



HAWAII ONLY Owner Occupant Sales Package

Version 4-15-15

Please fill in ALL information in the fields below to populate the Owner Occupant Package. The contract package should be completed and signed by the purchaser(s) and Selling Broker prior to submitting an offer. If the bid is accepted, **the completed contract package and COPY of the Earnest Money Deposit must be received by BLB Resources within 2 business days of provisional bid acceptance.** The ORIGINAL Earnest Money Deposit must be received by the Listing Agent within 2 business days of bid acceptance.

Property Information

Reset Form

FHA Case Number: 141-012345
Property Address: 987 Any Street, Any City, HI 96822, Honolulu County
(Street Address, City, State, Zip Code and County)

Purchaser(s) Information

Purchaser(s) Legal Name: 1. John Doe 2.
Purchaser(s) SSN/EIN: 1. 999-99-9999 2.
Purchaser(s) Phone Number: 1. (808) 555-1234 2.
Title Style (Deed): a single man
Title Name(s) and Style: John Doe, a single man
Purchaser Address: 5246 1st Street
Purchaser City/State/Zip: Anytown, HI 96822

Selling Agent/Broker Information

Brokerage Name: Bob Smith Realty
Broker Name: Bob Smith
Brokerage EIN: 00-1231234 NAID: BBSMTH1234
Brokerage Address: 3742 Main Street City/St/Zip: Anytown, HI 96822
Brokerage Phone: (808) 555-7864
Selling Agent's Name: Mary Smith
Selling Agent's Cell: (808) 555-7654 Agent Email: mary.smith@bobsmithrealty.com

Purchase Information

Amounts MUST match the provisionally accepted bid

Line 3 - Purchase Price: 100,000.00 Earnest Money Deposit: 1,000
Line 5 - Closing Costs: 3,000.00 Maximum Closing Costs: \$3,000.00
Line 6a - Selling Broker Commission: 3,000.00 Commissions must match HUDHomeStore.com Bid
Line 6b - Listing Broker Commission: 3,000.00
Line 7 - Net to HUD: 91,000.00 Date of Offer (mm/dd/yyyy): 04/20/2015

Financing Type: FHA 203(b) FHA 203(b) Repair Escrow - in the amount of:
 FHA 203(k) Conventional Loan Cash

Hold as Back-up: YES NO
Lead-based Paint Addendum Attached YES NO

If the property was built prior to 1978, the Lead-based Paint Addendum must be included. To access this addendum, visit www.HUDHomeStore.com and view the "Addendums" tab for the case number.

Closing Agent/Escrow Company Information

Company Name: ABC Escrow Company
Company Address: 4210 Dole Street City/St/Zip: Anytown, HI 96822
Escrow Officer's Name: Jane Jones Phone: (808) 555-7530
Email: jane.jones@abcescrow.com Title ID #: _____
Has company closed previous HUD transactions? YES NO

Print Package



HAWAII ONLY Owner Occupant Sales Package Verification

Please verify the information below by checking the boxes after the package has been printed and completed. Please make a copy of your sales package prior to sending the original to BLB Resources via overnight delivery. Errors and/or Omissions on the HUD 9548 Sales Contract may result in the cancellation of the provisional bid acceptance. **Corrections to the HUD Sales Contract will require a new original to be sent overnight delivery to BLB Resources.**

HUD Sales Contract

- FHA Case Number is correct
- Purchaser's **Legal** Name matches identification (e.g., Driver's License and Social Security card)
- Property Address includes city, state, and county
- All purchase amounts match the **accepted bid**
 - o Lines 3, 5, 6a, 6b, and 7
- Buyer Select Escrow Company entered on Lines 3 and 9**
- Purchaser(s) initialed **Line 12** of the sales contract
- Purchaser(s) signed and dated the sales contract (**Line 13**)
- Brokerage information including name, address, NAID, EIN, and signature
- Selling Agent name and cell phone number is correct

Overnight Package to:
16845 Von Karman Ave.
Suite 100
Irvine, CA 92606
(949) 261-9155

Earnest Money Deposit

- COPY of Cashier's Check (from a bank) or Postal Money Order is attached
- Cashier's Check or Postal Money Order is made out to "[Buyer Select Escrow Company] OR [purchaser's name]"
- ORIGINAL check or money order delivered to Listing Agent

Addenda

- Purchaser(s) signed the "Conditions of Sale" (page following the sales contract)
- Purchaser(s) and Broker signed and initialed the "Electronic Filing of HUD-9548 Contract Addendum"
- Purchaser(s) and Selling Agent and Selling Broker completed and signed the "Conflict of Interest Certification"
- Purchaser(s) signed the "Radon Gas and Mold Notice Release Agreement"
- Purchaser(s) and Broker signed the "Individual Owner Occupant Certification"
- Purchaser(s) and Broker signed and initialed the "Lead-Based Paint Addendum" **AND** the "Additional LBP Information Receipt Addendum" if property was built prior to 1978
- Purchaser(s) signed the "Forfeiture and Extension Policy"
- Purchaser(s) signed the "For Your Protection: Get a Home Inspection" form
- Purchaser(s) and Broker signed the state agency disclosure form. Please note this is your state/local Buyer Representation or Agent Disclosure Agreement, *not* a BLB Resources form or a HUD form.
- Purchaser(s) and Selling Agent signed the "Buyer Select Addendum"
- Purchaser(s) and Selling Agent signed the "Flood Zone Property Disclosure and Addendum" if property located in FEMA Flood Zone
- Completed** "U.S. Dept. of HUD Closing Instructions and Certification" Addendum must be signed by escrow officer and included
- Purchaser **and** Selling Agent **and** Escrow Officer **initialed and signed** "Additional Escrow Instructions"

Prequalification Letter or Certification of Cash Funds

- Dated within 30 days prior to bid acceptance
- Prequalification Letter is attached
- Prequalification Letter includes purchaser(s) name, amount of prequalification, type of loan, escrow amount (if any), and lender's contact information, including loan officer's email address, on lender's letterhead
- If this is a cash sale – Certification of cash funds is included (bank statement)

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. 01/31/2017)

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 Statement: The Department of Housing and Urban Development is authorized to collect this information by the National Housing Act, Section 235(b), P.L. 479, 48 Stat. 12 U.S.C. 1701 et seq. HUD is authorized to collect the Social Security Number (SSN) by Section 165(a) of the Housing and Community Development Act of 1987, P.L. 100-242, and by Section 904 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988, P.L. 100-628. The information is being collected to determine the amount of assistance (if any) the applicant is entitled. The information is also used as a tool for managing the program(s) related to this form, and for protecting the Government's financial interests. **The information may be used to conduct computer-matching programs to check for underreported or unreported income.** The SSN is used as a unique identifier. The information may be released to appropriate Federal, State, and local agencies, and when relevant, to civil, criminal, or regulatory investigators and/or prosecutors. This information will not be otherwise disclosed or released outside of HUD except as permitted or required by law. It is mandatory that you provide all of the requested information, including all SSN(s), for you and all other household members age six years and older. Failure to provide SSN(s) and required documents will result in a delay or loss of assistance payments.

