

DoD National Relocation Program Employee Guide

Prepared by:



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INTRODUCTION

Congratulations!

Congratulations on your relocation!

As part of your new career decision, you and your family will face many new challenges and opportunities. This Relocation Program Service Guide is designed to provide the information and tools necessary to make your move as smooth and easy as possible.

Please read this material carefully to get an understanding of the comprehensive assistance available to you. As you prepare for each step of your move, rely on this information for a source of guidance.

The Department of Defense (DoD) has selected TRC Global Solutions, Inc. (TRC) a relocation management company, to assist in your transition. TRC is a globally recognized firm that specializes in assisting corporations and their transferring employees in all aspects of the relocation process. Once your relocation authorization has been received by TRC, your Personal Move Manager will contact you to begin the process.

Please contact TRC at 800.783.5337 before you begin your relocation.

Important Notice

In order to take maximum advantage of the relocation program services, DoD recommends that you do not contact any real estate/rental companies or agents before first talking to your Personal Move Manager. TRC will provide you with a list of relocation-specialist real estate agents for you to consider when listing your current home and purchasing a new home. Should you have a preferred real estate agent that you would like to utilize, you should first request TRC to contact the agent in order to verify that he/she meets all of TRC's requirements.

By using a real estate agent referred by TRC, both you and DoD will benefit. You will be assured of working with a real estate agent who understands your needs and objectives. DoD will be able to monitor agent quality and performance to minimize costs.

BENEFITS AT A GLANCE

Service Component	Description
Home Marketing Assistance	<ul style="list-style-type: none"> ▪ Professional assistance will be provided by TRC ▪ TRC will order two Broker Market Analyses (BMAs) immediately upon service initiation ▪ The Most Likely (Probable) Sales Price listed on the two BMAs are averaged together and the home is listed at no more than 110% of this average ▪ The Most Likely (Probable) Sales Price listed on the BMAs must be within 10% of each other or a third BMA is ordered and the two closest values are averaged together ▪ You must market the home for a minimum of 60 days after initiation of DNRP services before the Appraised Value Offer may be accepted ▪ TRC will assist with development and implementation of a marketing strategy ▪ TRC will maintain contact with your listing broker, monitoring marketing activity, feedback from prospective purchasers, review marketing status reports, etc.
Home Sale Assistance: Appraised Value Option	<ul style="list-style-type: none"> ▪ Professional assistance will be provided by TRC ▪ You will select two appraisers plus an alternate from a list provided by TRC. You may request utilization of other "off-list" qualified appraisers. ▪ The two appraisals will be averaged together to become the buyout offer amount (appraisals must be within 10% of each other or a third appraisal is ordered and the two closest values are used) ▪ You must complete the property condition disclosure form ▪ TRC will order all necessary inspections and a title report ▪ You will have 60 days from the date of the verbal Appraised Value Offer to accept or reject TRC's offer ▪ TRC's Appraised Value Offer can be amended to equal the net sale price of a bona fide purchase offer from an outside buyer if you receive an acceptable offer before the 60-day offer period expires ▪ An equity advance of up to 75% can be provided prior to accepting the Appraised Value Offer if needed for purchase of a home in the new location or for required repairs on home in old duty station area ▪ Proof of need and a signed Promissory Note will be required for the equity advance
Mortgage Counseling	<ul style="list-style-type: none"> ▪ Mortgage Services and preferential loan rates and terms for transferring DoD employees through a choice of national relocation mortgage lenders

BENEFITS AT A GLANCE

Service Component	Description
Homefinding Assistance	<ul style="list-style-type: none"><li data-bbox="505 296 1065 327">▪ Professional assistance will be provided by TRC<li data-bbox="505 344 1081 375">▪ Your Personal Move Manager will assist you with:<ul style="list-style-type: none"><li data-bbox="651 401 980 432">• Selecting a qualified agent<li data-bbox="651 449 1365 480">• Understanding purchase guidelines, negotiations and contracts<li data-bbox="651 497 980 529">• Obtaining a new mortgage

HOME MARKETING ASSISTANCE

Benefit Description

Home Marketing is designed to provide professional assistance to secure a sale on your home in the shortest period of time, at a fair market value, and with the least amount of inconvenience.

