Welcome to the HUD REO Real Estate Broker Webinar

How M&MIII will Impact the Real Estate Community

Presented by the HUD Homeownership Centers
September 8, 2010
Format

- **Question and Answer Format**
  - Utilize “Ask a Question” button on your screen
  - Audio/Technology questions utilize the “Help” button
  - Questions will be answered at the end of the presentation

- **Web Site and Training Evaluation Pop-ups During Presentation**
  - Please turn off your pop-up blocker to receive

- **Archive Version (POP-UP)**
  - Site will include a copy of this power point presentation
Introduction

- Vance T. Morris, Director
  Office of Single Family Asset Management HUD/FHA

- HUD REO Homeownership Center Directors

- Patrick Sicilia, Presenter
Overview of Changes

- Separate contractors responsible for property management and marketing/sales.
- HUDHomestore.com – one site for everything.
- Listing Brokers. *Up to 3% commissions.
- New Broker Registration process.
- Exclusive Owner Occupant period changes.
- Earnest $ submitted with the contract.
- Electronic lock boxes.
Field Service Manager

- FSM’s are contractors that provide property maintenance and preservation services consisting of, but not limited to, initial clean-out services, inspections, securing properties, routine maintenance and repairs. FSM’s will also be responsible for electronic lock boxes.
Asset Manager

- AM’s are contractors responsible for the marketing and sales of HUD properties.
- The AM’s will be responsible for selecting the Listing Brokers.
- All bids will be submitted through HUD Homestore.com and reviewed by the AM’s.
- The AM is your main contact in every HUD sale.
Contract Area Map

Asset Manager (AM) and Field Service Manager (FSM) Homeownership Center Geographic Areas

Santa Ana HOC

Denver HOC

Philadelphia HOC

Atlanta HOC

And US Virgin Islands

HI*** Consists of Hawaii, Guam, the Northern Mariana Islands, and American Samoa
Atlanta Homeownership Center

**Contract Area 1 A**
Transition Begins: September 13

**Asset Managers**
HOMETELOS, OFORI, PEMCO

**Contract Area 2 A**
Transition Begins: September 27

**Asset Managers**
To be Determined

*To Be Announced*
Denver Homeownership Center

Contract Area 1 D
Transition Begins: September 13
Asset Managers
HOMETELOS, MATT MARTIN, PEMCO

Contract Area 2 D
Transition Begins: September 13
Asset Managers
HOMETELOS, MATT MARTIN, PEMCO

Contract Area 3 D
Transition Began: August 30
Asset Managers
BEST ASSETS
Philadelphia Homeownership Center

Contract Area 1 P
Transition Begins: September 13
Asset Managers
BLB, CITYSIDE

Contract Area 2 P
Transition Begins: September 13
Asset Managers
HOMETELOS, MATT MARTIN, OFORI

Contract Area 3 P
Transition Begins: September 27
Asset Managers
BLB, CITYSIDE, OFORI
Santa Ana Homeownership Center

**Contract Area 1 S**
Transition Begins: September 27

**Asset Managers**
To Be Announced

**Contract Area 2 S**
Transition Begins: September 27

**Asset Managers**
To Be Announced
Listing Brokers

- LB’s are subcontracted by the AM’s and will be responsible for listing and marketing HUD properties and will serve as the “eyes and ears” for the AM’s.
- Among other things, LB’s will place properties in the MLS and provide signage on each HUD listing.
- All commissions will be split 50/50 with the selling broker. The total commission is determined by the AM with a maximum total of 6% (max. 3% each).
- A flat fee commission of $2,500 ($1,250 each) will be offered on predetermined low valued properties.
In Addition . . . .

- **HUD registered** listing brokers or selling brokers may advertise HUD properties and hold open houses. However, they must first gain approval from the appropriate AM to do so.

- Any unauthorized marketing is strictly prohibited and may result in penalties and/or loss of bidding privileges.
False Advertising

“False advertising or misuse of names to indicate a Federal agency is a punishable violation”

- Signage, letterhead, websites, telephone messages, business cards, office literature, etc. using logos or verbiage such as . . . . .

- Department of Housing and Urban Development”, “Federal Housing Administration”, “United States Housing Authority”, or “Public Housing Administration” or the letters “HUD”, “FHA”, “PHA”, or “USHA”, or any combination or variation of those words or the letters “HUD”, “FHA”, “PHA”, or “USHA” alone or with other words or letters reasonably calculated to convey the false impression that such name or business has some connection with, or authorization from, the Department of Housing and Urban Development, or any agency thereof is false advertising and IS NOT PERMISSIBLE.
NAID

NAID = Name Address Identification Number

- Brokers must submit Form SAMS 1111 & 1111A which can be obtained from HUDHomestore.com or HUD.gov.
- Once approved, HUD will issue a NAID number.
- No real estate agent or broker can sell a HUD property if the broker for that office is not a HUD Registered Broker.
- Forms and supporting documents are sent to the Homeownership Centers for processing – not the AM’s.
Registration

- Visit HUDHomestore.com and register!