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.
141-012345

- 1. I (We), John Doe (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: 987 Any Street, Any City, HI 96822, Honolulu County
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: John Doe, a single man
3. The agreed purchase price of the property is 3. \$ 100,000.00
Purchaser has paid \$ 1,000 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 Listing Agent until ratification and then ABC Escrow Company
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.)
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. \$ 3,000.00
6a. Upon sales closing, Seller agrees to pay to the broker identified below a commission (including selling bonus, if offered by seller) of 6a. \$ 3,000.00
6b. If broker identified below is not the broad listing broker, broad listing broker will receive a commission of: 6b. \$ 3,000.00
7. The net amount due Seller is (Purchase price [Item 3] less Items 5 and 6) 7. \$ 91,000.00
8. Purchaser is: owner-occupant (will occupy this property as primary residence) investor
9. Time is of the essence as to closing. The sale shall close not later than 30 days from Seller's acceptance of contract. Closing shall be held at the office of Seller's designated closing agent or ABC Escrow Company
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: JB 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) John Doe
Purchaser(s) Address: 5246 1st Street Anytown, HI 96822
Purchaser(s) Social Security Number (SSN) or Employer Identification Number (EIN) (include hyphens) 999-99-9999 Phone No: (808) 555-1234
Date Purchaser(s) Signed Contract: 04/20/2015
Seller: Secretary of Housing and Urban Development By: (type name & title, & sign) X
Date Contract Accepted by HUD:

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) Bob Smith Realty 3742 Main Street Anytown, HI 96822
Broker's EIN or SSN: (include hyphens) 00-1231234
Signature of Broker: Bob Smith X Bob Smith
SAMS NAID: BBSMTH1234
Broker's Phone No: (808) 555-7864

Type or print the name and phone number of sales person: Mary Smith: 808-555-7654 / mary.smith@bobsmithrealty.com

This section for HUD use only. Broker notified of:
Acceptance Back-Up No.
Rejection Return Earnest Money Deposit X
Authorizing Signature & Date:

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.

John Doe

SIGN HERE

SIGN HERE

Electronic Filing of HUD-9548 Contract Addendum

Date: 04/20/2015

FHA Case Number: 141-012345

Purchaser(s) and Broker have elected to use the HUD-9548 contract form electronically downloaded and printed for the submission of their bid 0123456-7890123-67 (confirmation number) for the following property:

987 Any Street, Any City, HI 96822, Honolulu County

Street Address (include city, state, zip code, county):

By doing so, all parties to this agreement hereby certify, warrant, and represent that in no manner has any of the information and/or content of the 9548 contract been altered. Furthermore, they certify, warrant, and represent that this is a true and correct copy of the 9548 contract.

The broker and purchaser(s) agree that (i) they have read and understand their responsibilities, as stated in the "Conditions of Sale," which is a part of the HUD-9548 Sales Contract and (ii) no contract or binding agreement exists unless and until a written HUD-9548 Sales Contract, executed by the U.S. Department of Housing and Urban Development is returned to the purchaser.

All parties to this agreement knowingly execute this addendum with full understanding that "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)."

Please INITIAL one of the following:

 I/we are NOT a licensed Real Estate Agent/Broker or my Owner, Principal or Spouse is not a licensed Real Estate Agent/Broker.

Or

JD I/we ARE a licensed Real Estate Agent/Broker or my Owner, Principal or Spouse is a licensed Real Estate Agent/Broker. Please also initial one of the following:

JD I/we are NOT affiliated with any HUD Local Listing Brokers (LLBs).


 I/we ARE affiliated with any HUD Local Listing Brokers.


Please note that, for purposes of this certification, purchaser is considered affiliated if their brokerage shares the same EIN and/or ownership as any HUD LLB, or is an immediate family member or management official of any LLB.

Certification of Accuracy

The following parties have reviewed the information above and certify that to the best of their knowledge it is true and accurate. The following parties also agree to all the terms and provisions hereof.

John Doe  04/20/2015
Purchaser's Name (print & sign) John Doe Date

  04/20/2015
Purchaser's Name (print & sign) Date

Bob Smith Mary Smith  04/20/2015
Broker/Agent's Name (print & sign) Bob Smith Date
Mary Smith

FHA Case Number 141-012345 Selling Agent Mary Smith
 Property Address (include city, state, zip) 987 Any Street, Any City, HI 96822, Honolulu County
 Purchaser(s) John Doe

Purchaser certifies that he/she **IS** _____ or **IS NOT** JD an Employee, Immediate Family Member, Management Official, and/or Affiliated Entity of any of the following person(s)/entities:

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. BLB Resources, Inc. 2. Other HUD Asset Managers (AMs) 3. Appraiser for any HUD AM 4. HUD Local Listing Broker (LLB), including but not limited to branch offices with the same EIN and/or ownership 5. HUD Field Service Manager (FSM) 6. Buyer's Selected Closing Agent | <ol style="list-style-type: none"> 7. HUD (except for employees who have no involvement in the management and oversight of HUD-owned properties or HUD's marketing and management vendors, or a person related by blood, law, or marriage to such a HUD employee, IF employee submits an original or fax copy of form HUD-50001 "HUD Employee/Relative Home Purchaser Certification" signed by the Director of the Office of Single Family Asset Management) |
|--|---|

For the purposes of this certification, the following terms are defined:

Immediate Family Members include any person, whether by blood, law, or marriage, who is: (1) a spouse, domestic partner, child, sibling, or parent of a Management Official of any of the above entities; or (2) the spouse or domestic partner of children, siblings or parents of the Management Official.

