

Successfully Buying HUD Homes in MI

Presented By:


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M&M Company

Michaelson, Connor & Boul, Inc.

**michaelson, connor & boul**
superior real estate services driven by integrity

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Welcome to Michaelson, Connor, & Boul, Inc.

MCB is a multi-dimensional company that services a variety of clients covering a spectrum of Government, Commercial, and privately owned properties. We specialize in large- and small-scale property management, complete facility and property maintenance services, and real estate conveyance services. Our services are offered and provided on a nationwide basis for all 50 States including Alaska and Hawaii. If you would like to know more about our extensive capabilities and offerings, please refer to one of the following links to learn more. We welcome the opportunity to discuss the details of how we may be able to provide you a high quality-cost effective solution for servicing your facility and property management and maintenance needs. From complete outsourcing of day-to-day property management and maintenance services to individually focused work environment and real estate conveyance, MCB is your total solution provider!

We are an asset management company that specializes in real estate services for mortgage and banking institutions, private companies and the United States Department of Housing and Urban Development. We provide superior real estate services driven by integrity. We are committed to providing our customer base with superior value and the highest quality services available.

-NEW- [GSA Facilities Maintenance and Management Services click here](#)

For Property Listings please select a state on the right or [click here](#)

ANNOUNCEMENTS

- In observance of President's Day, the offices of Michaelson, Connor and Boul will be closed on Monday, February 18, 2008. As a result, those properties that would have had a bid deadline of 11:59 pm on February 17, 2007, will have a bid deadline of 11:59 pm February 18, 2007.
- ***TIA Special Sales Incentives *** **NEW***** Please see information on these special programs under the "Announcements" of each state page.
- ATTENTION ALL REAL ESTATE BROKERS AND AGENTS IN MICHIGAN AND OHIO

As you may be aware, Michaelson, Connor & Boul will no longer be performing the Marketing services for the Department of Housing & Urban Development (HUD) for the states of Michigan and Ohio effective May 16, 2007.

After May 16 th, the marketing of HUD properties in those two states will be conducted by The Chapman Law Firm Co., LPA. Michaelson, Connor and Boul will continue to oversee through closing all sales contracts that have been executed by us.

PLEASE NOTE THAT ALL PROPERTIES WITH AN ACCEPTED BID NOT UNDER CONTRACT BY MAY 16, 2007 WILL BE TRANSFERRED TO THE CHAPMAN LAW FIRM Co., LPA. IF WE DO NOT RECEIVE YOUR CONTRACT PACKAGE OR ANY NEEDED CORRECTIONS BY CLOSE OF BUSINESS ON MAY 15, 2007, YOUR BID ACCEPTANCE MAY BE CANCELLED.



Commonly Asked Questions



What is a HUD home?

When a borrower with an FHA insured mortgage defaults on the loan, the lender forecloses on the home. The lender may then submit a claim against the FHA insurance fund & convey ownership of the property to HUD.

How are HUD homes sold?

HUD turns the property over to MCB, who maintains and sells these properties in accordance with HUD guidelines.

Who can sell a HUD home?

Any licensed real-estate broker registered with HUD, or an agent employed by a registered broker.

I am qualified to complete this transaction for you!

Who can buy a HUD home?

Any buyer that can secure a loan or pay cash may purchase a HUD home.

Who can buy a HUD home?

For owner/ occupants, this must be their primary residence for one year and they may not have purchased a HUD home as O/O within past two years.

Purchasers must use a HUD registered broker to submit their bid on a property.

Where do I find HUD homes for sale?

HUD homes are listed in the local MLS and on MCB's website.

- each Friday AM – New Listings
- featured in the MLS

www.mcbreo.com

How do I submit a bid?

Bids must be submitted through the Internet by using MCB's website: www.mcbreo.com

Only a licensed real-estate broker registered with HUD, or an agent employed by a registered broker.

When are bids due?

New listings are on the market for 10 days and opened on the 11th day.

Back on the market properties are on the market for 5 calendar days & opened on the 6th day.

