



Owner Occupant Sales Package

The following documents are contained in this package:

1. Instructions for Sales Contract
2. HUD 9548 (1/99) Sales Contract
3. Conditions of Sale
4. Radon Gas and Mold Notice and Release Agreement
5. Owner Occupant Certification
6. Lead Based Paint Addendum
7. Forfeiture and Extension Policy (3/31/03)
8. Agreement to Abide by HUD's Earnest Money Forfeiture Policy
9. For Your Protection Get a Home Inspection Form
10. Sales Contract and Addendum Checklist
11. Request to Turn On Utilities
12. Appraisal and Termite Request Form

The Sales package also must include:

1. Pre-qualification letter from a lender or verification of cash for a cash sale
2. Copy of earnest money deposit (certified check or money order)
3. Agency Disclosure Form from the Brokerage

Important Note: For this sales package to be accepted the HUD 9548 Sales Contract may not be copied at **ANY** time. The only acceptable sales contract must have an original signature on an original print out. If a photocopy of the sales contract has an original signature it will not be accepted, it must be an original print out.

The Conditions of Sale (Page 4 of this print out) must be signed by all purchasers for the Sales Contract to be accepted.

The Sales Contract below can be filled out online, simply double click on the field (such as case number or address) to type in the appropriate information.

Please see the MCB Broker/Agent Information Handbook for additional information on Sales Contract Packages. The handbook can be found on our website: www.mcbreo.com. If you have any questions regarding the sales contract package please contact us.

Thank you,

MCB Sales

This sales package may be completed online prior to printing. Select a field (such as case number, address, and purchase price) and then fill in the correct information.

Instructions for Sales Contract

Property Disposition Program

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

OMB Approval No. 2502-0306 (exp. 6/30/2004)

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required to obtain benefits. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required in order to administer the Property Disposition Sales Program (24 CFR Part 291). The collection of information is required in order to provide a binding contract between the property purchaser and HUD. A real estate broker or one of its agents completes this form. If this information were not collected, HUD would not be able to administer the Property Disposition Sales Program properly to avoid waste, mismanagement, and abuse. While no assurances of confidentiality are pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information request.

Privacy Act Notice – The United States Department of Housing and Urban Development, Federal Housing Administration, is authorized to solicit the information requested on this form by virtue of Title 12, United States Code, Section 1701 et seq. The Housing and Community Development Act of 1987, U.S.C. 3543 authorized HUD to collect Employer ID and/or Social Security Numbers. These numbers are used to provide information to the IRS regarding payment of commissions or other fees. HUD may also disclose this information to Federal, State, and local agencies when relevant to civil, criminal, or regulatory investigations and prosecutions. It will not be otherwise disclosed or released outside of HUD, except as required and permitted by law. Failure to provide the Employer ID Number or Social Security Number could affect your participation in HUD's Property Disposition Program.

This **Sales Contract**, identified as form HUD-9548, must be prepared and transmitted in accordance with the following instructions. The form provides an original for fiscal and legal review, signed copy for the Purchaser, and unsigned information copies for the Purchaser, the selling Broker, and HUD's designated representative..

Remove this Instruction Sheet and type the HUD Case Number in the box in the upper right.

Item 1: Type Purchaser(s) name and complete property address.

Item 2: Enter name(s) and style in which title will be taken.

Item 3: Enter Bid Amount and amount of earnest money Purchaser has deposited.

Enter holder of earnest money deposit in accordance with Seller's instructions.

Item 4: Enter when appropriate, strictly in compliance with Seller's offering. If Seller has offered the property with insured financing available, and Purchaser is buying under such means, check the first block and the applicable type of insured financing, and complete the down payment and mortgage information. If the insured mortgage involves a repair escrow (and has been so offered by Seller), also check the appropriate block and insert the amount of the repair escrow.

Note: The amounts shown for "cash due at closing" and "balance by mortgage" do not include the FHA Mortgage Insurance Premium, prepaid expenses or closing costs Seller has agreed to fund into the mortgage.

Note: If Purchaser is paying cash or applying for conventional or other financing not involving FHA, check appropriate block.

Item 5: Enter amount of financing/closing costs Seller is expected to pay.

Note: If the amount stated in Item 5 exceeds actual and typical allowable financing and/or closing costs, such excess shall not be paid by Seller and may not be used by Purchaser to reduce amount(s) owing to Seller.

Item 6: Enter dollar amount Seller is expected to pay, including any selling bonus if offered by Seller. The commission will be paid by Seller upon completion of closing.