A **Management Official** is the owner, partner, principal, shareholder, director, officer, employee, agent, representative, or any individual who directs the daily operations of an entity.





Affiliated Entity is any entity: (1) controlling, controlled by, or under common control with one of the above entities; or (2) whose Management Officials are an immediate family member of a Management Official of one of the above entities.

If Purchaser IS an Employee, Immediate Family Member, Management Official, and/or Affiliated Entity of one of the above person(s)/entities, complete the following fields:

 Relationship (e.g. parent, employee, Affiliated Entity, etc.)

 Person(s)/Entity with whom Purchaser is related/affiliated (e.g. BLB Resources, Inc. employee; appraiser for a HUD AM, etc.)

Purchaser, Selling Agent, and Selling Broker acknowledge that purchase of a HUD home by an Employee, Immediate Family Member, Management Official and/or Affiliated Entity of one of the above person(s)/entities may be deemed a conflict of interest, and may result in one or more of the following penalties: 1) cancellation of the purchaser's contract, 2) forfeiture of the purchaser's earnest money deposit, 3) removal of the LLB from the LLB network, and/or 4) loss of Selling Broker's bidding privileges.

<u>John Doe</u>		<u>04/20/2015</u>
Purchaser Signature (Required) John Doe		Date
_____ Purchaser Signature (Required)		<u>04/20/2015</u> Date
<u>Mary Smith</u>		<u>04/20/2015</u>
Selling Agent Signature (Required) Mary Smith		Date
Bob Smith		<u>04/20/2015</u>
Selling Broker Signature (Required) Bob Smith		Date

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

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

Property Case #: 141-012345
Property address: 987 Any Street, Any City, HI 96822, Honolulu County

**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 [insert name of M & M Contractor], 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__ 04/20/2015

John Doe 
Purchaser's Signature

John Doe
Purchaser's Printed Name

Purchaser's Signature 

Purchaser's Printed Name

NOTE: The BROKER must sign this page, agent signatures are not acceptable.

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.

141-012345

Individual Owner-Occupant Certification

I/We, John Doe

submit this offer to purchase the property located at

Property address:

987 Any Street, Any City, HI 96822, Honolulu County

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:

John Doe

SIGN HERE

04/20/2015

John Doe

Purchaser's Name

Signature & Date:

SIGN HERE

04/20/2015

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:

Bob Smith

SIGN HERE

04/20/2015

Bob Smith

HUD Forfeiture and Extension Policy – CA, HI Only

FHA Case Number: 141-012345

Property Address: 987 Any Street, Any City, HI 96822, Honolulu County

All HUD Property Disposition sales of HUD-acquired properties are to close within 45 days (60 days if purchaser(s) are obtaining an FHA 203K Loan) of acceptance of a HUD-9548 (1/99) Sales Contract offer to purchase.

Forfeiture of Earnest Money Deposits

Purchaser(s) **JD** INITIAL HERE Selling Agent: **MS** INITIAL HERE

The failure by a Purchaser to close on the sale of property within the allowable period, including any extensions approved by HUD, may result in the forfeiture of the entire earnest money deposit, except where special circumstances exist. These situations will need to be documented and granted by HUD.

Investor Purchasers

1. Please note the 15-day inspection period applies to owner-occupant purchasers only. Investors may inspect the property but will forfeit the entire earnest money deposit regardless of the inspection results.
2. Uninsured Sales – The purchaser will forfeit the entire earnest money deposit for failure to close within the allotted time, regardless of the reason.
3. Insured Sales – The purchaser will forfeit fifty percent (50%) of the earnest money deposit for failure to close if the purchaser is determined by HUD or Direct Endorsement underwriter to be an unacceptable buyer. The purchaser will forfeit the entire earnest money deposit if sale fails to close for any other reason.

Owner-Occupant Purchasers

The purchaser will receive a refund of the entire earnest money deposit under the following circumstances:

1. There has been a death in the immediate family (contract holder, spouse, or children living in the same household).
2. 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.
3. There has been a loss of job by one of the primary breadwinners, or substantial loss of income through no fault of the purchaser.
4. For Insured sales, HUD (or a Direct Endorsement underwriter using HUD guidelines) determines that the purchaser is not an acceptable borrower.
5. For Uninsured sales, the purchaser was pre-approved for mortgage financing in an 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.
6. For other good cause, as determined by HUD.

On an uninsured sale, the purchaser will forfeit fifty percent of the earnest money deposit in those instances where, despite good faith efforts by the purchaser, there is an inability to obtain a mortgage loan from a recognized mortgage lender.

On either type of sale, the purchaser will forfeit the entire earnest money deposit in those instances where no supporting documentation is submitted, where the documentation fails to provide an acceptable cause for the buyer's failure to close, or where documentation is not provided within a reasonable time following contract cancellation.

Earnest Money Deposit (EMD) Requirements

Earnest Money Deposit requirements are **\$500** for properties with a purchase price of \$50,000 or less and **\$1000** for properties with a purchase price of \$50,001 or more. For vacant lots the EMD is fifty percent (50%) of the list price. For GNND properties, the EMD is 1% of list price (not less than \$500 and not to exceed \$2,000).

Earnest money deposits must be in the form of a cashier's check or U.S. Postal Money Order made payable to BOTH "**Buyer Selected Escrow Company or Buyer(s) name.**" A **COPY** of the EMD check is to be submitted with the completed sales package to BLB Resources within two (2) business days of bid acceptance, and the

HUD Forfeiture and Extension Policy – CA, HI Only

ORIGINAL EMD must be submitted to the Local Listing Broker (LLB) assigned to the property within two (2) business days of bid acceptance. Please note that no Money Gram or Western Union money orders will be accepted.

PLEASE NOTE: If the transaction is cancelled prior to ratification of sales contract, the earnest money will be returned to the Real Estate Broker via certified mail unless otherwise noted below. BLB Resources, Inc. will NOT be held liable for any lost or misplaced checks.