You should not contact an agent or list your home until you have contacted your TRC Personal Move Manager.

Upon authorization by DoD's National Relocation Program Office, TRC will arrange to have two local real estate agents inspect your home, research the current local real estate market, and complete Broker Market Analyses (BMAs). Upon receipt and review of the BMAs, TRC will work with you to set a reasonable list price and develop a marketing plan for the home. You may select the broker of your choice to list the home. The DNRP Listing Exclusion Clause must be inserted into your listing Agreement.

To increase the chances of an early sale at the highest possible price, you should:

- Not enter into a listing agreement with any broker without first consulting with TRC Personal Move Manager.
- List the home at no more than 110% of the average of the two BMA's most probable sales price (if the BMAs are not within 5% of each other, a third BMA will be ordered and the two closest BMAs will be averaged)
- Work with TRC Personal Move Manager and the real estate agent throughout the marketing period of the home.
- Market the home for a minimum of 60 days after initiating DNRP services before you may accept the appraised value offer.
- Once the appraised value offer has been established, the list price may not exceed 105% of that Appraised Value Offer for the remainder of the mandatory marketing period.

GUARANTEED HOME SALE

Benefit Description

Guaranteed Home Sale is designed to help you sell your home and provide the most favorable tax treatment for both you and DoD. If you follow the guidelines of this sale, you do not incur any real estate commission or other normal seller's closing expenses. To protect this sale, and associated tax benefits you must under no circumstances accept a down payment or sign an offer presented by any potential buyer. Your Personal Move Manager will explain the process and all details.

Ineligible Properties

To qualify for Guaranteed Home Sale, the home must be owned by you (and/or a member of your immediate family) and be your principal residence from which you commute to work on a daily basis at the time of official notification of transfer (receipt of your PCS orders). In addition, the following kinds of properties do not qualify:

- Cooperative units
- Houseboats
- Manufactured/Mobile homes on leased lots; that are not classified as real property by local code nor financeable as real property; not permanently affixed in accordance with local standards
- Multi-family dwellings (except a two-family residence when one part is the principal residence of the employee) Tenants must have vacated before you can accept offer
- Properties in which inspections conducted disclose defects which render the property ineligible for DNRP services, and/or the employee does not repair to meet state/local building, health, safety or fire code requirements
- Properties on which clear title cannot be delivered
- Properties that are not financeable or insurable
- Residences with toxic contamination
- Residences with incomplete construction
- Vacant land

Disclosure

You will be responsible for complying with all federal, state, and local disclosure requirements associated with the sale of your home. This includes the completion of all real estate disclosure forms that may be required.

Title Report

TRC will order a title report on the home and advise you of the results. In the event the title report indicates a cloud on title, you will be responsible for properly clearing title before selling the home to TRC. TRC can assist you in clearing any clouds on title.

Inspections and Repairs

TRC will typically order customary inspections (i.e. termite, well/septic/pool/hot tub, if applicable) on the home and advise you of the results. TRC reserves the right to order any other inspections, as they deem necessary. Any repairs necessary for DNRP program eligibility or property acquisition/resale will be your responsibility and must be completed prior to acceptance of TRC's offer. An equity advance may be requested for the purpose of making any repairs required or estimated costs to cure will be withheld from your equity payment.

GUARANTEED HOME SALE

Listing the Home When listing the home, you must include the following exclusion clause in the listing agreement, so that a sale can be turned over to TRC:

“Upon the sale of the subject property to the Company or its designee, whether or not a potential purchaser has been procured, this listing agreement shall immediately terminate, and there shall not be a commission or further obligation due to the listing broker or any other party.”

