. The appropriate form must be completed, and is located on our website, www.blbresources.com. Then, submit the form and any necessary documentation to the appropriate BLB Resources office for review.

9.1 Adding or Removing Purchasers

Buyers may add or remove purchasers to the contract after ratification. 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, file a cancellation request. To add or remove other purchasers, please complete the appropriate form from the BLB Resources' website, and email the form and supporting documentation to 1Saddenda@blbresources.com or fax to 949-379-2895.

9.2 Requesting Authorization to Activate Utilities for the Buyer's Home Inspection

Buyers may request activation of the utilities prior to ordering the home inspection to ensure that a complete inspection can be performed. After contract ratification, the buyer has a 15 day period to activate the utilities (for a period of 72 hours) and complete the home inspection. Note that all inspections, tests, and risk assessments are performed at the buyer's expense.

To activate the utilities for the home inspection, please follow these steps:

1. The buyer and agent must first complete the, "Authorization for Purchaser/Selling Agent to Turn on Utilities Form," which is included in the sales contract package.
2. The completed request form must be:
 - a. Submitted to BLB Resources with the original sales contract package within 2 business days of bid acceptance, OR
 - b. Emailed to 1Sutilitiesrequest@blbresources.com, OR
 - c. Faxed to 949-379-2895.

Upon approval by the FSM and BLB Resources, the FSM will fax the authorization form to the Selling Agent. Please ensure the Selling Agent's correct fax number is included on the request.

When the Selling Agent receives the authorized request form, the buyer or the agent will then schedule:

1. The activation of utilities,
2. The home inspection,
3. The deactivation of utilities, and
4. Re-winterization.



NOTE: Utilities may only be activated for a period of 72 hours, therefore the home inspection must be scheduled accordingly. Please note that if the property is not properly re-winterized, the FSM may assess a fee of \$60 to the Selling Agent.

9.3 Lender Requests for Appraisal Copies

The Sales Contract Package includes a form allowing the lender to request a copy of the FHA appraisal obtained by BLB Resources. The Appraisal Request Form will be processed upon execution of the sales contract, if provided with the original contract package, or as soon as possible after receipt, if submitted after contract ratification.

If the Appraisal Request Form is submitted separately from the original sales contract package, please email the form to 1Sappraisalrequests@blbresources.com or fax to 949-379-2895.

9.4 Requesting Termite Report Copies

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.

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 buyer, who has the right to order an inspection and treatment at their own expense.

The buyer may request a copy of the Termite Report. This Termite Report request form will be processed upon execution of the sales contract, if provided with the original contract package, or as soon as possible after receipt, if submitted after contract ratification.

If the Termite Report Request Form is submitted separately from the original sales contract package, please email the form to 1Stermiterequests@blbresources.com or fax to 949-379-2895.

9.5 Requesting to Change Financing Type

Buyers may change financing after ratification. Please note that if the contract is ratified with FHA financing, there may be a termite inspection completed. In addition, if the home was built prior to 1978, there may be Lead Based Paint (LBP) testing and abatement. If the buyer then changes from FHA insured financing to cash or other non-FHA financing, **the buyer will be responsible for the cost of the termite inspection, any subsequent termite treatment, the LBP inspection and any LBP abatement.**



Please also note that if the property is listed as Uninsurable (UI or UK), the buyer may **not** change financing to FHA insured.

To change financing, please complete the appropriate form from the BLB Resources' website, and fax the form and supporting documentation to 949-379-2895 or email to 1Saddenda@blbresources.com.

10.0 Information on Special Programs

10.1 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 buyer 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.

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?

- Good Neighbor Next Door properties are listed and sold exclusively through www.HUDHomestore.com. Bids must be submitted electronically, and must be 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?

- Buyer must meet the [requirements](#) for verifying buyer is a law enforcement officer, teacher, firefighter or emergency medical technician, and comply with HUD's regulations for the program. HUD requires that buyer sign a [second mortgage and note](#) for the discount amount. No interest or payments are required on this "silent second," provided that buyer fulfill the [three-year occupancy requirement](#).
- Additional addenda are required for these sales.

Stipulations

- Neither the buyer, 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 buyer 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.
- Neither the buyer nor his/her spouse may have ever purchased another home under the GNND sales program.

10.2 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 unable to sell for 6 months.