US Certified Mail UPS Airborne Fed-Ex

Overnight Account Number: _____

This Section for BLB Resources, Inc. Use Only	
Date Earnest Money Check was returned: _____	
Method:	US Certified Mail Overnight (UPS, Airborne, Fed-Ex)
Sent by: _____	

Extension Request Requirements

Purchaser(s) **JD**

INITIAL HERE

Selling Agent: **MS**

INITIAL HERE

If scheduled closing dates cannot be met, purchasers may request extensions of the closing time. BLB Resources, Inc. may grant extensions in intervals of fifteen (15) days upon written request from the purchaser. Extensions of time to close the sale are entirely within Seller's discretion.

If granted, the following conditions apply:

- A written request for extensions must be received by BLB Resources, Inc. no later than five (5) calendar days before the expiration of the sales contract.
- Documentation submitted with the extension request must state the cause of delay and must demonstrate evidence that a closing is imminent. Contracts that exceed the expiration date are subject to cancellation.
- Extension fees are non-refundable if the closing does not occur.
- At closing, unused extension fees will be prorated to the Purchaser and refunded by escrow.
- The granting of one extension shall not obligate the Seller to approve 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 the expiration of the extension.
- Extensions will be for a period of fifteen (15) calendar days. Fees will be based on the Contract Sales Price of the property:
 - \$10 per day if sales price is \$24,999 or less
 - \$15 per day if sales price is more than \$25,000, but no more than \$49,999
 - \$25 per day if sales price is \$50,000 or more
- Extension requests must be submitted to BLB Resources at the following address. Enclosed fees must be in the form of a certified check or money order.

BLB Resources, Inc.
Attn: Accounting/Lockbox
16845 Von Karman Ave., Suite 100
Irvine, CA 92606

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

Upon closing of a HUD-owned single-family property, the Department will allow to be deducted from its proceeds, purchaser financing and closing costs considered to be reasonable and customary in the jurisdiction where the property is located. Form HUD-9548 (Sales Contract-Property Disposition Program), shall be used to reflect the total dollar amount HUD is expected to pay towards a purchaser's financing and closing costs. However, in no event may the costs exceed three percent (3%) of the property's gross purchase price. If the total closing costs reflected on

HUD Forfeiture and Extension Policy – CA, HI Only

the HUD 1 settlement statement are less than the amount indicated on the sales contract, HUD will reimburse only the actual costs charged and will not credit the purchaser with any difference either in cash or through a purchase price. Within the three percent (3%) allowance, HUD will reimburse loan origination fees up to one percent (1%) of the mortgage. However, on an FHA 203(k) rehabilitation mortgage, HUD will reimburse one and a half percent (1.5%) of the mortgage.

Seller Disclosure

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, mold, 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, Mello Roos taxes, assessments, or any tax concerning HUD homes is based on available information but is not deemed complete or accurate. It is the responsibility of the purchaser to obtain all information concerning these issues.

Walk-Thru Inspection

All Purchasers are strongly encouraged to conduct 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, **BLB Resources, Inc.** of the damage. Reporting of the damage does not guarantee the correction of the problem that was discovered. Each case will be looked at, and a determination will be made as to whether the damage will be repaired or proper credits given at the close of escrow if those repairs or credits are deemed to be in the best interest of the Dept. of HUD. The purchaser 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. (See item # 13.E of HUD Sales Contract).

Offer Exceeding Appraised Value

Purchaser(s) JD  Selling Agent: MS 




I/we understand that if our offer exceeds the FHA Appraised AS-IS value and the property is being purchased with FHA Financing, I/we will be responsible for the difference in cash.

Buyer Certification

I/we certify that I/we have read and understand all three pages of this addendum and declare that I/we have been interviewed by a HUD approved Lender who has completed a loan application, verified employment, and obtained a full credit report.

I/we acknowledge this policy and by signing below I/we understand I/we will forfeit our earnest money deposit if we enter into this agreement without properly completing this qualification process.

Signatures:

<u>John Doe</u>		04/20/2015
(Purchaser) John Doe		(Date)
<u>Mary Smith</u>		04/20/2015
(Purchaser)		(Date)
(Selling Agent) Mary Smith		04/20/2015
		(Date)

For Your Protection: Get a Home Inspection

Name of Buyer (s) John Doe

Property Address 987 Any Street, Any City, HI 96822, Honolulu County

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.

JD I/We choose to have a home inspection performed. 

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

X John Doe
Signature & Date John Doe

 04/20/2015 X

 04/20/2015

Signature & Date



Hawaii
Additional LBP Information Receipt Addendum

NOTE: If property was built before 1978, complete contract package must include this form and any LBP disclosures/addenda on the HUDHomestore listing.

This form is required for properties built before 1978.

Completed form must be submitted with original contract package upon bid acceptance. Form may also be required after contract ratification if additional LBP information becomes available. If form is submitted separately from original contract package, please fax to (949) 379-2896 or email to 5Saddenda@blbresources.com.

FHA Case Number 141-012345

Property Address (include city, state, zip)
987 Any Street, Any City, HI 96822, Honolulu County

Purchaser(s) John Doe

Selling Broker Bob Smith

Selling Agent Mary Smith Agent Phone (808) 555-7654

BLB Resources has provided all available LBP information on this property to the Selling Broker. Purchaser(s) must initial to indicate receipt of this information, which includes the following (as applicable):

- LBP Disclosure Form HUD 9545-Y Seller has records or reports pertaining to LBP and/or LBP hazards OR
- LBP Disclosure Form HUD 9545-Z Seller has no records or reports pertaining to LBP and/or LBP hazards
- Property Condition Report (PCR), full copies of all of LBP inspection reports, risk assessment reports, and/or other reports and records pertaining to LBP and/or LBP hazards
- Copy of the EPA-approved pamphlet, "Protect Your Family from Lead in Your Home"

Additional information on the Lead Disclosure Rule may be obtained from the National Lead Information Center by calling 1-800-424-LEAD (5323) or by visiting EPA's website at <http://www2.epa.gov/lead>.

Acknowledgement and Agreement

By signing below, Selling Broker acknowledges that BLB Resources has provided the LBP information on this property to Selling Broker, and that Selling Broker has provided this information to the purchaser(s).

By signing below, Purchaser(s) acknowledge that Selling Broker has provided this information to purchaser(s) and that Purchaser(s) have reviewed the available LBP information.

