



How to Complete a HUD Sales Contract Package

HUD Sales Contract

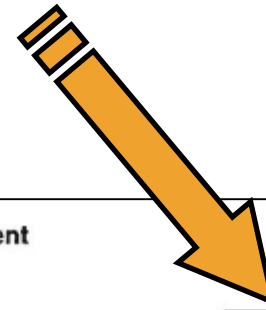
Please download the electronically fillable sales contract package from the “Addendums” tab on

www.HUDHomestore.com

or from www.blbresources.com

When data is entered on the cover page of the electronically fillable sales contract package, it will auto-populate the appropriate fields of the sales contract package, and you will not need to manually input data.





Sales Contract Property Disposition Program	U.S. Department of Housing and Urban Development Office of Housing Federal Housing Commissioner	<div>HUD Case No. 987-654321</div>
<p>1. I (We), <u>John Smith</u></p> <p>(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:</p> <p><u>1234 Any Street, Anytown, AZ 85029 Maricopa County</u></p> <p>(street number, street name, unit number, if applicable, city, county, State)</p>		

Upper right hand box: Please type the **FHA Case Number**

Line 1: Please type in the purchaser(s) name(s) and complete property address of the property they are purchasing. Remember to include the 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 Smith, a single man .

Line 2: Please enter name(s) and style in which title will be taken.

Common examples of style in which title may be taken include:

A single man/woman

Joint tenants with right of survivorship

Community property

Tenants in common

Please advise your client to seek legal counsel if they have questions regarding the style in which they should take title.

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 HUD Designated Closing Agent.

Line 3: Please enter purchase price and amount of earnest money deposit.

- Purchase price of \$50,000 or less, the EMD is \$500
- Purchase price of \$50,001 or more, the EMD is \$1,000
- For vacant lots or sales less than \$500, the EMD is 50% of the sales price

Please also indicate that the earnest money deposit shall be held by
HUD's Designated Closing Agent.

Line 4: Check the appropriate box. If purchaser is obtaining **FHA insured (203b) financing**, the following boxes should be checked:

4.	<input checked="" type="checkbox"/> Purchaser is applying for FHA insured financing [<input checked="" type="checkbox"/> 203(b), <input type="checkbox"/> 203(b) repair escrow, <input type="checkbox"/> 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.).
	<input type="checkbox"/> Said mortgage involves a repair escrow amounting to \$ _____.
	<input type="checkbox"/> Purchaser is paying cash or applying for conventional or other financing not involving FHA.

The lines for **down payment** amount, mortgage amount, months and repair escrow amount should be **left blank**.

Line 4: If purchaser is applying for **FHA insured financing with a repair escrow**, the following boxes should be checked:

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.).

☒ Said mortgage involves a repair escrow amounting to \$ 2,200.

☐ Purchaser is paying cash or applying for conventional or other financing not involving FHA.

The lines for down payment amount, mortgage amount and months should be left blank. The **repair escrow** amount **should match** what is featured on the property details on www.HUDHomestore.com.

Line 4: If purchaser is applying for **203(k) financing**, the following boxes should be checked:

4.	<input checked="" type="checkbox"/> Purchaser is applying for FHA insured financing [<input type="checkbox"/> 203(b), <input type="checkbox"/> 203(b) repair escrow, <input checked="" type="checkbox"/> 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.).
	<input type="checkbox"/> Said mortgage involves a repair escrow amounting to \$ _____.
	<input type="checkbox"/> Purchaser is paying cash or applying for conventional or other financing not involving FHA.

The lines for down payment amount, mortgage amount, months and repair escrow amount should be left blank.

Line 4: If purchaser is paying **cash or applying for non-FHA financing** (i.e. conventional mortgage loan, VA, Rural Development, etc.), the following box should be checked:

4.	<input type="checkbox"/>	Purchaser is applying for FHA insured financing [<input type="checkbox"/> 203(b), <input type="checkbox"/> 203(b) repair escrow, <input type="checkbox"/> 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.).
	<input type="checkbox"/>	Said mortgage involves a repair escrow amounting to \$ _____.
	<input checked="" type="checkbox"/>	Purchaser is paying cash or applying for conventional or other financing not involving FHA.

