

Selling Broker Quick Reference Guide for 1S - Revised 11-16-10

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

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

Financing Types:

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

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

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

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

Property Availability and Bid Deadlines:

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



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

Please note that **properties are removed from the HUDHomestore website at midnight the day of bid acceptance**. It is vital that you download the LBP addendum, sales contract package and any other disclosure forms prior to submitting a bid as it is no longer available after a bid has been accepted.

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

Please send sales packages for

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

BLB Resources

16845 Von Karman Avenue, Suite 100

Irvine, CA 92606

Phone: (800) 960-2526

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

Earnest Money Deposits must be certified funds (i.e. cashier's check or money order), made payable to BOTH "**HUD or (insert actual buyer's name)**." The original EMD (**NOT** a copy of the check) must be included with the contract package received by BLB Resources within 2 business days of bid acceptance. The amount of EMD required is determined by the sales price as follows:

- For properties with a sales price of \$50,000 or less, the EMD is \$500
- For properties with a sales price of \$50,001 or more, the EMD is \$1,000
- For vacant lots, the EMD is 50% of the list price

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

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

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Sales Package Verification Checklist for Owner Occupant and Investor Purchasers

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

- _____ FHA Case Number is correct
- _____ Property Address includes City, State, and County
- _____ Purchase information matches the accepted bid
 - Line 3: Purchase Price, EMD amount is accurate, "HUD designated closing agent"
 - Line 4: Chosen financing type matches bid submission, escrow amount is included if IE was chosen
 - Line 5: Closing Costs
 - Line 6a: Selling Agent Commission
 - Line 6b: Listing Broker Commission
 - Line 7: Net to HUD
 - Line 8: Appropriate purchaser type is indicated (e.g.: o/o, investor)
 - Line 9: must be 45 days (or 60 days for 203k financing), Closing Agent = "HUD designated closing agent"
- _____ Purchaser(s) initialed Line 12 of the Sales Contract
- _____ Purchaser(s) signed and dated the sales contract (under line 13)
 - Purchaser address - (cannot be P.O. Box)
 - Purchaser SSN (must match bid submission)
 - Purchaser phone number
- _____ Brokerage information including name, address, NAID, EIN, phone number, and signature (must be original signature)
- _____ Selling Agent name and phone number is correct

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

- _____ Certified check or money order is attached
- _____ Certified check or money order is made out to BOTH "HUD or actual buyer's name"

_____ **Addenda**

- _____ Purchaser(s) signed the "Conditions of Sale"
- _____ Purchaser(s) signed the "Radon Gas and Mold Notice Agreement"
- _____ Purchaser(s) **AND** broker signed the "Individual Owner Occupant Certification" if purchaser is an owner occupant
- _____ Purchaser(s) **AND** broker signed and initialed the "Lead Based Paint Addendum" if property was built prior to 1978
- _____ Purchaser(s) signed "Forfeiture and Extension Policy" (all 3 pages are included)
- _____ Purchaser(s) signed the "For Your Protection, Get a Home Inspection" form
- _____ Agency Disclosure

Financed Sales

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

Cash Sales

- _____ Proof of Funds

Upon bid acceptance - please acknowledge you have read/understand by signing below and faxing to 480-889-1478.

_____ Ensure you have all the required buyer's information (see page 2 of BLB packet attached to document section of MLS) and know how Buyer(s) wants to take title (see attached page for taking title in AZ) prior to making a bid.

- For Canadian Buyer's home address, use Buyer agent's business address when entering bid.

_____ Pools CANNOT/WILL NOT be filled. If covered with wood grill, it CANNOT be removed. FHA Financing: Pools are OK in current condition for appraisal/ financing. Conventional Financing: Check with lender for approval criteria.

_____ Upon notification of your bid acceptance via email, you have 48hrs (Sat and Sun not included) to have your complete packet to BLB Resources in Irvine, CA via overnight mail or delivery service.

_____ Earnest Money check must be in the form of a certified check or money order made out exactly as follows/both "HUD or Buyer's Name". Do NOT use "HUD and Buyer's Name". "OR" allows either party to cash the check.

_____ The inspection period will be 15 days from receipt of the ratified contract.

_____ Buyer's agent must be present at all times with Buyers and all vendors, including appraisers and inspectors.

_____ Utilities: Upon receipt of your contract packet (email), you will receive a Certificate of Utility Turn On. Email certificate to the Asset Manager as an attachment with the specific dates you have scheduled the appraisal and inspections. You CAN NOT turn on utilities until this is approved/signed by your assigned Asset Manager.