Purchaser Signature **(Required)** John Doe 04/20/2015
Date

Purchaser Signature **(Required)** 04/20/2015
Date

Selling Broker Signature **(Required)** Bob Smith 04/20/2015
Date

NOTE: The BROKER must sign this page, agent signatures are not acceptable.

This section for BLB Resources, Inc. use only	
BLB Resources Processed by: _____ Date: _____ Approved <input type="checkbox"/> Denied <input type="checkbox"/>	
HI Rev 3-13-14 All previous versions are obsolete. © BLB Resources, Inc. 2014 All rights reserved.	



Hawaii
Buyer Select Closing Agent Addendum

This form is required in Hawaii only.

All contracts ratified on or after June 22, 2013 will be subject to the "Buyer Select" closing agent program. The buyer will choose their own escrow company. HUD will no longer pay for either the buyer side or seller side of the escrow fees, which will be a buyer expense. Please note Lines 3 and 9 of the HUD-9548 Sales Contract must be filled in with the closing agent listed on this form.

Earnest money deposit (EMD) checks (cashier's check or postal money order only) must be made payable to "buyer selected escrow company or Purchaser(s) name." **Original EMD checks must be delivered to the Local Listing Broker (LLB)** assigned to the property within two (2) business days of bid acceptance, and a copy of the EMD must be included with the original contract package submitted to BLB Resources. Upon contract execution by BLB Resources, the LLB will be instructed to deliver the EMD to the closing agent selected by the buyer.

Completed form must be submitted with original contract package upon bid acceptance. If form is submitted separately from original contract package, please fax to (949) 379-2896 or email to HIBSP@blbresources.com.

I / We agree the EMD is being held undeposited by the LLB and within 48 hours of a ratified sales contract, EMD will be delivered to the closing agent/escrow company listed on this form. I / We authorize BLB Resources to release a copy of the sales contract and addenda for the following property to the closing agent/escrow company listed below.

Property Information FHA Case Number 141-012345

Property Address (include city, state, zip)
987 Any Street, Any City, HI 96822, Honolulu County

Purchaser(s) John Doe

Selling Agent Mary Smith Agent Phone (808) 555-7654

Closing Agent / Escrow Company Information

Company Name ABC Escrow Company

Mailing Address (include city, state, zip)
4210 Dole Street Anytown, HI 96822

Escrow Officer Jane Jones Phone (808) 555-7530

Email Address jane.jones@abcescrow.com

Has this company ever closed a transaction on a HUD-owned property? Yes No

If yes, please enter Title ID # _____

If no, please attach copy of escrow company's state license and insurance.

John Doe
Purchaser Signature **(Required)** John Doe

04/20/2015
Date

Purchaser Signature **(Required)**

04/20/2015
Date

Mary Smith
Selling Agent Signature **(Required)** Mary Smith

04/20/2015
Date

Please include a copy of the escrow company's E&O insurance and license(s) if escrow company has not previously closed any HUD transactions.

This section for BLB Resources, Inc. use only	
BLB Resources Processed by: _____ Date: _____	
<input type="checkbox"/> Approved <input type="checkbox"/> Denied	
HI – Rev. 7-22-13 All previous versions are obsolete. © BLB Resources, Inc. 2013 All rights reserved.	

U.S. Department of Housing and Urban Development (HUD) Closing Instructions and Certification

The following are general settlement instructions and do not provide all specific instructions for sales under special programs.

FHA Case Number: 141-012345 Date of HUD's Ownership: _____
Property Address: 987 Any Street, Any City, HI 96822, Honolulu County
Buyer(s) Name: John Doe
Amount of Discount Buyer Received: _____ %
Amount of Rental Money Due: \$ _____ Amount of Utility Payment Due: \$ _____

As settlement/title company/agent, you must adhere to the following closing instructions to close this sale between the US Department of Housing and Urban Development (HUD) and the buyer identified on the attached executed sales contract. If you are unable to perform these tasks within the required time frame (as defined on Line 9 of the HUD Form 9548), please notify the buyer's Real Estate agent immediately so the buyer can select a different settlement/ title company.

As a settlement/title company, you must meet all **applicable** local and state standards as well as those required by HUD.

You must close this sale for only the buyer(s) identified on the executed sales contract, or amendment/addendum which has been executed by the buyers and HUD's delegated Asset Manager.

EARNEST MONEY: The Asset Manager has has not included the earnest money with the fully executed sales contract.

REAL ESTATE TAXES: Real estate taxes for the current year shall be pro-rated to the date of closing. HUD will only pay for taxes currently due and will not pay or reimburse any party after closing if real estate taxes are reassessed by local government. The last payment was made on _____ in the amount of \$ _____, which covers the following period of time: _____ through _____.

HOMEOWNER ASSOCIATION (HOA) FEES/DUES: HUD will pay for HOA fees/ dues pro-rated from the date of HUD's ownership **through** the date of closing. HUD will only pay for HOA fees/dues that are the responsibility of HUD during its ownership. The last payment was made on _____ in the amount of \$ _____, which covers the following period of time: _____ through _____.

RENTAL MONIES: You shall verify with the Asset Manager that all rental monies due HUD have been collected outside settlement if the buyer is an approved HUD tenant. If any due amounts have not been paid, you shall ensure such payment is made at time of closing.

SPECIAL PROGRAMS: HUD has a number of special programs, including the Good Neighbor Next Door (GNND) Sales program, in which the buyer receives a discount off the purchase price, as indicated on the executed sales contract. Such discounts are to be reflected of Line 507 of Form HUD-1, Settlement Statement.

Further, some sales such as those under GNND require a second Note and Deed of Trust/ Mortgage and/or a Land Use Restriction Addendum. If applicable to this sale, special instructions for the completion of those documents are attached or will be supplied by the Asset Manager.

For properties covered by an Asset Control Area (ACA) Agreement, the Asset Manager, will provide additional closing instructions.

CLOSING COSTS: HUD will pay up to the amount on Line 5 of the executed sales contract, or up to 3% of the sales price, whichever is less, towards reasonable and customary closing costs and the amount shall be annotated on the HUD 1 in accordance with RESPA. Any unused portion will be credited to HUD's proceeds. (Customary Loan Origination Fee is up to 1% of the mortgage; 1.5% on a 203(k) loan)

Buyer Select Closing Fee: The purchaser is primarily responsible for any and all closing fees up to the maximum allowed per State Law and Regulatory requirements. The buyer may apply amounts listed on Line 5 of the sales contract for payment of closing fees.