Item 7: Enter net amount due Seller (purchase price [Item 3], less Items 5 and 6). Contract will be awarded on the basis of the greatest acceptable net return to Seller.

Item 8: Enter appropriate occupancy information. If left blank, Purchaser will be considered as an investor. If purchaser qualifies for discount, enter percent. Discount will be reduced by amounts, if any, on Line Items 5 and 6. (Do not enter discounted price on contract.)

Item 9: Enter in accordance with HUD's instructions.

Item 10: Enter appropriate back-up offer information.

Item 11: Enter if an addendum is to be attached to and made a part of this contract.

Note: Addendum not previously approved by Seller may not be made a part of this Contract. Approved addendum must be signed by, and in the same style as, those signing as Purchaser(s).

Item 12: Purchaser(s) must initial in appropriate space.

Other:

- Failure of the Purchaser to perform in accordance with this contract may cause the Seller to retain all or a portion of the earnest money deposit. Broker must be certain this is fully explained to and understood by the Purchaser(s).**
- Enter Selling Broker's Name and Address Identifier (NAID). If broker has not been issued a SAMS NAID, complete forms SAMS-1111, Payee Name and Address, and SAMS-1111-A, Selling Broker Certification, along with required documentation, and attach to this contract. Contact HUD's local designated representative.**
- The Broker is required to inform Purchaser of the Conditions of Sale on the reverse of the Sales Contract, and particularly of Purchaser's right and responsibility for satisfying itself as to the full condition of the property prior to submitting an offer to purchase and that Seller will provide no warranty or perform any repairs after acceptance of the Contract.**

Signatures: Sign Original, leaving carbon inserts intact, making certain that the signature(s) appears on all copies.

Transmittal: Forward the Original with Copies 1 and 2 to HUD's designated representative. Copies 3 and 4 are to be retained by Broker and Purchaser as information copies. Upon acceptance, HUD's designated representative will return the signed Copy 1 to Broker for delivery to Purchaser(s). HUD's designated representative will retain Copy 2.

Sales Contract
Property Disposition Program

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

HUD Case No. _____

1. I (We), _____
(Purchaser(s)) agree to purchase on the terms set forth herein, the following property, as more particularly described in the deed conveying the property to the Secretary of Housing and Urban Development:

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

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

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

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

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

Purchaser is paying cash or applying for conventional or other financing not involving FHA.

5. Seller will pay reasonable and customary costs, but not more than actual costs, nor more than paid by a typical Seller in the area, of obtaining financing and/or closing (excluding broker's commission) in an amount not to exceed ➤ **5.** \$ _____

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

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

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

8. Purchaser is: owner-occupant (will occupy this property as primary residence) investor
 nonprofit organization public housing agency other government agency. Discount at closing: _____ %

Discount will reduced by amounts, if any, listed on Line Items 5 and 6.

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

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

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

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

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

Certification of Purchaser: The undersigned certifies that in affixing his/her/its signature to this contract he/she/it understands:

(1) all the contents thereof (including the Conditions of Sale) and is in agreement therewith without protest; (2) he/she/it is responsible for satisfying itself as to the full condition of the property; and (3) that Seller will not perform repairs after acceptance of this contract.

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

Purchaser(s) Address:

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

Date Purchaser(s) Signed Contract:

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

Date Contract Accepted by HUD:

X

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

Broker's Business Name & Address: (for IRS reporting) (include Zip Code)

Broker's EIN or SSN: (include hyphens)

SAMS NAID:

Signature of Broker:

Broker's Phone No:

X

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

This section for HUD use only. Broker notified of:

Acceptance Back-Up No. _____

Rejection Return Earnest Money Deposit

Authorizing Signature & Date:

X

Conditions of Sale

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

Purchaser _____

Purchaser _____

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

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

Property Case #: _____
Property address: _____

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

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

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

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

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

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

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

Dated this ____ day of _____, 20__.

Purchaser's Signature

Purchaser's Signature

Purchaser's Printed Name

Purchaser's Printed Name

**ADDENDUM TO THE SALES
CONTRACT**

Property Disposition Program

**U.S. Department of Housing and Urban
Development**

Office of Housing

Federal Housing Commissioner

Warning: Falsifying information on this or any other form of the Department of Housing and Urban Development is a felony. It is punishable by a fine not to exceed \$250,000 and/or a prison sentence of not more than two years.

