

HUD Selling Agent Reference Guide

Conference Calls and Webinars

BestAssets strives to provide the best agent and customer service possible. Our office is open Monday through Friday 8am to 5pm CST. Our numerous support personnel, Asset Managers, Marketing Coordinators and Closing Specialists are here to assist you in being successful at selling HUD homes. Several weekly conference calls and webinars are set up to be able to provide each and every agent the resources and personalized attention to deal with any questions or issues that may arise in the process. Please review the conference call and webinars information to attend. Many times it is beneficial to attend the daily conference call, that is reserved as a Question and Answer session in which the pertinent BestAssets personnel are available to answer property and process specific questions until every question is asked and addressed. If you can wait until the next daily call to reserve your question, it would be recommended to use this call as the outlet to solve and ask questions.



Daily Agent Question and Answer Call

US Dial In # 877-643-6951

Participant Passcode 95905230#

Weekly Mandatory - 8 State Conference Call and Webinar (Listing Agents)

Bids/offers Wednesdays 9:00 AM - 10:00 AM CDT

Registration Web Link: <https://www2.gotomeeting.com/register/279492971> .

Attendee: 773-945-1011, access code 302-406-628

Weekly Selling Agent - 8 State Conference Call, Webinar and Q&A (All Agents)

Fridays 9:00 AM - 10:00 AM CDT

Registration Web Link: <https://www2.gotomeeting.com/register/669704571> .

Attendee: 916-233-3089, access code 423-569-214

NAID Number

In order to sell a HUD property you must have a Name and Address Identifier (NAID). The principal broker must register for and receive a NAID. Visit the NAID Registration page on www.HUDHomeStore.com for information to complete this process.

The principal broker must register as a Bidder on www.HUDHomeStore.com. Please visit the Bidder Registration page to complete this process and any selling agents under that broker that wish to place a bid must then register as a Bidder on www.HUDHomeStore.com.

www.HUDHomeStore.com

HUDHomeStore has the details on every HUD property listed for sale, Listing Addendums including necessary disclosures and forms to be signed. Complete the appropriate sales contract package for the buyer utilizing the Sales Contract Checklist included in the package. Please ensure that you have a copy of the buyer's social security card and drivers license and verify that the buyer has obtained a valid pre-qualification letter or proof of funds prior to submitting a bid. After submitting your offer there are no corrections to the Social Security number allowed. **If the social security number is mistyped or incorrect, the contract and offer will be cancelled. Make sure to download all the necessary addendums prior to submitting the bid, as they will no longer be available once an offer has been accepted.**

When the contract has been completed, click the "Submit an Offer" button on the lower right corner of the Property Details screen on www.HUDHomeStore.com. Enter the requested NAID/license information and click "Verify NAID" to get to the Bid Submission page. Answer the questions according to the completed contract package to complete the form and click "Continue." Review the Bid Summary page, accept the terms & conditions and click "Confirm This Bid" to submit. Retain the confirmation number to log back in and track the status of the bid. You must have the confirmation number if buyer chooses to cancel offer before acceptance.

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Financing Types:

Not all properties qualify for FHA Financing. Therefore, you should check the insurability status and alert your lender before placing a bid.

The financing classifications for every HUD owned property are as follows:

IN (Insurable) – these properties qualify for FHA 203(b) financing and have no obvious Minimum Property Standard (MPS) repairs. These properties may also qualify for 203(k) financing, a rehabilitation loan for owner occupants only.

IE (Insurable with Escrow) – these properties qualify for FHA 203(b) with Repair Escrow, and have MPS repairs totaling less than \$5,000. The repair escrow is the buyer's financial responsibility, never a credit to the buyer. The lender holds the repair escrow money until completed (which must be within 90 days after closing) and is responsible for disbursing the funds to the appropriate parties. The escrow repair amount only applies to FHA 203(b) financing. These properties may also qualify for 203(k) financing.

UI (Uninsurable) – these properties do not qualify for FHA 203(b) financing. Typically these properties have MPS repairs exceeding \$5,000 or may not meet other guidelines for FHA financing.

Property Availability and Bid Deadlines:

Properties listed as IN and IE are available exclusively for owner occupant, nonprofit and government agency bidders for the first 30 days on the market. Please note that the initial bid review is on the 11th day of listing, and all bids received during the first 10 days are opened and reviewed simultaneously. If no acceptable offers are received, bids are reviewed on a daily basis (Monday – Friday) until the exclusive 30 day owner occupant period expires. Properties then are available for all bidders, with bids reviewed daily (Monday – Friday).