- Brokers, associate brokers and associated selling agents, as well as Nonprofits and Government Agencies are required to register with this site before submitting any bids.

- Simply click Register at the upper right hand corner of the home page on HUDHomestore.com
HUDHomestore.com

- One web site for the entire country . . .
- Purchasers will see what brokers see . . .
- New format with enhanced features . . .
- AM’s will have the ability to list properties on a daily basis instead of once a week.

One stop shopping to view properties nationwide, submit bids and obtain forms
Welcome to HUD

You can search for a HUD home to purchase by selecting a state from the map on the right, entering more detailed criteria in the search below, or by selecting one of the following links to view HUD Special Programs:

- Click to see available properties for HUD Special Programs:
  - Good Neighbor Next Door
  - Nonprofit & Government Agencies
  - $1 Homes - Government Sales

Search Properties

State: [Select] County: [ ] City: [ ] Zip Code: [ ] Street: [ ] Price From: [ ] To: [ ] Bedrooms: [ ] Bathrooms: [ ]

Buyer Type: [ ] Status: [ ] Property Case #: [ ]

Search [Clear]
NAID Registration: Selling Brokers, Nonprofits, Or Government Agencies

As a Selling Broker, Nonprofit, or Government Agency, you can make an offer on a HUD Home only if you have a HUD Name Address Identifier (NAID). To apply for a NAID, retrieve the two forms using the links below (Adobe Reader required), fill them out on your computer, print the forms, and send them to the HUD HOC (Home Ownership Center) for your area.

SAMS 1111 Bidder Application link

SAMS 1111A Selling Broker Certification Link

For applicants in AK, AZ, CA, HI, ID, NV, OR, WA, AS, GU, MH, and MP
Santa Ana Homeownership Center
Attention: NAID Registration
Santa Ana Federal Building
34 Civic Center Plaza, Room 7015
Santa Ana, CA 92701-4003

For applicants in CT, DE, DC, MA, MD, ME, MI, NH, NJ, NY, OH, PA, RI, VA, VT, and WV
Philadelphia Homeownership Center
Attention: NAID Registration
The Wanamaker Building
HUDHomestore.com

**Search Properties**

- **State**: MI
- **County**
- **City**
- **Zip Code**
- **Street**
- **Price From**
- **To**
- **Bedrooms**
- **Bathrooms**
- **Buyer Type**: All
- **Status**: Accepting Bids
- **Property Case #**

**Recent Listings (0)**

**Recent Searches (2)**

**Property Search Results**

- **595 listings found**
- **Display**: 10

<table>
<thead>
<tr>
<th>Property Case</th>
<th>Address</th>
<th>Price</th>
<th>Status</th>
<th>Bed</th>
<th>Bath</th>
<th>Listing Period</th>
<th>List Date</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>261-474643</td>
<td>14775 MADDELEN ST DETROIT, MI 48205 WAYNE COUNTY</td>
<td>$100</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>07/23/2010</td>
<td>View Street, Map it, Email Info</td>
<td></td>
</tr>
<tr>
<td>261-511824</td>
<td>14200 LORETTO ST DETROIT, MI 48205 WAYNE COUNTY</td>
<td>$1,800</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>08/06/2010</td>
<td>View Street, Map it, Email Info</td>
<td></td>
</tr>
<tr>
<td>261-526884</td>
<td>16259 ROSSINI DR DETROIT, MI 48205 WAYNE COUNTY</td>
<td>$6,000</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>08/13/2010</td>
<td>View Street, Map it, Email Info</td>
<td></td>
</tr>
</tbody>
</table>
Property Details

Case Number: 051-883703

Property Information

Address: 8152 WASHINGTON ST #186
DENVER, CO 80228
ADAMS COUNTY

Appraisal Date: 07/12/2010
Bed/Bath: 1/1
Total Rooms: 3
Square Feet: 640
Year: 1982
Property Design: Ranch
Parking: 
HOA Fees: $155 Monthly

Bid Information

List Date: 08/27/2010
List Price: $40,500.00
As-Is Value: $45,000.00
FHA Financing: IN (Insured)
203K Eligible: Yes
Repair Escrow: $0
**Property Contacts Information**

For more information about this property, contact the appropriate contractor from the list below.