Recording fees for the Special Warranty/Grant Deeds transferring ownership from HUD to the buyer as stated on the executed sales contract, for the second Note/ Deed of Trust, if required for special HUD programs, and for special addendums, if required, such as Land Use Restriction Addendum, are the expense of the buyer. This expense may be covered from funds on Line 5 of the executed sales contract. If the buyer did not request funds on line 5, the amount to cover the cost of recording shall be collected from the buyer at closing.

HUD-1 PREPARATION: You must accurately prepare the Preliminary HUD-1 or Settlement Statement and provide it to Asset Manager at least 5 business days in advance of the scheduled closing date for their review, approval, and return prior to closing. This can be accomplished electronically.

DEED PREPARATION: You must prepare a Special Warranty or Grant Deed (where applicable) and provide it to the Asset Manager at least five (5) business days prior to the scheduled closing. The Deed can be sent to Asset Manager electronically. Asset Manager will execute, notarize, and return the original Deed via overnight delivery. Include a return address which is accessible by their overnight mail carrier.

EXTENSIONS: If an extension is required, the purchaser's real estate broker will submit the required closing extension request form, along with the extension fee, to the Asset Manager prior to expiration of the sales contract. The Asset Manager will provide you with an electronic notification of the approval and copy of the executed extension agreement which will provide you with the new contract expiration date. The Asset Manager will also provide the amount of the extension fee that was collected. **In no case shall a closing take place on an expired contract.**

WIRE PROCEEDS: You must wire proceeds to the US Treasury via FEDWIRE the day of but not later than the next available banking day after closing, ensuring the amount matches that of the executed HUD-1. The Asset manager will provide specific wiring instructions, including the form to be used.

DEED RECORDING: You must ensure the deed is delivered for recording to the appropriate county recorder's office no later than one (1) business day after closing.

NOTIFICATION OF CLOSING: You must notify the Asset Manager at 5SRecordings@blbresources.com via email on the day the closing has or has not occurred.

CLOSING PACKAGE: You must deliver a complete closing package to Asset Manager not more than three (3) business days after the closing is completed. The post closing package shall include:

- Final HUD-1 and the Certification;
- Copy of the wire of proceeds transfer confirmation;
- Evidence that the deed was delivered for recording;

- Copy of any invoice HUD paid at closing;
- Copy of disbursement log, accounting for all incoming and outgoing funds related to this transaction; and,
- For special program sales: Original Note and copy of GNND or ACA Deed of Trust or Mortgage, with evidence it was delivered for recording.

Submit closing package to:

BLB Resources, Inc.
 16845 Von Karman Avenue, Suite 100
 Irvine, CA 92606
5SRecordings@blbresources.com

CANCELED SALE: If the sale is canceled and is not immediately rescheduled, the deed must be returned to Asset Manager within two (2) business days of the original scheduled closing date. If the sale does not close on the scheduled date, notify Asset Manager immediately via email (5SRecordings@blbresources.com) as to the date the closing is rescheduled or if it has been canceled. If the sale has not been rescheduled or is canceled, the Closing Company shall scan the original of the signed deed, marked VOID in large letters across the front, and electronically deliver it to Asset Manager no later than the second business day after a closing is cancelled. The original document will then be mailed to the Asset Manager that same day, along with the earnest money deposit and extension fees that are in your possession.

FORFEITED EARNEST MONEY: Comply with the earnest money forfeiture policy that was signed by the buyer(s) and is part of the executed sales contract package. Earnest money forfeitures are to be sent to the Asset Manager, payable to HUD, within 4 business days of the earnest money disposition issued by the Asset Manager or expiration of the contract whichever shall occur first.

Standards for Acceptable Closing Companies.

Buyer Selected Closing Companies (BSCC) must certify that they meet the following standards:

1. A BSCC must be an attorney, title company, or escrow company. In addition, any BSCC must meet all requirements of state and local laws (e.g., if the property is in a state that bans attorneys from conducting a closing, an attorney may not be used as a BSCC).
 - a) **Use of attorneys** - An attorney or law firm may act as a BSCC, provided that they are duly licensed to practice law in the state where the property is located and state law allows an attorney to facilitate Real Estate closings.
 - b) **Use of title companies** - A title company may act as a BSCC, provided that they are duly licensed to do business in the state where the property is located, and are regulated by the State Insurance Commission, or similar regulatory agency recognized by the State.
 - c) **Use of Escrow Company** - An escrow company may act as a BSCC, provided that they are duly licensed to do business in the State where the property is located and meet all state legal and regulatory requirements as a recognized and registered escrow company.
2. **Insurance and Closing Protection Letter requirement** - Any BSCC must be covered by Errors and Omissions Insurance of at least \$1,000,000. Title companies shall provide a Closing Protection Letter (CPL) to insure against any improper handling of HUD's proceeds or deed.

3. A BSCC must **complete a one-time registration** to receive a HUD issued Settlement Agent Identifier number.
4. **Conflict of Interest** - A BSCC who has, or whose spouse, children or business associates have, a financial interest in the property shall not be involved in the closing process. Financial interest includes having an equity, creditor, lender, or debtor interest in any corporation, trust, or partnership with a financial interest in the property.
5. **Debarment or suspension** - No attorney, Title Company, Escrow Company, or BSCC, currently debarred, suspended, or otherwise excluded by Administrative Action from participating in Federal programs, may participate in any aspect of the closing or title clearance process.
6. **Non-Discrimination** - No BSCC, employee, or person or entity otherwise authorized to act for a BSCC agent may act in violation of Title VIII of the Civil Rights Act of 1968 (the "Fair Housing Act" Title VIII or Public Law 90-284) or Executive Order 11063. BSCC's, their employees, and any person or entity otherwise authorized to act on behalf of a BSCC shall (1) refrain from discrimination on the basis of race, color, creed, religion, sex, national origin, age or handicap; (2) instruct their staffs in the policies of nondiscrimination and all applicable local, State, and Federal fair housing and non-discrimination laws.
7. **Failure to Abide by HUD's Closing Instruction** - HUD reserves the right to sanction or remove any BSCC that does not abide by HUD's Closing Instruction.