When can investors bid?

Investors may bid on new listings after 2:00 PM, on the 11th day and on the 6th day, for back on the market properties.

Can an owner occupant submit an offer on more than one property?

Yes. MCB will select and award one acceptable bid, that is in the best interest of HUD.

When are bids reviewed & accepted?

Bids are reviewed on the following business day after the deadline. Bids are accepted by MCB based on HUD's guidelines.

How are bids accepted?

HUD looks at the highest net, not the highest offering price.

How is the list price determined?

MCB obtains an “as is”
FHA appraisal to determine
the list price.

When using FHA financing, does the down payment change if the offer is over the listed price?

Yes. If the bid exceeds the listing price then the purchaser must pay the overage in cash.

How will I be notified if my bid is accepted?

Accepted bids will be posted on the MCB website after 4 PM (EST). It is the agent/broker's responsibility to check the website.

As a courtesy, MCB also endeavors to notify the agent by e-mail and/or fax.

What do I do with my contract & addenda, if I have the winning bid?

If your bid is accepted, your Broker is responsible for delivering the original signed sales contract and addenda to MCB within 2 business days.

Do I need a pre-qualification letter?

Yes. Purchaser(s) must have a pre-qualification letter or pre-approval letter from a lender.

If this is a cash sale, verification of cash funds is required.

How do I obtain a copy of the appraisal?

Copies are available for the winning bidders. Complete the respective request forms and fax them to MCB. Appraisals are sent to lenders.

What are Bid Results?

Bid statistics are a snapshot of all the bids submitted for a particular property irrespective of the fact if the bid was accepted or not.

Where do I find bid statistics?

Bid statistics can be found on MCB's website and are updated every Friday for all bids submitted the previous week and will continue to display for 60 days.

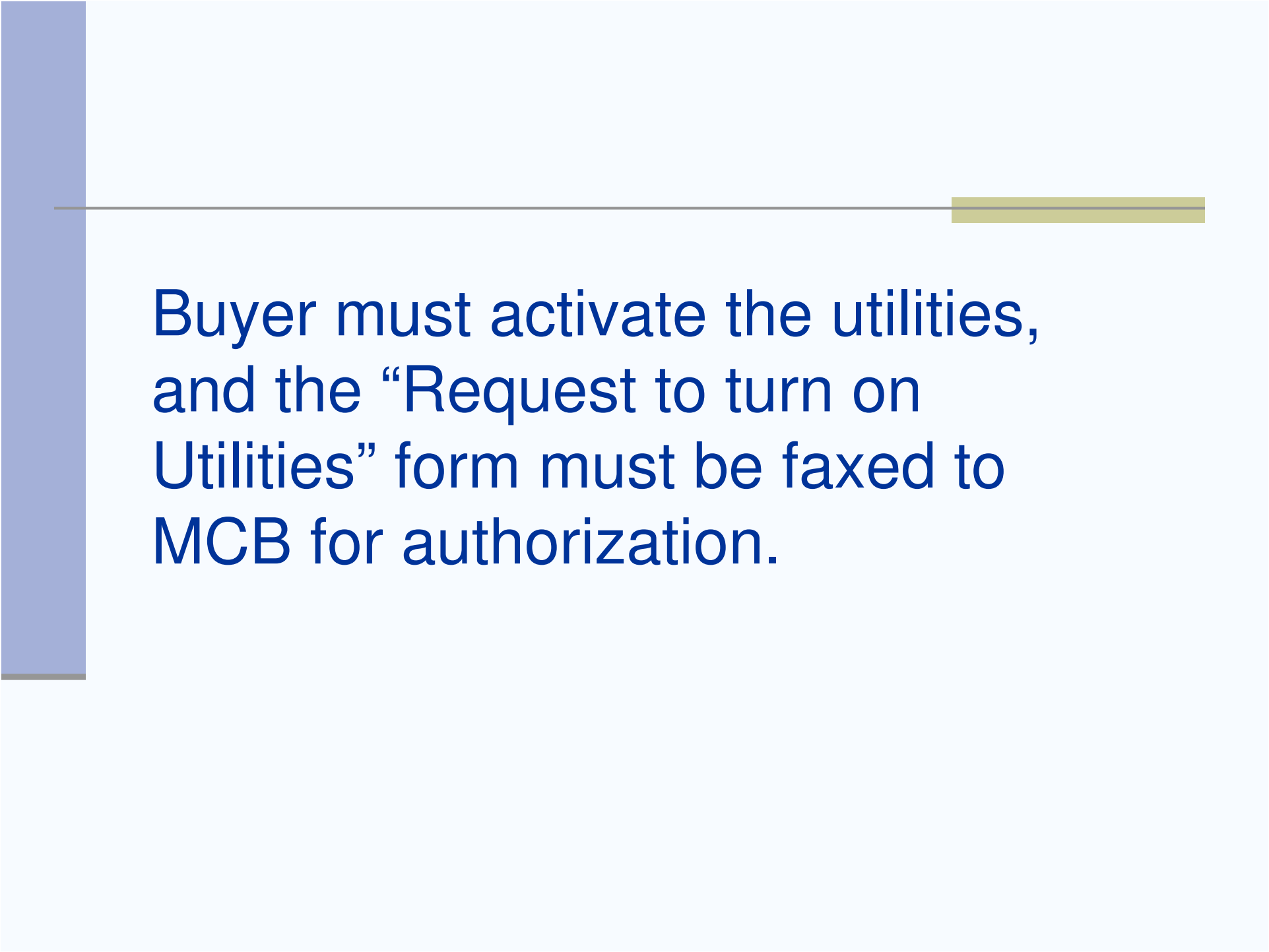
How can I cancel my bid?