Who is eligible?

- HUD registered Unit of Local Governments
 - County
 - City
 - Township



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.

10.3 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.

11.0 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.

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

- HUD Sales Contract-9548
- Conditions of Sale
- 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
- Proof of Funds
 - Pre-Qualification Letter (any applied financing- IN, IE, IK, or UI)
 - Must be within the last 30 days
 - Must indicate what type of financing, and if escrow is included
 - Cash Sale
 - Bank statement (within last 30 days)
 - Gift letter (signed by donor and recipient)
- Special Programs Additional Addenda (if applicable)
 - GNND Program Certification
 - Teacher
 - Firefighter
 - EMT
 - Dollar Home Program
 - Non-Profit Program
- Earnest Money Deposit

11.2 Completing the Sales Contract

The Sales Contract **MUST** be submitted with **ORIGINAL** signatures from both the Buyer and the Broker, and submitted to the correct BLB Resources office within 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/signatures as shown in the following table:

HUD CASE #	The correct FHA case number is entered in the box on the top right of the page.
Item 1	All purchasers' names and <u>complete</u> address of the property intended to purchase.
Item 2	All purchasers' names and how title is to be taken. Ex: (John Smith, single man)
Item 3	Line 1: The purchase price (far right) Line 2: The EMD amount (verify correct amount) Line 4: HUD designated Closing Agent
Item 4	Line 1: 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). Line 2: Down Payment amount is BLANK Line 3: Mortgage Amount and term is BLANK Line 5: If financing is a 203(b) with escrow repairs, the amount of repairs on this line must match the repair amount on the listing. Line 6: Box should be checked (✓) if financing is not FHA. Lines 1 – 5 should be blank.
Item 5	Closing Costs are up to 3% of the purchase price.
Item 6	Commission structure is 6% of bid amount or \$2,500 (minimum commission), whichever is greater, split 50/50 between selling and listing brokers, with only selling brokers able to reduce their portion. Part a) Selling Agent Commission up to 3%, or up to \$1,250 Part b) Listing Agent Commission 3%, or \$1,250
Item 7	Net to HUD - (purchase price) minus (commissions and closing costs)
Item 8	Purchaser Type (Example: Owner Occupant or Investor)
Item 9	The sale shall close no later than 45 days from seller's acceptance of contract.
Item 10	Back-up offer – When submitting the offer, if purchaser would like the bid held as a back-up if it is not accepted, this box must be checked. If the offer is held as a back-up offer, the purchaser may not submit the contract unless and until the originally accepted offer is cancelled and the back-up offer accepted.
Item 11	LBP- If property is built prior to 1978, "is" box must be checked (✓), and LBP Addendum MUST BE attached to Sales Package.
Item 12	All Purchaser Initials are present.
Item 13	Contains all Purchaser(s) Name(s), all ORIGINAL Signature(s), and Purchaser's Address
Purchaser's Information: Below Item 13 - Purchaser's SSN, Phone number, and Date	
Broker Information: Name, business address, EIN or SSN, SAMS NAID #, original signature	
Selling Agent Information: 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
Radon Gas and Mold Notice	Purchaser(s) signature
Owner Occupant Certification	Purchaser(s) signature; Broker's signature
Lead-Based Paint Addendum (ONLY homes built pre-1978)	Purchaser(s) initials & signature; Broker's initials & signature
Forfeiture & Extension Policy	Purchaser(s) signatures
For Your Protection	Purchaser(s) initials & signatures

11.3 Delivery Options

The sales package must be received at the correct 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.

Sales packages must be sent to:

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

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, money order, or other certified funds with no termination date or cancellation provision, and made payable to BOTH HUD and the actual Buyer(s). The funds must state "HUD or (insert actual buyer's name)."

The **original** EMD must be submitted with the completed sales package to your local BLB Resources office within 2 business days of bid acceptance. 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

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), 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.

- **Investor Purchasers**
 - **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 buyer. 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 buyer's failure to close, or where documentation is not provided within 30 days following contract cancellation.

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 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 10 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 fifteen (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
- Extension requests must be submitted through the Closing Agent. The applicable fee must be submitted with the request in the form of a certified or cashier's check or a money order.
- **All extension fee checks are to be made payable to "U.S. Department of HUD."**



14.0 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

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