If your real estate broker or agent has any questions concerning the exclusion clause or Home Marketing Assistance, the broker or agent should contact TRC

Appraised Value Option One of the most expensive portions of the relocation process is the sale of your current residence. With the appraised value option, you will know the maximum amount of time you will be involved in selling your home and that there will be a home buyout at the end of that period. In order to contain costs in this area, DoD requires that you:

- Participate in the Home Marketing Assistance program.
- Upon program initiation, list the home at no more than 110% of the average of TRC’s two BMA’s most probable sales price.
- When the Appraised Value Offer has been established, adjust home listing price to no more than 105% of the AVO.
- Market your home for a minimum of 60 days after initiation of DNRP services before accepting the Appraised Value Offer.
- Inform TRC of all outside offers received.

Appraisal Process TRC will provide you with the names of several qualified independent appraisers in your area. You will select two from this list, plus one alternate to be used in case one of the first two is unavailable, or a third appraisal is required. The average of the two appraisals will be the purchase price offered to you. If the lower appraisal varies by more than 10% of the higher, a third appraisal will be ordered, and the average of the two closest values will determine the offer amount. You may request utilization of other “off-list” qualified relocation appraisers.

Offer Period Once you receive TRC’s appraised value offer, you will have 60 days in which to accept or reject it. If you decide to accept the offer, you will have 30 days from the date of acceptance to vacate the residence. All responsibility for the property will pass to TRC at the time you vacate or acceptance of TRC’S offer, whichever is later. Prior to vacating, you and your family must cooperate fully with TRC in its efforts to resell the property by allowing prospective purchasers to view the premises, by appointment, during reasonable hours.

Equity Advance After receipt of TRC’s appraised value offer, if you require funds for purchasing a home in the new location or making required repairs to your current home, you may request an advance of up to 75% of your estimated equity prior to accepting the AVO.

Your equity advance will be determined as 75% of the following:

- TRC’S purchase offer:
 - Less any estimated unpaid balances on all mortgages, liens, property taxes, assessments, or other encumbrances.

GUARANTEED HOME SALE

In the event you require a portion of your equity after you accept TRC'S appraised value offer, but prior to closing, TRC will advance up to a maximum of 95% of your estimated equity.

Your equity advance will be determined as 95% of the following:

- TRC'S purchase offer:
 - Less any estimated unpaid balances on all mortgages, liens, property taxes, assessments, or other encumbrances.

TRC will require you and all owners of record to execute a Promissory Note prior to advancing any funds.

Amended Value Sale

If you receive an offer from an outside purchaser prior to the appraisal process or before the 60-day offer period expires, you should immediately contact your TRC Personal Move Manager. TRC must be made aware of all offers to purchase the home that you receive. Working with you and the real estate agent, TRC will:

- Review the offer with you.
- Advise you on possible negotiation strategies as appropriate.
- Determine if the offer is a bona fide purchase offer from a qualified buyer.
- Instruct the agent to prepare a final agreement with TRC as seller of the property, once verbal negotiations are complete.
- Prepare a Contract of Sale between TRC and you that represents the final terms and price of the outside purchase offer.

When you accept the offer from TRC and TRC has received the Contract of Sale and legal documents, responsibility for making mortgage payments will transfer to TRC. You will continue to be responsible for the following items until you have vacated the property (may be charged on equity statement):

- Utilities
- Maintenance and upkeep
- Property insurance
- Prorated mortgage interest, taxes, mortgage insurance premiums, etc., which amounts will be deducted from your equity

Closing the Sale

Your equity will be computed, and expenses prorated, as of the date TRC receives the Contract of Sale and applicable legal documents, or your vacating date as stated on the Contract of Sale, whichever is later. The equity amount will be the purchase price offered by TRC less all mortgage balance(s)/equity lines of credit and adjustments for taxes, interest, insurance, buyer concessions (if applicable) or other items related to the residence. You may also be responsible for any maintenance and/or repair items deemed necessary by DoD or TRC.

TRC will manage the closing with the outside buyer. In the event the sale does not close after TRC purchases the home from you, TRC will take the home into inventory and be responsible for marketing and selling the property.