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)

You must certify below that you meet the above standards; you understand and will comply with these general instructions and requirements. Subsequent instructions may be provided in writing on a case by case basis by HUD through its Asset Manager.

Escrow Officer Acknowledged	<u>Jane Jones</u>	SIGN HERE	Date	<u>4-20-15</u>
Printed Name	<u>Jane Jones</u>		Telephone #	<u>808-555-7530</u>
Principal Title	<u>Escrow Officer</u>		Email	<u>jane.jones@abcescrow.com</u>
State License #	<u>HI12345</u>		HUD Identification #	_____

The Escrow Officer must sign this document.

ATTENTION ESCROW / Additional Escrow Instructions

We, the undersigned, hand you a copy of the U. S. Department of Housing and Urban Development Sales Contract (Property Disposition Program) and Offer of Contract Acceptance and Addendums dated 04/20/2015, and Buyer and Seller agree to be bound by the terms and conditions contained therein.

All pages of Ratified contract included will supersede escrow instruction directions.

Please be aware that **HUD is exempt from providing the following: the buyer is responsible to perform their own research and inspections, as they deem necessary and satisfy themselves as to such**

HUD will not pay for the following items: (Buyer's fees)

1. Inspections and or clearance: Wood destroying Organisms, Lead Based Paint (LBP) on conventional, cash, VA, Rural Development (RD), and USDA files
2. Natural Hazard Report (NHR)
3. Notary
4. Escrow Pad
5. County Tax Stamp
6. Home Warranty/Protection Plan
7. Owner's Title Insurance Policy
8. Lender's Title Insurance Policy
9. Documentary Transfer Tax
10. Escrow Fee – Both Buyer's and Seller's

AS A MATTER OF RECORD

As a matter of record only, with which Escrow Holder is not to be concerned in any manner whatsoever, it is understood by and between the undersigned Buyer and Seller as follows:

These instructions are not intended to amend, supersede or modify that certain Purchase Agreement referenced above, executed by Buyer and Seller, as to any matter not specifically set forth in these supplemental escrow instructions. As stated in the purchase agreement, Buyer is aware that Seller acquired the subject property through foreclosure proceedings, and that the property is being sold in its "as is" and "where is" condition, with no warranties, express or implied.

SELLER REPRESENTATIONS:

Seller is duly organized and validly existing, and has all requisite power and authority to enter into and perform under the terms of these Escrow Instructions. Each person executing these instructions on behalf of Seller warrants that he/she has all requisite authority to do so. You are hereby authorized and instructed to comply with closing instructions deposited herein by Seller's asset manager on Seller's behalf, if any.

REPAIR ESCROWS ONLY: CERTIFICATION

- THIS REPAIR ONLY APPLIES IF THE BUYER IS OBTAINING FHA FINANCING.
- Pursuant to Line 4 of the HUD Sales Contract, the mortgage being obtained through this escrow involves a repair escrow amounting to \$ _____.

- THE REPAIR ESCROW AMOUNT IS TO BE FINANCED IN THE FHA LOAN AND WILL NOT BE TAKEN FROM HUD PROCEEDS AT CLOSING.
- Provided that the fee due to lender (up to \$200.00) for the processing of the repair escrow is reflected on the Lender's Instructions, escrow holder is authorized and instructed, at the close of escrow, to debit Seller's account with said amount up to \$200.00, if applicable.
- All costs will be paid in full compliance with the guidelines provided in HUD Notice H 2003-02.
- BLB Resources will only list Minimum Property Requirements (MPR) items as identified in HUD's appraisal on the addendum for the repair escrow. Cosmetic repairs or other items to bring the property to average condition will not be included. However, please note, any repairs listed are an estimate. 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. A final list of repairs, if applicable, will be determined by the lender and buyer's appraisal.

SELLER PAID CLOSING COSTS (if line 5 is applicable):

If line 5 is not applicable, the buyer will be solely responsible for all fees and charges.

The Seller will pay up to \$ 3,000.00, (Line 5 of the Sales Contract) towards allowable **purchaser closing costs**, not to exceed the actual cost incurred. The following is a list of those HUD Allowable Closing Costs that may be credited towards Line 5 of the Sales Contract:

If the closing costs are less than 3%, or amount requested on Line 5 of ratified contract, HUD will only pay the actual costs charged, and will not credit the purchaser any difference in cash or a reduced purchase price.

ALL ITEMS MUST BE REASONABLE AND CUSTOMARY CHARGES IN THE JURISDICTION TO WHERE THE PROPERTY IS LOCATED AND WILL NEED TO BE APPROVED BY HUD'S ASSET MANAGER TO DETERMINE IF THEY ARE "REASONABLE AND CUSTOMARY CHARGES."

- Appraisal Fee
- Credit Report (up to \$20.00)
- Flood Certification (property must be offered with FHA insurable and located on a Flood Plain)
- Home Inspection (includes testing for lead based paint, radon, mold etc.)
- Home Warranty (up to \$300.00)
- Loan Discount Points (up to 1% of the loan amount to buy down the rate, **with certification from the lender**). MUST SUBMIT A LETTER TO HUD ON COMPANY LETTERHEAD WITH DETAILED INFORMATION OF THE BUYDOWN TO BE APPROVED
- Loan Origination Fee (up to 1% will be paid on Conventional/FHA loan; up to 1.5% will be paid on FHA 203(k) loans)
 - NOTE: Loan Discount and Loan Origination is an either/or, both cannot be used
- Prepaid and Escrow Items for Owner Occupant Purchasers Only
- Loan Fees which are reasonable and customary
- Owners Title Insurance Policy
- Lenders Title Insurance Policy

- State, City or County Transfer Taxes on Grant Deed, i.e., amounts charged as a Percentage of value
 - If, under state or local law, the recording fees and/or transfer charges or taxes are imposed on the Seller (i.e. HUD), then HUD is immune from paying these charges and will not pay them.
 - If, however, the charges are imposed on the purchaser, HUD may pay these charges on behalf of the purchaser if funds remain in Line 5.
 - NOTE: Seller will not pay fees for recording any Mortgage/Riders, Interspousal Deeds, or Surveys

The following items are automatically paid for by the Seller (HUD):

- Broker’s Sale Commission as stated on Line 6a, and selling bonus (if offered)
- Proration of property taxes and any assessments such as HOA fees, utility bills
- Recording fees: HUD will automatically pay recording fees and charges for the deed (i.e., nominal amount charged per page for recordation)
- Broker’s Sale Commission for Broad Listing Broker as stated on Line 6b of Sales Contract
- Condominium or HOA Transfer Fee and Document fee

CITY INSPECTION REPORT TO BE OBTAINED OUTSIDE OF ESCROW:

In the event city ordinances require a Residential Inspection Report, Buyer shall, outside of this escrow, obtain same, pay any and all costs associated with same, and also take full responsibility for repairs and/or costs associated with city compliance issues. Escrow Holder is not to be concerned therewith in any manner whatsoever, and Buyer hereby indemnifies, defends and holds Escrow and its officers and/or employees harmless from any loss which Buyer may sustain as a result of this specific instruction regarding such city report, including attorneys’ fees and/or costs which may be incurred to uphold this indemnity.