Properties listed as UI (and some IN or IE properties) located in HUD-designated revitalization areas) are first placed into the Lottery program for nonprofits and government agencies or for Good Neighbor Next Door participants. If no acceptable bids are received after 7 days in the Lottery program, these properties enter a 5 day owner occupant exclusive listing period, with all bids received during this period opened and reviewed simultaneously on the 6th day. If no acceptable bids are received, the properties are then available for all bidders, with bids reviewed daily (Monday – Friday).

Please note that **properties are removed from the HUDHomeStore website at midnight the day of bid acceptance**. It is extremely vital that you download the LBP addendum, sales contract package and any other disclosure forms prior to submitting a bid as it is no longer available after a bid has been accepted.

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

Full Price Offers:

BestAssets will only accept offers after the bid deadline has passed. In some instances, HUDHomeStore is erroneously automatically accepting the first full price offer and placing all other offers made on that property after the full price offer as "Under Review". On the 11th day, BestAssets will cancel the full price bid and review all bids placed on the property within the first 10 days. If another bid other than the one automatically accepted is accepted, the winning bidder will be notified immediately. If the acceptable bid, is the first bid accepted that was cancelled in order for BestAssets to review other bids, there will be a delay of the Notice of Acceptance while special approval to reinstate that bid is approved. BestAssets will attempt to email the selling agent in these situations.

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Counter Offers:

In the event that successful bid was not received on the property. Typically a counter offer will be sent to the selling agent with a counter amount that would be an acceptable net to HUD for the property. These counter offers are typically sent to more than one party and a counter offer equal to or greater than noted acceptable net to HUD is recommended. Remember, the counter offer amount is the NET TO HUD, not the bid price. Please be aware of seller contribution and commissions that affect the net to HUD when placing counter offers. If two or more acceptable to HUD offers are received of the equal amount, BestAssets will select the counter offer that was submitted first according to bid date and time stamp in HUD-HomeStore.

Winning Bids (Notice of Acceptance):

Once bidding is closed and an acceptable bid has been received, BestAssets will notify the winning bidder's selling agent via email. This email will be received before 5pm CST on the following business day after the bid closing.

Rejection or Cancellation of Bids:

Currently, HUDHomeStore is NOT notifying rejected or cancelled bidder of the status of their bid. Selling Agents must check HUDHomeStore under Bidder Functions Tab located on the top right corner of the first screen after logging in to HUD-HomeStore, to see current status of your bid.

Listing Site Addendums:

Every property listed on HUDHomeStore.com will have generic and property specific listing site addendums to download. Please download these addendums before placing a bid on a property. At this time, addendums are not available after an offer has been accepted. It is essential that these addendums are downloaded and reviewed prior to placing the bid. If you cannot access these addendums, please contact BestAssets Customer Service at 1-877-343-4073.

Earnest Money Deposits

Earnest Money Deposits must be certified funds (i.e. cashier's check or money order), made payable to BOTH "HUD or (insert actual buyer's name)." The original EMD (**NOT** a copy of the check) must be included with the contract package received by BestAssets within 2 business days of bid acceptance. The amount of EMD required is determined by the sales price as follows:

- For properties with a sales price of \$50,000 or less, the EMD is \$500
- For properties with a sales price of \$50,001 or more, the EMD is \$1,000
- For vacant lots, the EMD is 50% of the list price

Overbidding information:

Please note that if a buyer is securing FHA financing, their lender will be required to use HUD's FHA "AS-IS" Appraisal. A second appraisal **may not** be ordered simply to support a higher purchase price. In the event the appraisal is over 4 months old at the time of contract acceptance, the buyer will be required to obtain a new FHA "AS-IS" appraisal at the buyer's expense. If a buyer's bid is accepted and their bid amount is in excess of the HUD appraised value, **the purchaser must pay the difference between bid amount and appraised value in cash.** This is because FHA will not approve FHA insurance on a loan amount that is greater than the appraised value of the property. If a buyer is securing a loan that does not involve FHA financing, then the buyer's lender will always order a new appraisal on the property at the buyer's expense regardless of whether they overbid the property.