If you are awarded a property and your client cannot complete the transaction

Complete the Cancellation Request Form (use the appropriate form: Prior to Acceptance or After Bid Acceptance).

Can my buyer do a home inspection?

Yes. It's recommended that the purchaser retain the services of a home inspection company to perform an inspection on the property. The purchaser has 15 days to conduct a home inspection.



Buyer must activate the utilities,
and the “Request to turn on
Utilities” form must be faxed to
MCB for authorization.

Who is HUD's Michigan Closing Agent?

**Custom Closing Services, Inc.
28423 Orchard Lake Road
Farmington Hills, MI 48334**

Phone (248) 324-9000

Where do I send the EMD?

Made payable to the selling Broker's Trust account. Held until transaction is ready to close & Custom Closing Services requests cashier's check.

May I do repairs, improvements or occupy the property prior to closing the escrow?

NO

May I obtain a key at closing?

No. Purchasers should be advised that they are responsible for re-keying the locks of the property immediately after closing for their own security.

FHA 203(b) – Repair Escrow Loan

- Repairs less than \$5,000 qualify for FHA 203(b)
- Escrow repair amount is added to the FHA loan
- The Lender monitors and keeps the funds in an escrow account for disbursement upon completion of repairs, to the Lender's satisfaction

FHA 203(k) – Rehab Loan

- When the property needs **more than \$5,000** in Minimum Property Requirement repairs
- The Lender must obtain an Inspection report from an approved 203(k) consultant and a new FHA appraisal
- Please contact a knowledgeable Lender for specific costs and details & the streamline 203k program

Custom Closing Allowable Closing Cost

- Loan Closing Cost
- Other Items

Price Reductions – Owner Occupants Only

If there is a price reduction,
the property will be offered to
Owner Occupants for the first
5 days.

Price Reductions

These properties are posted on the website on Fridays with the Bid Opening on the following Wed.