The boxes for FHA insured financing and the lines for down payment amount, mortgage amount, months and repair escrow amount should be left blank. Please **circle cash or conventional**, as appropriate.

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

Line 5: Please enter requested closing costs, **up to 3%** of the purchase price.

*** Note:** If line 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.

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

Line 6a: Selling agent commission up to \$1,250 or 3% of the purchase price. This must be the same commission entered at the time the bid was submitted.

Line 6b: Listing agent commission \$1,250 or 3% of the purchase price.

Please note that the selling agent may reduce their commission, but the listing agent commission may not be reduced.

7. The net amount due Seller is (Purchase price [Item 3] less Items 5 and 6)	7. \$ 91,000.00
8. Purchaser is: <input checked="" type="checkbox"/> owner-occupant (will occupy this property as primary residence) <input type="checkbox"/> investor <input type="checkbox"/> nonprofit organization <input type="checkbox"/> public housing agency <input type="checkbox"/> other government agency. Discount at closing: _____ % <i>Discount will reduced by amounts, if any, listed on Line Items 5 and 6.</i>	

Line 7: Subtract Lines 5, 6a and 6b from Line 3 to determine the **net amount due to HUD** and enter on this line.

Line 8: Check the **appropriate box for occupancy**, as submitted in the bid. Unless purchaser is a nonprofit or government agency, the discount amount should always be blank. If purchaser is a nonprofit or government agency, enter the appropriate discount percentage.

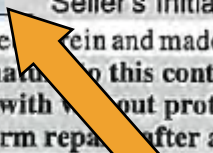
9. Time is of the essence as to closing. The sale shall close not later than 45 days from Seller's acceptance of contract. Closing shall be held at the office of Seller's designated closing agent or _____.
10. If Seller does not accept this offer, Seller ☒ may ☐ may not hold such offer as a back-up to accepted offer.
11. Lead based paint addendum ☒ is ☐ is not attached; Other addendum ☒ is ☐ is not attached hereto and made part of this contract.

Line 9: Please enter **45 days**, unless purchaser is obtaining **203k financing**, then enter **60 days**.

Line 10: Check the appropriate box for **back-up status**.

Line 11: If property was **built prior to 1978**, check the box for **LBP** is attached, if built in 1978 or later, check box for is not attached.

The box for “**Other Addendum is attached**” must always be checked.

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: JS 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.
- 

Line 12: Purchaser(s) **must initial** on Purchaser(s) line. Please do not initial on Seller's line.

If there is more than one Purchaser, please remember to have **all Purchasers initial**.

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 Smith

John Smith

Purchaser(s) Address:

987 Main Street

Anytown, AZ 85029

Purchaser(s) Social Security Number (SSN) or Employer Identification Number (EIN) (include hyphens)

999-99-9999

Phone No: (555) 555-5555

Date Purchaser(s) Signed Contract:

2-3-11

Seller: Secretary of Housing and Urban Development

By: (type name & title, & sign)

Date Contract Accepted by HUD:


X

Line 13: Purchaser information:

- Please remember to type or print Purchaser(s) name(s)
- **SIGNATURE(S)** – All Purchaser(s) signatures are required
- Social Security Number or EIN/FIN for **ALL** Purchaser(s)
- Purchaser(s) address and phone number
- Date contract was signed

Please **DO NOT** have Purchaser(s) sign on the “Seller” line or in the “Authorizing Signature & Date:” box. This is to be used by the authorized HUD signing agent **ONLY**.

