



Selling Broker Quick Reference Guide Revised 11-3-10

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 visit the [Bidder Registration page](#) to complete this process.
3. The selling agent (if not the same as the principal broker) must then register as a Bidder on www.HUDHomestore.com.
4. Find a HUD Home your buyer wishes to purchase by visiting www.HUDHomestore.com.
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 ensure your buyer has obtained a valid pre-qualification letter or proof of funds prior to submitting a bid.
6. Please ensure that you **download the LBP addendum prior to submitting the bid**, as it will no longer be available when an offer has been accepted.
7. 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 that the initial bid review is on the 11th day



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of listing, and all bids received during the first 10 days are opened and reviewed simultaneously. 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 then are available for all bidders, with bids reviewed daily (Monday – Friday).

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 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 (Monday – Friday).

Please note that **properties are removed from the HUDHomestore website at midnight the day of bid acceptance**. It is extremely 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.

If your bid is accepted, the sales package must be received at the correct BLB Resources office within **2 business days** of bid acceptance. The package may be hand delivered or sent in through OVERNIGHT mail or delivery service to assure timely delivery.

**Please send sales packages for
AZ, NV, ID, CA, OR, WA, AK, HI, Guam, N. Mariana Islands and American Samoa to:**

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

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**. This is because FHA will not approve FHA insurance on 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.

Best of success with your bidding.



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Sales Package Verification Checklist for Owner Occupant and Investor Purchasers

Sales Contract

- 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