

- 1. How soon will the BSCA receive the ratified contract and Earnest Money Deposit (EMD)?**
2. A copy of the fully executed contract will be emailed via DocuSign to all parties involved in the E-Signature process immediately after all parties have completed the signing ceremony. The Local Listing Broker (LLB) assigned to the property will forward the EMD check within two (2) business days of contract ratification.
- 3. Who does the BSCA contact if the EMD is not received?**
Please email 3PClosingTeam@blbresources.com.
- 4. How much time does the BSCA have to open a file and order preliminary title work?**
BSCA has 7-10 days to email a copy of preliminary title work to 3PClosingTeam@blbresources.com. If there are issues with title, such as HUD not in title, notice of pendency, etc., please advise in the email when sending title work.
- 5. How do I order HOA documentation?**
BSCA will need to contact the HOA right after receiving the contract to request HOA demands. Demands are to be submitted to 3PHOA@blbresources.com.
- 6. What if the preliminary title work shows liens or any other outstanding items?**
BSCA is to send a copy of the preliminary title work and a brief description of the issue to 3PClosingTeam@blbresources.com. BLB Resources will help to expedite the clearing of title.
- 7. How does BSCA process a contract modification?**
After the contract has been ratified, the buyer may make changes such as adding or removing purchasers, or changing the financing type. Submit the change request form according to the directions on the form. Please use the appropriate form for each change.
- 8. Where can I find the BLB Resources forms?**
The appropriate form must be completed, and are located on the Agent Resources page for the corresponding state on our website, www.blbresources.com. Directions on how to complete and submit the forms may be found at the top of each form.
- 9. How does the BSCA process demands/invoices to be paid?**
BSCA is to email the request to 3PClosingTeam@blbresources.com. Please ensure all appropriate back up documentation is attached (i.e., invoice/demands for payments).
- 10. Is the \$100.00 down payment program still available?**
Yes, for all bids accepted on or after October 1, 2016, the following incentives are available on properties within the Philadelphia HOC region:
 - Buyers: \$100 down payment on HUD Homes financed with FHA-insured financing
 - Agents: Real estate selling agents (agent for buyer) get \$500 for every HUD Home purchased with an FHA Rehab 203(k) loan
- 11. What is the HUD policy on city inspections?**
HUD will not consent to city inspections (based on Federal Sovereignty doctrine). However, the buyer has the option to bring in whomever they choose as part of their due diligence. The buyer will be

responsible for any costs and damage, and any city inspector findings will not be repaired by HUD prior to closing escrow. The property will be sold as-is, and the buyer will be required to enter into a post-closing rehabilitation agreement with the city.

12. What if a state or county requires well and/or septic inspections?

Please contact BLB Resources and we will work with the appropriate parties to order the inspection.

13. What is the time frame and cost of extensions?

Extension requests and fees must be submitted by the selling agent/buyer to BLB Resources at least 5 calendar days prior to the expiration of the sales contract. The selling agent/buyer must send all extension fees via overnight mail to:

BLB Resources, Inc.
Attn: Closing Department
400 Galleria Offcentre, Suite 420
Southfield, MI 48034

Extensions are only granted in 15 calendar day increments. Any unused extension fees will be prorated to the purchaser when the transaction closes.

Checks for extension fees must be made payable to HUD, in the form of a cashier's check or U.S. Postal Money Order ONLY, in the amount of \$150 (at a rate of \$10 per day, 15-day increments), regardless of purchase price.

14. If an extension is necessary, will BLB Resources waive the fee?

The extension fee is required to be submitted with **all** extension requests. BLB Resources will review the request to determine if the fee may be waived. If the fee is waived, it will be returned to the buyer.

15. Where do we send the Seller's closing package (escrow instructions, title prelim and any title supplements/preliminary HUD-1 settlement statement, seller grant deed, tax roll, and other supporting documentation for all other charges on the HUD-1)?

Please email the Seller's closing package to 3PHUDReview@blbresources.com.

16. How long does it take for the Seller's closing package to be reviewed and approved?

Please allow up to 48 hours for BLB Resources to review and approve the closing package.

17. For how many days are seller-signed Grant Deeds valid?

Seller-signed Grant Deeds are valid for 5 business days.

18. What happens after BLB Resources has been notified of the completed closing?

BLB Resources will notify the FSM to stop all services and payments.

19. How soon does the BSCA have to notify BLB Resources of the closing?

Daily at the end of business day to: 3PClosingTeam@blbresources.com.

20. How much time does the BSCA have to send the sales proceed wire to HUD?

Wire proceed wire must be sent to HUD no later than 12:00 pm ET (Noon) on the next business day following the closing.

21. How much time does the BSCA have to submit the final closing package to BLB Resources?

The final closing package must be emailed to 3PClosedHUDs@blbresources.com by 12:00 pm ET (Noon) the next business day. BLB Resources will reconcile the case.

22. How does the BSCA process a cancellation?

In the event a buyer wishes to cancel a contract after ratification, they will submit a signed BLB Resources Cancellation Request form to the appropriate BLB Resources office for processing. In addition to the Cancellation Request form, the buyer must submit additional documentation describing the reason for cancellation. After review of the additional documentation, the BLB Resources' Closing Department will determine whether the case qualifies for a refund of the EMD. If no documentation is submitted with the Cancellation Request form, the EMD will be automatically forfeited. Please send all cancellation requests to: 3PCancellations@blbresources.com.

23. How long will it take for a cancellation to be processed?

Upon receipt of a cancellation request and all proper documentation, BLB Resources will process the request in 2 business days. Escrow will be advised as to the forfeiture or refund of the buyer's EMD.