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)	Broker's EIN or SSN: (include hyphens)	SAMS NAID:
Bob Smith Realty	XX-XXX1234	BBSMTH1234
4521 First Street, Anytown AZ 85029	Signature of Broker:	Broker's Phone No:
	X 	(555) 555-9876
Type or print the name and phone number of sales person:	Jim Anderson	(555) 555-7654

The **broker** who registered for the NAID must sign. If the selling agent is not the broker, the selling agent may not sign.

Signature stamps are **NOT** acceptable.

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 the condition of the property is being purchased "as is" 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 he/she believes necessary to satisfy itself that the property is a sound investment. Local laws, regulations, and ordinances affecting the property and Seller 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 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.

No member of or Delegate to Congress or Resident Commissioner shall be admitted to any part of the contract or to any part of that may be derived from this provision shall not be insured 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. This paper was constructed prior to 1988, Seller has inspected the property for lead-based paint (including, but not limited to, 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 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 conditions, statements, or representations, oral or written, not contained in this contract.

Purchaser: _____

Purchaser: _____

If Purchaser is a
licensed Real
Estate Agent or
Broker, Purchaser
must check the
first line.

If not, check the
second line.

Both the
Purchaser(s) and the
broker must sign.

Electronic Filing of HUD-9548 Contract Addendum

Date: 2-3-11

FHA Case Number: 987-654321

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

1234 Any Street, Anytown, AZ 85029 Maricopa 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 check one of the following:

☐ I/we are a licensed Real Estate Agent/Broker or my Owner, Principal or Spouse is a licensed Real Estate Agent/Broker.

Or

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

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 Smith - John Smith
Purchaser's Name (print & sign)

2-3-11

Date

Purchaser's Name (print & sign)


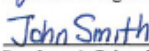
Date

Jim Anderson
Broker/Agent's Name (print & sign)

2-3-11

Date

Please enter the
FHA Case
number and
property
address at the
top of the
Radon Gas and
Mold Notice.
Purchaser(s)
must date, sign
and print name
at the bottom.

Radon Gas and Mold Notice and Release Agreement		U.S. Department of Housing and Urban Development Office of Housing Federal Housing Commissioner	
Property Case #:	987-654321		
Property address:	1234 Any Street, Anytown, AZ 85029 Maricopa County		
<hr/>			
<hr/>			
<hr/>			
PURCHASERS ARE HEREBY NOTIFIED AND UNDERSTAND THAT RADON GAS AND SOME MOLDS HAVE THE POTENTIAL TO CAUSE SERIOUS HEALTH PROBLEMS.			
<p>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.</p>			
<p>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.</p>			
<p>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.</p>			
<p>Real Estate Brokers and Agents are not generally qualified to advise purchasers on radon or mold treatment or its health and safety risks. <u>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.</u> 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.</p>			
<p>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.</p>			
<p>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.</p>			
Dated this <u>3rd</u> day of <u>Feb.</u> , 20 <u>11</u> .			
		<hr/>	
Purchaser's Signature		Purchaser's Signature	
		<hr/>	
Purchaser's Printed Name		Purchaser's Printed Name	
Form HUD-9548-E (6/2004)			

**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.

Individual Owner-Occupant Certification

I/We, John Smith

submit this offer to purchase the property located at

Property address:

1234 Any Street, Anytown, AZ 85029 Maricopa 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 Smith

2-3-11

Purchaser's

Name

Signature & Date: _____

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:

Jim Anderson

2-3-11

If Purchaser(s) is an owner-occupant, complete the Owner-Occupant Certification addendum.

Broker must also sign and date.

HUD Forfeiture and Extension Policy

- Please fill in the FHA Case number and property address at the top of the first page.
- Please enter an overnight **account number on page 2**, if desired. If no account number is entered, earnest money will be returned via certified mail.

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: _____

- **Purchaser(s) must sign and date the bottom of page 3.**

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:

John Smith
(Purchaser)

2-3-11

(Date)

(Purchaser)

2-3-11

(Date)

Purchaser(s)
must choose
whether they
wish to have a
home
inspection
performed.