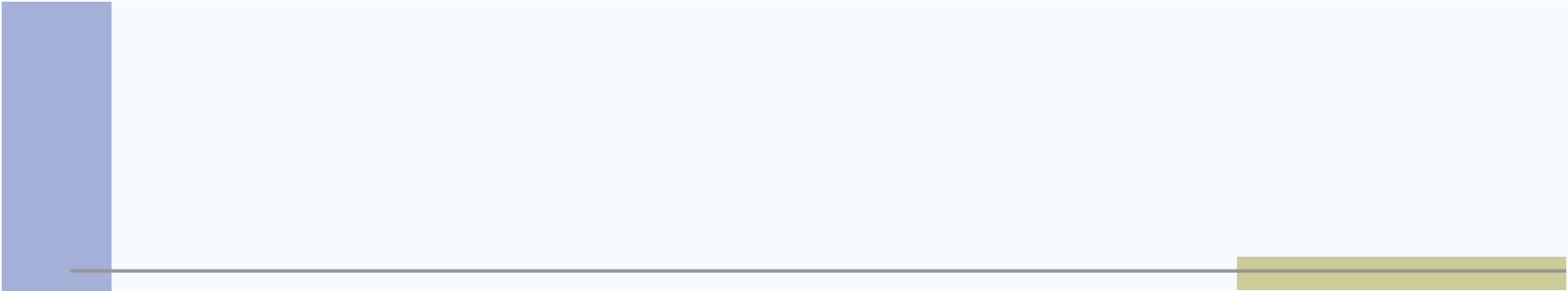
If there are no acceptable Owner Occupant bids, on Day 6, Investors will be allowed to submit their bids on the price reduced properties.

Backup Offers

MCB will also accept Backup Offers from those Sales Agents whose bids meet their acceptable threshold based on the Net to HUD, but were not the highest.

The three highest bids will be selected based on their Net to HUD

- **Award Winner**
- **First Backup**
- **Second backup**



In the event the Winning Bid cancels, the First Backup will be notified to submit the Sales Contract and in it's default the Second Backup will be notified to submit the Sales Contract.
(15 days)

HUD Special Programs

- Designated properties are offered to Police Officers / Teachers / Emergency Medical Technicians / Fire Fighters (**The Good Neighbors Next Door Program**) and Non Profit Agencies before being offered to the General Public.

OND/ TND/ EMTND/ FFND

Properties only available to Officers, Teachers, Emergency Medical Techs & Firefighters in Revitalization Areas designated by HUD may purchase the property at a 50% discount from the list price.

Government \$1 Homes

Single family properties that have been available for at least 6 months.

HUD Approved Non Profit Organization

Incentives

- \$100 Down Payment
 - Owner Occupants
 - Full price offers
 - FHA financing
- \$2,500 Sales Allowance
 - Purchase price of \$25,000 or greater
 - Owner Occupants
 - Close of Escrow

\$100 Down Payment

- **\$100 down payment financing is available on most properties through FHA approved lenders.**

\$2,500 Owner Occupant Incentive

- **All owner occupant purchasers (excluding HUD approved non-profit organizations and units of local government) will receive \$2,500 at closing to use on repairs, closing costs, or to lower their mortgage amount without regard to the type of financing used by the purchaser. (cash buyers receive closing costs only.)**

The \$2,500 sales incentive can be used for the following items (offers accepted after 10/1/08):

- Closing Costs
- Tax Pro-rations
- Repairs to the home
- Replacement of items in the home
- Pay down the unpaid principal balance of an FHA insured Mortgage

Note: Neither the \$2500 incentive nor the \$500 broker bonus should be input into the bid submission or sales contract.

HUD'S Best Offer Approach

- Tagged “All offers will be considered on this property”.
- 5 day closed bid period
- Considering all reasonable bids

Daily Winning Bids

Winning bids are posted by 4:00PM (EST)

Once a bid is accepted you may not change the purchase price, closing costs, or commissions. Any change will negate the initial offer and result in cancellation of the offer.

Daily Bids

Bids are reviewed on the following business day after submission.

Submit bids by 11:59PM PST.

The winner will be posted the next day by 4PM EST.

Daily property bids submitted on Friday, Saturday or Sunday will be reviewed on following Monday or next business day.

Other Questions?

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