24. What if the buyer decides they want to switch to a different closing agent after they have already selected one?

Buyer will **not** be able to change closing agents once they have selected one.

25. If a contract is reinstated, do we stay with the original closing agent, or is a new closing agent required?

All terms and conditions of contract including closing agents will remain the same.

Note: Contract reinstatements are strictly at the seller's discretion.

26. How does escrow handle credits to the buyer on the Settlement Statement?

Escrow will receive approval from BLB Resources if a credit will be granted.

27. Will HUD complete the termite inspection/clearance?

Termite inspections will only be provided if FHA insured financing is being used. This includes 203b, 203b repair escrow, and 203k financing types. All Section 1 items will be treated. If the purchaser is paying cash or obtaining non-FHA insured financing (conventional, VA, Rural Development, etc.), a termite inspection will **NOT** be provided.

28. If a termite inspection is required, can the buyer close without it, or include it in the escrow holdback?

No, if a termite inspection/clearance is required, it must be completed prior to close of escrow. This cannot be included in the escrow holdback. There will be no exceptions.

29. For how long is a termite inspection and/or clearance good?

A Clear Termite Inspection report is good for 90 days as of the date of inspection. BLB Resources will order updated termite inspection if expired. Updated reports may take up to 7-10 business days to complete. **Note:** If the lender does **not** require an updated report, a notification must be sent to

3PClosingTeam@blbresources.com. This notification must come from the lender only. **Termite clearances** are good for one year from the date of completion.

30. Will HUD provide a Lead Based Paint (LBP) Inspection for homes built prior to 1978?

LBP inspections will only be provided if FHA insured financing is being used. This includes 203b, 203b repair escrow, and 203k financing types. If the purchaser is paying cash or obtaining non-FHA insured financing (conventional, VA, Rural Development, etc.), a LBP inspection will **NOT** be provided.

31. If the inspection reveals LBP that needs to be stabilized, will HUD pay for the stabilization?

HUD will pay for the LBP stabilization and clearance, not to exceed \$4,000.

32. How do we proceed if the stabilization cost exceeds \$4,000?

The buyer has two options:

- Cancel the transaction and receive a full EMD refund, or
- Proceed with 203k financing and include the stabilization costs in the rehab costs. If the buyer is using 203b or 203b repair escrow financing, the buyer will need to submit a Request to Change Financing Type to 203k financing. Please note that if purchaser is using 203k financing and stabilization costs exceed \$4,000, HUD will credit **up to \$4,000** to the buyer at closing.

33. If an LBP inspection/clearance is required, can the buyer close without it, or include it in the escrow holdback?

No, if an LBP inspection/clearance is required, it must be completed prior to close of escrow. This cannot be included in the escrow holdback. There will be no exceptions.

34. For how long are LBP inspections and clearance good for?

Inspections and clearances are good for 90 days.

35. Are HUD homes sold AS-IS?

HUD Homes are sold in "As-Is" condition, and without warranty. BLB Resources and HUD make no representation or warranties, expressed or implied, concerning the condition of the property, and will not make repairs to the property. Since the new owner will be responsible for making any needed repairs, HUD strongly urges every potential homebuyer to get a professional inspection. Purchasers have 15 days from the date the contract is accepted by HUD (ratified) to conduct an inspection. All inspections, tests, and risk assessments are performed at the purchaser's expense.

36. Can a buyer make repairs or occupy the property prior to close of escrow?

The following activities are **strictly prohibited and will be grounds for cancellation of an accepted bid/contract, including forfeiture of the earnest deposit in favor of the Seller:**

- Any work performed on the property prior to close of escrow except for those repairs to be performed by Seller, as expressly provided for in the applicable Purchase Agreement, and only if approved in writing in advance by BLB Resources. At a minimum, this includes all repairs, improvements, lock changes, and landscape modifications, including such activity as planting trees or plants.
- Depositing personal property in the home, yard, garage, or anywhere on the property prior to close of escrow.
- Parking vehicles in the driveway, garage, or anywhere on the property prior to close of escrow.

- Under no circumstances may buyers occupy the property prior to closing of escrow and notification of the deed recording.

37. Where should EMD forfeitures, extensions, and overpayments be mailed?

BLB Resources, Inc.
Attn: Closing Department
400 Galleria Officentre, Suite 420
Southfield, MI 48034

38. How should EMD forfeitures, extensions, and overpayments checks be made payable?

Checks must be made payable to one of the following:

- U.S. Department of Housing and Urban Development
- Department of HUD
- HUD

Please note, any checks **NOT** made payable to the U.S. Department of Housing and Urban Development will be returned.

39. What information should be listed on the check stub?

Please include **all** of the following information for each check:

- Description for the check (e.g., EMD forfeiture, extension, utilities, HOA refund, escheat, taxes, etc.)
- Buyer's last name(s)
- Full property address (address, city, state, zip code)
- FHA Case Number
- Explanation whether the amount is a base amount only or base plus penalties, interest, and fees (required for taxes only)

40. Will LLBs be allowed to refer buyers to escrow companies?

The LLBs will **only** be allowed to refer buyers to escrow companies if the LLB is acting as a dual agent (representing the buyer as the selling agent in addition to being the LLB). Please note that under no circumstances may the LLB refer buyers or agents to escrow companies, title companies, and/or lenders with which they are affiliated.

41. Who do we contact if we have additional questions regarding escrow process, policy, and requirements?

Please call our office at (248) 356-4711. Please also pay attention to our emails regarding HUD procedures, policy, and requirements throughout the transaction.