Individual Owner-Occupant Certification

I/We, _____
submit this offer to purchase the property located at

Property address:

as an owner-occupant purchaser. I/We certify that I/we have not purchased a HUD-owned property within the past 24 months as an owner-occupant. This offer is being submitted with the representation that I/we will occupy the property as my/our primary residence for at least 12 months.

Purchaser's
Name

Signature & Date: _____

Purchaser's
Name

Signature & Date: _____

Broker Certification

I certify that I have not knowingly submitted the HUD-9548, Sales Contract, for the above listed property, on behalf of an investor purchaser. I further certify that I have discussed the penalties for false certification.

Broker's
Name

Signature & Date: _____

Lead-Based Paint Disclosure Addendum

Property Case #: _____
Property Address: _____

Lead Warning Statement

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

Seller's Disclosure

- (a) Presence of lead-based paint and/or lead-based paint hazards (check (i) or (ii) below):
- (i) _____ Seller has knowledge of lead-based paint and/or lead-based paint hazards in the housing (explain).
- _____
- (ii) _____ Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.
- (b) Records and reports available to the seller (check (i) or (ii) below):
- (i) _____ Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below).
- _____
- (ii) _____ Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards.

Purchaser's Acknowledgment (initial)

- (c) _____ Purchaser has received copies of all information listed above.
- (d) _____ Purchaser has received the pamphlet Protect Your Family from Lead in Your Home.
- (e) _____ Purchaser has a 15-day contingency period from the date of its signature below to exercise the option to conduct a lead-based paint inspection or risk assessment at its own expense for the presence of lead-based paint and/or lead-based paint hazards. The Purchaser may withdraw from this purchase obligation by providing written notice to the Seller on or before this date. The Purchaser will be entitled to a refund of earnest money if the Purchaser obtained an independent lead-based paint inspection or risk assessment performed by a Certified Lead-Based Paint Inspector or Risk Assessor, as applicable, and the Purchaser provides the Seller with a copy of the lead-based paint inspection or risk assessment report.

Agent's Acknowledgment (initial)

- (f) _____ Selling Broker is aware of his/her responsibilities to ensure compliance with 42 U.S.C. 4852d.

Certification of Accuracy

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

_____ Seller	_____ Date		
_____ Purchaser	_____ Date	_____ Purchaser	_____ Date
_____ Broker/ Agent	_____ Date	_____ Broker/Agent	_____ Date

U.S. DEPT. OF HOUSING & URBAN DEVELOPMENT

Addendum A
(REV 06/20/05)

*****FORFEITURE AND EXTENSION POLICY*****

HUD Case No. _____

Property Address:

City:

All HUD Property Disposition sales of HUD-acquired properties are to close within 45 days (60 days in Michigan and Ohio only) of acceptance of a HUD-9548 (1/99) Sales Contract offer to purchase.

Forfeiture of Earnest Money Deposits.

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

a. Investor Purchasers.

1. The failure by an investor Purchaser to close on an uninsured sale will result in forfeiture of the entire earnest money deposit.
2. Fifty percent of the earnest money deposit on an insured sale will be returned to an Investor Purchaser where HUD (or a Direct Endorsement Lender using HUD guidelines) determines that the Purchaser is not an acceptable borrower.

b. Owner Occupant Purchasers.

1. On insured loans, the entire earnest money deposit will be returned to an owner-occupant Purchaser who fails to close after sales contract was signed, if:
 - (i) There has been a death in the immediate family (contract holder, spouse, or children living in the same household);
 - (ii) There has been a recent serious illness in the immediate family that has resulted in significant medical expenses or substantial loss of income, thus adversely affecting the purchaser's financial ability to close the sale.
 - (iii) There has been a loss of job by one of the primary breadwinners, or substantial loss of income through no fault of the Purchaser;
 - (iv) In the case of an insured sale, HUD (or a Direct Endorsement lender using HUD guidelines) determines that the Purchaser is not an acceptable borrower; or
 - (v) For other good cause, to be determined by the field office.
 - (vi) On an uninsured sale, the purchaser was pre-approved for mortgage financing in a 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.

On either type of sale, forfeit 100 percent of the deposit on 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 the documentation is not provided within a reasonable time following contract cancellation (e.g. 30 days).