HOMEFINDING ASSISTANCE

Benefit Description

TRC specializes in helping you locate the right home in the right neighborhood quickly and easily. For TRC to be able to provide homefinding assistance, you must allow TRC to make the first contact with the real estate agent(s) in the destination location. TRC only recommends knowledgeable agents with a proven record of accomplishment of successfully finding homes. If you have a real estate agent, you would like to recommend, it is important that you do not contact the agent. Instead, let your Personal Move Manager know who the agent is and where he/she can be reached. Your Personal Move Manager will then contact the agent to obtain his/her credentials and, if qualifications are acceptable, will select that agent to assist you in searching for a new home.

Personal Move Manager Assistance

Your Personal Move Manager will contact you to review the program, explain the benefits, and offer assistance. This assistance includes:

- Conducting a telephone interview with you to discuss your housing needs and preferences at the destination location. After this discussion, the Personal Move Manager will use the information acquired to recommend a realtor who is a relocation specialist in the destination area and who is knowledgeable regarding homes within the price range you have requested.
- Explaining “agency” and clarifying who the realtor is representing and why.
- Discussing realtor expectations so you fully understand what the realtor is expected to do for you and in what time frame.
- Reviewing purchase guidelines to help you make a good decision on the home you decide to purchase, including disclosure hazards such as synthetic stucco, lead paint and other toxic hazards.
- Explaining comparable market analysis and encouraging you to have the realtor assist you in putting one together on the home you are purchasing. This will help you determine the best price for the property and eliminate purchasing an overpriced home.
- Assisting with negotiations—it can be very helpful to have the opinion of an uninvolved specialist when you are negotiating the purchase price of a new home.
- Reviewing the purchase agreement (contract). The Personal Move Manager will be available to look over the purchase agreement to determine that it is written in your best interests.
- Encouraging you to be prequalified with a lender. In many markets, sellers are requiring buyers to be prequalified at the time the offer to purchase is made.

HOMEFINDING ASSISTANCE

Mortgage Assistance

TRC will, through its relationships with national mortgage lenders, provide various mortgage-related services for you when purchasing a home in the destination location. The assistance will include:

- Counseling on various types of loan programs available for relocating DoD employees and the impact of those programs based upon your specific financial situation and relocation mortgage benefits.
- Pre-approval for mortgage financing, including credit review, so you are more aware of the value of a home you can acquire in the destination location. You are encouraged to be pre-approved before embarking on a home finding trip. This benefit is without cost or obligation.

You are encouraged to discuss financing options before embarking on your home finding trip. This service benefit is provided without cost or obligation; however, check with your specific component agency for what costs are reimbursable.

HOMEFINDING ASSISTANCE FOR RENTERS

Benefit Description

TRC specializes in helping you locate the right rental property or apartment in the right neighborhood quickly and easily. Your Personal Move Manager will contact you to review the program and associated benefits and to discuss housing and community needs at the destination location. After this discussion, your Personal Move Manager will use the information acquired to recommend a real estate agent or rental agency to provide assistance.

Personal Move Manager Assistance

Your Personal Move Manager will contact you to review the program, explain the benefits, and offer assistance. This assistance includes:

- Contacting you to perform a needs analysis regarding lifestyle and housing.
- Selecting a rental assistance company or real estate firm to assist you in identifying rental housing.
- Providing the selected rental assistance company or real estate firm with information regarding your needs.
- Furnishing you with information and tools, which assist in selecting a location, including performing a school evaluation.
- Providing you with alternative child care evaluation information, if requested.
- Counseling you regarding rental considerations, which may include, but are not limited to, the following:
 - Rental applications
 - Rental deposits
 - Security considerations
 - Lease considerations (such as “build, buy, or transfer” clauses)
 - Renters insurance

Securing a New Lease

In order to avoid any future penalties to either you or the Company, a transfer clause should be inserted into any lease that you sign at the new location. The following clause is recommended:

“In the event the renter is transferred, or decides to purchase or build a home during the term of this lease, this lease may be terminated upon thirty (30) days written notice to landlord with no penalty to renter. Renter will provide a copy of the employer’s relocation authorization.”