For Your Protection: Get a Home Inspection

Name of Buyer(s) John Smith

Property Address 1234 Any Street, Anytown, AZ 85029 Maricopa 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.

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

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

x John Smith
Signature & Date

2-3-11

x
Signature & Date

2-3-11

FSM Inspection Request Forms

- If the Purchaser chooses to have a home inspection performed, Purchaser must also include the completed utility activation/home inspection form provided by the FSM.
- Purchaser's inspection may **not** be done until the signed form is returned from the FSM.

Lead Based Paint (LBP) Disclosure

- If property was built prior to 1978, the 3-page LBP Disclosure form must be downloaded from the “Addendums” tab of the property details on HUDHomestore.com.
- Purchaser(s) must initial one of the 3 financing types:
 - No FHA Financing
 - Any FHA Financing Except 203k
 - FHA 203k Financing
- Purchaser(s) must initial 2 acknowledgements on page 3, selling agent to initial 3rd acknowledgement.
- Both Purchaser(s) and Selling Agent must sign page 3.

Appraisal Request Form

- If Purchaser is obtaining financing and the lender needs a copy of the FHA Appraisal, please complete the Appraisal Report Request Form.
- This may be included with the sales contract package or submitted after ratification.



Agency Disclosure

Please ensure that the Sales Contract Package includes the Agency Disclosure from your brokerage.



Proof of Funds

- **If paying cash**, purchaser(s) must show proof of funds equal to or greater than purchase price.
- If obtaining financing, a valid **pre-qualification letter** or **Loan Status Report (LSR)** must be included.
 - Approved loan amount must be equal to or greater than purchase price
 - Purchaser(s) may be required to show proof of additional funds if loan amount is less than purchase price
 - If owner-occupant purchaser, occupancy section of LSR must state property will be Primary Residency of purchaser.

Earnest Money Deposit (EMD)

- Must be **certified funds**
- Made payable to: “**HUD or (Purchaser’s Name)**”
 - This way, if transaction is not consummated, buyer could more easily cash the check
 - **In Michigan ONLY**, EMD must be made payable just to HUD.

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

OFFICIAL CHECK

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

0000700419
91-7288
3221

Banner Federal Credit Union
302 East McDowell Road, Suite 105
Phoenix, AZ 85004
(602) 254-5291

DATE JAN 25 2011

PAY ONE THOUSAND & 00/100 DOLLARS

TO THE ORDER OF **HUD OR John Smith**
RE: 1234 Any Street, Anytown AZ 85029
FHA Case #987-654321

\$ **1,000.00**
VOID AFTER 180 DAYS

DRAWER: BANNER FEDERAL CREDIT UNION

Rogal C. Swanson

The Financial Solution for Banner Employees
Issued by Banner Federal Credit Union
Phoenix, AZ

⑈0000700419⑈ ⑆32217288⑆ 0000499500⑈

Please also reference the property address and FHA Case Number.

Where do I deliver or mail my contract & addenda, if I have the winning bid?

For properties in Alaska, Arizona, California, Idaho, Hawaii, Nevada, Oregon, and Washington, please deliver the original signed sales contract and addenda to BLB Resources within 2 business days to:

BLB Resources – California Office

16845 Von Karman Ave, Suite 100

Irvine, CA 92606

(800) 960-2526

Attn: Sales Manager

For properties in **Oregon ONLY**, please deliver the original Earnest Money Deposit within 2 business days to:

Debbie Draheim

1450 SE Orient Dr.

Gresham, OR 97080

Phone: (503) 573-4208

ddraheim@blbresources.com

A copy of the EMD check should be included with the original sales contract package sent to the California office.

For properties in Michigan, please deliver the original signed sales contract and addenda to BLB Resources within 2 business days to:

BLB Resources – Michigan Office

400 Galleria Officentre, Suite 212

Southfield, MI 48034

(877) 877-5822