Extensions

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

- a) **A written request for an extension must be received by MCB before the expiration of the sales contract.**
- b) **The documentation submitted with the request must establish the cause of delay and that mortgage approval is imminent during the extension period.**
- c) **An extension will be for a period of fifteen calendar days. Fees are based on the Contract Sales Price of the property; \$10 per day is charged if the sales price is \$25,000 or less; \$15 per day if the sales price is more than \$25,001; and \$25 per day if the sales price is over \$50,000. Extension requests must be submitted through the Closing Agent and all fees must accompany the request at the time of submission.**
- d) **Extension fees shall be retained by Seller if a closing doesn't occur.**
- e) **At the closing, unused extension fees will be prorated to the Purchaser and refunded by escrow.**
- f) **The granting of one extension shall not obligate the Seller to grant 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 expiration of the extension.**

Allowable Closing Costs-Line 5 of Sales Contract (HUD 9548-1/99)

*HUD will pay up to a maximum of 5% of the purchase price, (Line 3 of sales contract), towards allowable purchaser closing costs, not to exceed actual costs incurred. Any monies remaining after the allowable closing costs have been paid **will not** be credited to the purchaser(s) at sales closing. The following is a complete list of those HUD allowable closing costs that may be credited towards Line 5 of the Sales Contract.*

- Appraisal Fee: For an FHA 203(k) loan that is necessary to determine the "after rehab" value; For a new appraisal where the appraisal expired prior to Sales Contract execution.
- Credit Report: Up to \$20
- Flood Certification: If property is offered with FHA insurance and is in a Flood Plain
- Home Inspection: Includes testing for lead based paint, radon and mold if not already tested
- Loan Discount Points: Up to 3% to buy down the rate, with certification from lender
- Loan Origination Fees: Up to 1% will be paid on Conventional/FHA loans; up to 1.5% will be paid on FHA 203(k) loans
- Recording fees and Transfer Charges for Mortgage: If sufficient funds are on Line 5, fees will be paid; otherwise, these are the purchaser's costs.
- Survey: If required by Lender
- Title Insurance Coverage for Lender: If sufficient funds are on Line 5
- Title Insurance Coverage for Owner: If sufficient funds are on Line 5
- Homeowner's Warranty: \$250 - \$400 depending on State; Check HUD Notice H 2005-12
- Prepaid and escrow items For owner occupant purchasers only-Excludes Hazard Insurance

Closing costs automatically paid by HUD:

- Proration of property taxes and any special assessments such as HOA fees, utility bills: Paid by HUD automatically
- Settlement or Closing Fee: HUD will pay HUD's closing agent; if another Agent is used, this is the purchaser's cost.

- Transfer Charges and Recording Fees: For the deed only, paid by HUD automatically
- Condominium or HOA Transfer Fee: If applicable (includes cost to provide HOA documents)
- Repair Escrow Fee: \$200 where applicable on FHA insured Loans only

Seller Disclosure

Seller makes no representations or warranties concerning the condition of the property, including but not limited to mechanical systems, plumbing systems, dry basement, foundation, structural, or compliance with code, zoning or building requirements and will make no repairs to the property after execution of this contract. Purchaser understands that regardless of whether the property is free of visible or hidden structural defects, termite damage, lead-based paint, or any other condition that may render the property uninhabitable or otherwise unusable. Purchaser acknowledges responsibility for taking such action as it believes necessary to satisfy itself that the property is in a condition acceptable to it, of laws, regulations and ordinances affecting the property, and agrees to accept the property in the condition existing on the date of this contract. Seller disclosure concerning HOA dues, assessments, or any tax concerning HUD homes is based on available information but not deemed complete or accurate. It is the responsibility of the Buyer to obtain all information concerning these issues.

Walk-Thru Inspection

All purchasers are strongly encouraged to perform a walk through inspection PRIOR to the close of escrow. If a purchaser discovers a property condition that did not exist at the time of sale they must immediately notify HUD’s property manager, Michaelson, Connor & Boul, of the damage. The buyer assumes full responsibility for the property and its condition on the date of close of escrow. The Department assumes no responsibility, and will make no settlement, for damages reported to HUD after the close of escrow. Brokers must sign out keys with the property manager to perform the inspection. (See item #13.E of HUD Sales Contract).

Buyer Certification.

I/we certify that I/we have been interviewed, completed a loan application, verification of employment’s and obtained a full credit report from the lender that has provided the attached Letter of Commitment. I/we understand the I/we will forfeit our earnest money deposit if we enter into this contract without completing this qualification process.

Signatures

_____	_____	_____
(Purchaser)	(Purchaser)	(Date)
_____	_____	_____
(Purchaser)	(Purchaser)	(Date)

HUD Case No. _____

Property Address: _____

City: _____

AGREEMENT TO ABIDE BY HUD'S EARNEST MONEY FORFEITURE POLICY

As a condition of participation in single-family property sales programs of the U. S. Department of Housing and Urban Development (HUD). I agree to abide with the Department's earnest money policy.