DEED PREPARATION:

The following language is required to be inserted into all deeds of sale for HUD REO properties: “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.”

CANCELLATIONS:

Upon receipt of unilateral instructions from HUD to Escrow Holder to cancel this escrow and to disburse funds, Escrow is authorized and instructed to comply with said instructions, cancel this escrow, and disburse funds without further approval or instructions from Buyers herein. Buyer’s signature on these escrow instructions shall be deemed their acknowledgement of Paragraph 12 of Sales Contract with HUD and awareness that the earnest money deposit in escrow shall not be refunded to Buyer if escrow is cancelled. Seller may, at Seller’s sole option and without further instructions from Buyer, cancel this escrow. Seller may also, at Seller’s sole option and without further instruction from Buyer, retain all or a portion of the deposit as “Liquidated Damages”. Seller reserves the right to apply the earnest money or any portion thereof, to any sums which may be owned by the purchaser to the Seller as rent.

Buyer(s) hereby accept the contract's provision allowing for unilateral cancellation by the Seller, and hereby release Escrow and its officers and/or employees of any and all liability and/or responsibility for acting upon the unilateral instructions of the Seller (HUD) in the event of a cancellation, and disbursement of funds as may be demanded by Seller.

NO Cancellation Fees via Escrow Company will apply if a HUD transaction cancels.

Initial Here: **Purchaser(s)** JD  **Closing Agent** JD 

WRITTEN vs. ORAL INSTRUCTIONS:

NO NOTICE, DEMAND, OR CHANGE OF INSTRUCTIONS SHALL BE OF ANY EFFECT IN THIS ESCROW UNLESS GIVEN IN WRITING BY ALL PARTIES AFFECTED THEREBY. NO changes to the original contract will be made without written consent by authorized HUD asset manager. Must be submitted for approval or denial.

ESCROW:





The Line 5 Distribution Sheet must be included with the final HUD-1 and cannot exceed the seller's allowable closing costs. The Disbursement sheet must also be included with the final HUD-1. The Sales Commission must be made payable only to the brokerage as identified on the sales contract. Commissions cannot be disbursed directly to selling or listing agents in escrow.

NO changes are allowed to be made on the final HUD-1 after the preliminary HUD-1 is approved, with the exception of proration of utility, taxes, and HOA which will have to be adjusted accordingly to actual closing date.

WIRING INSTRUCTIONS:

A copy of the completed Form SAMS-1103 Request to Wire Transfer Funds (Rev. 5/2014, items #6-10) must be included with the Preliminary Seller's Deed Package, in order to confirm that correct wiring instructions are provided to the bank. It is Escrow's responsibility to ensure the data is transmitted in the prescribed format. Please ensure the correct FHA Case Number is included in the correct location on the form (line #7) as this is the most common error and delays the sale in reconciling with HUD systems. The wire confirmation must be included in the Final Closing Package.

Required Signatures:

<u>Jane Jones</u> (Escrow Officer)	<u>Jane Jones</u>		04/20/2015 (Date)
<u>John Doe</u> (Purchaser)	<u>John Doe</u>		04/20/2015 (Date)
 (Purchaser)			04/20/2015 (Date)
<u>Mary Smith</u> (Selling Agent)	<u>Mary Smith</u>		04/20/2015 (Date)



This sales package must also include the following items:

Earnest Money Deposit

- A **COPY** of the Certified Check or U.S. Postal Money Order in the correct amount:
 - \$500 for properties with a sales price of \$50,000 or less
 - \$1,000 for properties with a sales price of \$50,001 or more
 - For vacant lots, the EMD is 50% of the list price
- Check must be made payable to BOTH “[selected escrow company] OR [purchaser’s name]”
- **ORIGINAL** check or money order **delivered to Listing Agent** within 2 business days of bid acceptance

Prequalification Letter or Certification of Cash Funds

- **Cash Buyers: Proof of funds** (e.g. bank statement) must be equal to or greater than purchase price
- If obtaining financing, a valid **prequalification letter** or **Loan Status Report (LSR)** must be included
 - Includes purchaser(s) name, type of loan, escrow amount (if any) and amount of prequalification (equal to or greater than purchase price, proof of additional funds may be required if less than purchase price)
 - Must be on lender’s letterhead with lender’s contact info including loan officer’s email address
 - Occupancy section of LSR must state property will be purchaser’s primary residence if owner-occupant purchaser

Agency Disclosure Form

- State/local Buyer Representation or Agent Disclosure Agreement, not a BLB Resources or HUD form.

Additional Required Disclosures and Addenda may include:

- Buyer Select Closing Agent Addendum
- Lead-Based Paint **Disclosure** Addendum and Additional LBP Information Receipt Addendum (if property was built prior to 1978)
- Flood Zone Property Disclosure and Addendum (If property is located in a FEMA Flood Zone)
- U.S. Dept. of HUD Closing Instructions and Certification and Additional Escrow Instructions

Proof of Identity (Optional)

- May submit copies of documentation to show legal name entered on contract matches purchaser’s identification (e.g., copy of driver’s license, passport, Social Security card, and/or recent paystub that includes Social Security Number)

Questions regarding how to complete your sales contract package? Please contact our Customer Service Department at (949) 261-9155, or email CSRDept@blbresources.com. Please note BLB Resources does **NOT** process utility activation requests. Please follow the instructions on the utility activation request form for your property, and submit the form to the assigned FSM.