- Utilities MUST be turned on by the Buyer, at Buyer's expense and can **ONLY** be on for 3 days. This means that the buyer's appraisal and inspections must be conducted within this 3 day period.

- Recommend Buyer's agent turn off water at the water main prior to the Buyer turning on utilities to prevent potential flooding or damage. The Buyer is responsible while utilities are on.

_____ The title company will be Grand Canyon Title/602-474-5156. Reference property address or escrow # (not case #) for all correspondence with title company.

_____ Buyer is expected to rekey the day the property closes. Existing keys, lockboxes, signs to be returned to listing agent. Please call 480-354-7344 if not removed.

_____ HOA fees/liens are brought current. Additional capital assessment fees, etc. will be at the cost of the Buyer.

_____ Reference www.HUDHomestore.com for inventory & bidding.

_____ Reference www.blbresources.com for information, guides and additional forms (HUD Sales Contract, cancellation, termite, septic, etc. Scroll down to BLB Resources forms ... and select AZ, NV, ID Forms).

Agent Signature

Buyer Signature

Buyer Signature

Common Ways to Hold Title to Real Estate in Arizona

Community Property

Because Arizona is a community property state, there is a statutory presumption that all property acquired by husband and wife is community property. Community property is an estate of ownership between married persons only. Neither spouse, acting individually, may transfer or encumber real estate that is vested as community property. Upon death of one of the spouses, the deceased spouse's interest will pass by a will (if one exists) or intestate succession (if no will exists).

Community Property with Right of Survivorship

A community property estate between married persons that vests the title to real property in the surviving spouse provided it is expressly declared in the deed. This vesting has the tax benefits of holding title as "community property" and the ability to avoid probate through "survivorship rights".

Joint Tenancy with Right of Survivorship

Joint tenancy with right of survivorship as a method of co-ownership that gives title to the real property to the surviving tenant(s) upon death of a joint tenant owner. Title to real property can be held in joint tenancy by two or more individuals either married or unmarried. If a married couple acquires title as joint tenants with the right of survivorship, they must specifically accept the joint tenancy to avoid the presumption of community property.

Tenancy in Common

Tenancy in common is co-ownership where parties do not have survivorship rights and each owns a specific undivided interest in the entire estate.

Sole and Separate

Sole and separate property is real property owned by a spouse before marriage or any acquired after marriage by gift, descent or specific intent to hold the title separate from the estate of the marital community. If a married person acquires title as sole and separate property, his or her spouse must execute a disclaimer deed.

Note: Arizona is a community property state. Property acquired by a husband and wife is presumed to be community property unless legally specified otherwise. Title may be held as "Sole and Separate". If a married person acquires title as sole and separate, his or her spouse must execute a disclaimer deed to avoid the presumptions of community property. Parties may choose to hold title in the name of an entity; e.g., a corporation, a limited liability company, a partnership (general or limited), or a trust. Each method of taking title has certain significant legal and tax consequences. Therefore, you are encouraged to obtain advice from an attorney or other qualified professional. The ownership options listed above apply to individuals. Title to real estate can also be vested in corporations, general partnerships, limited partnerships, or in individuals or corporations acting as trustees pursuant to written trust agreements. If you wish to vest title in one of these entities, it is recommended that you obtain assistance from a qualified real estate agent or any attorney.



MLS Addendum for all BLB Resources, Inc. HUD Homes

- HUD Home, sold "AS IS" by electronic bid only.
- For property conditions, forms, disclosures and availability, please visit www.HUDHomestore.com.
- BLB Resources makes no warranty as to current or future existence of mold in this property and is not liable for the potentially harmful effects thereof.
- Buyer to verify all information.
- Room sizes are approximate.
- Properties that are listed as **IN** and **IE** are available exclusively for owner occupant, nonprofit and government agency bidders for the first 30 days on the market. Please note **the initial bid review is on the 11th day of listing**. All bids received during the first 10 days are opened and reviewed simultaneously on the 11th day. If no acceptable offers are received, bids are reviewed on a daily basis (Monday – Friday) until the exclusive 30 day owner occupant period expires. Properties are then available for all bidders, with bids reviewed daily (Monday – Friday).
- Properties listed as **UI** or **UK** are available exclusively for owner occupants for the first 5 days on the market, with all **bids** received during this period opened and **reviewed** simultaneously **on the 6th day**. If no acceptable bids are received, the properties are then available for all bidders, with bids reviewed daily (Monday – Friday).