Should HUD instruct me to collect earnest money deposits from prospective buyers, I agree to do so at the time the contract is written, and according to HUD's instructions, deposit such funds in my trust account no later than the close of business the next banking day.

I understand that I am fully responsible for any deposit accepted and placed in my trust account. I also understand that any deposit accepted will only be in the form of a cashier's check, certified check or money order with no termination date or cancellation provision.

Earnest money deposits being held in my trust account shall be accounted for at the sales closing, unless the contract is terminated. I agree to immediately comply with HUD's instructions for the ultimate disposition of each earnest money deposit.

I agree to fully explain to each purchaser, prior to a contract being written, HUD's earnest forfeiture policy:

I understand that this document will be retained by HUD.

Signed this _____ day of _____, 19_____.

Signature of Broker

Typed or Printed Name of Broker and Firm

Street Address

City, State, Zip

Phone Number

For Your Protection: Get a Home Inspection

Name of Buyer (s) _____

Property Address _____

Why a Buyer Needs a Home Inspection

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

- evaluate the physical condition: structure, construction, and mechanical systems
- identify items that need to be repaired or replaced
- estimate the remaining useful life of the major systems, equipment, structure, and finishes

Appraisals are Different from Home Inspections

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

- to estimate the market value of a house
- to make sure that the house meets FHA minimum property standards/requirements
- to make sure that the house is marketable

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

If you find problems with your new home after closing, FHA can not give or lend you money for repairs, and FHA can not buy the home back from you.

Radon Gas Testing

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

Be an Informed Buyer

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

I/we understand the importance of getting an independent home inspection. I/we have considered this before signing a contract with the seller for a home. Furthermore, I/we have carefully read this notice and fully understand that FHA will not perform a home inspection nor guarantee the price or condition of the property.

_____ **I/We choose to have a home inspection performed.**

_____ **I/We choose not to have a home inspection performed.**

X

Signature & Date

X

Signature & Date

PRIOR TO PLACING A BID
*******CHECKLIST*******

Date: _____ Agent: _____

Case Number: _____ Phone #: _____

Property Address: _____

Please complete and check off all of the following prior to submitting a bid:

- Original Sales Contract – HUD form 9548 dated 1/99** (PDF or Carbon)
 - (If PDF contract is used it may not be photocopied – you must complete the PDF contract that comes directly from the printer.)*
 - Line 1 – All Purchasers on Contract
 - Line 2 – Title Name(s) & Style (individuals taking title)
 - Line 3 – Purchase Price
 - Line 4 – Check Financing type – FHA financing must match listing type
 - IN = 203(b)
 - IE = 203(b) Repair Escrow (also fill in amount of escrow)
 - UI = property may qualify for 203(k) financing
 - All properties may be financed with Conventional Financing
 - Line 5 – Closing Costs may not exceed 5% of the purchase price
 - Line 6a – Selling Commission not to exceed 5% of the purchase price
 - Line 6b – BLB Commission will be 1% (or less) of the purchaser price
 - Line 7 – Net Amount - Line 3 minus lines 5, 6a, and 6b
 - Line 8 – Type of ownership (owner occupant or investor)
 - **OWNER OCCUPANTS** must occupy the property for 12 months and have not purchased a HUD HOME as an Owner Occupant within the past 24 Months.
 - Line 9 – Closing Date must be 60 Days
 - Line 11 – Lead Based Paint Addendum must be attached if property was built prior to 1978
 - Line 12 – Purchaser must Initial**
 - Have Purchaser(s) Print Name(s) and Sign**
 - Include all Purchaser's Social Security number's, current place of residence, phone number, and date of offer
 - Social Security Number MUST match the purchasers Social Security number submitted on the bid.
 - Broker Information including office address, **broker signature** (not a stamp) Tax ID number, Agents Name, and Phone number

PRIOR TO PLACING A BID - Page 2

*******CHECKLIST*******

FORMS AND ADDENDA

- Copy of Earnest Money Deposit check**
 - Sales price up to \$49,999 earnest money deposit = \$500
 - Sales price \$50,000 and up earnest money deposit = \$1,000

- Forfeiture and Extension Policy - Version 3/31/03**
 - Must be read and signed by all purchasers

- Broker's Agreement to Abide by HUD's Earnest Money Forfeiture Policy**
 - Broker MUST sign – Stamps are not allowed

- Lead Based Paint Addendum** - if the home was built prior to 1978
 - Must be signed by all purchasers and the Broker or Agent

- Owner Occupant Certification** – HUD form 9548D dated 1/98
 - *If purchaser is an Owner Occupant*
 - **OWNER OCCUPANTS must occupy the property for 12 months and have not purchased a HUD HOME as an Owner Occupant within the past 24 Months.**
 - Misrepresenting a purchaser as an Owner Occupant is a **SERIOUS** offense that may constitute fraud and may result in an investigation of the Broker, Agent, and purchaser by the office of the inspector general.