### Case Number: 261-511824

<table>
<thead>
<tr>
<th>HOC Information</th>
<th>Address</th>
<th>Contact Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Philadelphia Homeownership Center</td>
<td>The Wanamaker Building, 100 Penn Square, East, Philadelphia, PA 19107-3380</td>
<td>Phone Monday-Friday, 8 am to 8 pm ET, Tollfree: (800) CALL-FHA or (800) 225-5342, TDD (877) TDD-2HUD (877) 833-2483</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Agent Information</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Asset Manager</th>
<th>Field Service Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company Name:</td>
<td>Company Name:</td>
</tr>
<tr>
<td>Contact Name:</td>
<td>Contact Name:</td>
</tr>
<tr>
<td>Address:</td>
<td>Address:</td>
</tr>
<tr>
<td>Phone Number:</td>
<td>Phone Number:</td>
</tr>
<tr>
<td>Fax Number:</td>
<td>Fax Number:</td>
</tr>
<tr>
<td>Email:</td>
<td>Email:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Listing Broker</th>
<th>MM2 Contractor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company Name:</td>
<td>MICHAELSON CONNOR &amp; BOUL INC</td>
</tr>
<tr>
<td>Contact Name:</td>
<td>JOHN HEID</td>
</tr>
<tr>
<td>Address:</td>
<td>5312 BOLSA AVE STE 200 MCB</td>
</tr>
<tr>
<td>Phone Number:</td>
<td>HUNTINGTON BEACH CA 92649</td>
</tr>
<tr>
<td>Fax Number:</td>
<td>Phone Number:</td>
</tr>
<tr>
<td>Email:</td>
<td>Email:</td>
</tr>
</tbody>
</table>
Insurable and Insurable with Escrow

- Exclusive “Owner Occupant” periods will be changing to:

- A 30 day exclusive listing period for IN and IE properties.

- There will be a 10 day bid period (within the initial 30 days) for all bids to be received. If no offers are accepted, bids will be reviewed daily (up to 20 days) for owner occupant purchasers only.
Uninsurable Properties

- For UI properties there will be a 5 day exclusive Owner Occupant period.

- After the 5 day exclusive bid period, bidding will be open to all purchasers on a daily basis if an acceptable owner occupant offer was not received.
Submitting a Bid

- On the “property” screen – click “Submit a Bid”.
- Complete step by step directions are provided to submit a bid electronically.
- If your buyer’s bid is accepted you will be notified via email from the AM and the bid information will be posted on the web site, as well as any possible back up offers that are acceptable to HUD.

The clock is now ticking ...
Submitting a Bid (cont.)

- When a bid has been awarded, brokers will have 2 business days to submit contracts to the AM. This means:
  
  Every required document necessary to consummate the transaction must be completely signed, sealed and delivered to the AM, along with the earnest money deposit check made out to HUD, within 2 business days from award notification.

- Not doing so may cost the buyer a property and you a commission.
Required Forms

- Sales Contract - HUD Form 9548 and certification of broker form.

- **Addendums:** Lead Based Paint, Radon & Mold, Earnest Money, Forfeiture and Extension Policy, Home Inspection, Owner Occupancy (if applicable).

- A Pre-Qualification letter from a **certified, licensed lender** is a requirement on all sales containing a mortgage contingency.

*Additional forms may be required depending on locality*
Earnest Money

- Earnest money must be submitted with the sales contract and will be held by HUD’s designated Closing Agents.

- AM will advise brokers of the specific Closing Agent holding escrow and overseeing the transaction once the contract is ratified.

* Remember, the earnest money deposit check gets made out to HUD
Electronic Lock Boxes

- Electronic lock boxes will allow the property to be monitored.

- Electronic lock boxes can be accessed either by key code or by cell phone, depending on the FSM’s choice of lock box vendor.

- Agents will still be required to sign in.

- FSM’s will attach lock boxes and remove them upon closing.
The first new contract was phased in starting on August 30, 2010. (area 3-D)

The Bulk of the contracts will transition on September 13, 2010.

The final contract areas will be phased in on September 27th.

Current M&M II contractors will continue to sell a portion of properties for up to 30 days beyond the initial Phase-In date for each contract area.
Review of Changes

- Separate contractors responsible for property management and marketing/sales. AM’s and FSM’s
- HUDHomestore.com – one site for everything.
- Listing Brokers. *Up to 3% commissions.
- New Broker Registration process.
- Exclusive Owner Occupant period changes.
- Earnest $ submitted with the contract.
- Electronic lock boxes.
Important Reminders

- **NEVER** take or give a property key to anyone!
- Absolutely no repairs prior to settlement!
- All HUD homes sold “AS IS”.
- Pre-settlement inspections!
- Timely submission of ALL necessary documents required to secure the sale! (2 business days)
- TRAINING! – It is so important to keep abreast of the many changes that will continue to transpire. PLEASE make it a priority to attend every training opportunity in your area so you are able to best service your current and future customers.
- Remember your responsibilities, duties and obligations to each and every “party”, as well as to HUD.
Where to Get More Information on HUD Home and FHA Issues

FHA Frequently Asked Questions

http://www.fhaoutreach.gov/FHAFQAQ/

- A web site containing almost 1,300 questions and answers about FHA programs, underwriting and processing.

- Searchable by key word and category.
Where to Get More Information on HUD Home and FHA Issues

FHA Resource Center

- By telephone:
  1-800-CALLFHA (1-800-225-5342)
  Available Monday-Friday
  8:00AM – 8:00 PM (Eastern Time)

- By e-mail
  info@fhaoutreach.com
  Available 24/7
Coming Up Now

- Training evaluation (Pop-Up)
- Questions and Answer Session
- Important Internet Sites:
  - Webinar Archive Site
  - HUD Home Store
  - NAID Registration
Thank you for your time!

We very much appreciate your skill and professionalism in selling HUD properties and look forward to working with you.