- Pre-Qualification** or Pre-Approval letter from a lender. *If this is a cash sale: verification of cash funds*

Over-Bidding with FHA financing

If your purchaser is obtaining FHA financing you will be required to use HUD's FHA AS-IS Appraisal (unless HUD's Appraisal is over 6 months old, in this case your purchaser will be required to obtain a new FHA AS-IS appraisal at their cost). Therefore, if you overbid the appraised value and your purchaser is obtaining FHA financing, the **purchaser must pay the overbid difference in cash.** This is because FHA will not insure a loan for greater than the appraised value of the property.



Michaelson, Connor & Boul, Inc.

5312 Bolsa Avenue, STE 200
Huntington Beach, CA 92649
(714) 230-3600 (714) 230-3699 fax

REQUEST TO TURN ON UTILITIES FORM

Revised May 19, 2002

No public utilities may be activated on any HUD properties without prior written permission from Michaelson, Connor & Boul, Inc. (MCB). Failure to obtain authorization prior to utility activation will result in cancellation of the sale and forfeiture of the earnest money deposit.

MCB permission to activate utilities may be requested by completion of this form and should be submitted to MCB via facsimile.

We, the undersigned, request permission from MCB to turn on the following utilities:

___ water ___ electricity ___ gas

at the HUD property located at the following address: _____,
and designated by HUD case number _____ for purposes of performing a systems check on the above property.

Permission is requested to turn on the above-designated utilities on the following date: _____ and have them turned off on the following date: _____.

We understand that in so doing, we shall be liable for the payment of any and all connection fees and/or utility usage charges resulting from this activation request and/ or the resulting system check.

We further agree to assume full responsibility for any damage to the above-designated property, or any neighboring or adjacent property resulting from the requested utilities activation and/or systems check.

We further agree to take proper care of any and all appliances affected by the utilities activation and systems check, and specifically agree to ensure that all hot water heaters in the above-designated property are full of water before turning on electricity to be certain not to burn out the elements.

By signing below, we agree to be bound by the statements agreed to above:

_____ Purchaser	_____ Date	_____ Telephone number
_____ Purchaser	_____ Date	_____ Telephone number
_____ Real Estate Agent	_____ Date	_____ Telephone number

Company name: _____
Fax Number _____

Permission is hereby granted for the above-listed utilities to be turned on as of _____ and disconnected on: _____.

Approved for MCB by _____ Date: _____.

ATTN: MCB
FAX #: (714) 230-3699



Appraisal Report Request Form

Date: _____

Property Information

Case Number: _____

Property Address: _____

Agent Information:

Agent: _____ Phone #: _____

Brokerage: _____ Email: _____

Lender Information:

Loan Officer: _____

Loan Officer Signature: _____

Company: _____

Lender's Address: _____

Phone #: _____

For email delivery, please clearly enter **lender's email address**. If available, a PDF version of the appraisal will be emailed to you. For overnight delivery, a carrier and account number is required.

Lender Email Address: _____

Circle one: **Email** **UPS** **Airborne** **Fed-Ex**

Overnight Account Number: _____

PLEASE NOTE: Your request will be processed upon contract ratification. Please check with the buyers selling agent for status of the sales contract. Appraisals will be sent/e-mailed to lenders only.

For MCB Use Only:

Date Appraisal sent: _____

Sent By: _____ Reg. Mail Overnight Email

ATTN: MCB
FAX #: (714) 230-3699

Termite Report Request Form

Date: _____

Case Number: _____

Property Street Address: _____

Property City, State, and Zip: _____

Agent Name: _____

Brokerage: _____

Phone #: _____

Fax #: _____

Purchaser(s): _____

Property Closing Scheduled on: _____

PLEASE NOTE: Termite inspection reports may take up to 2 weeks to be processed.

For MCB Use Only:

Report sent on: _____ To Fax #: _____

Sent By: _____