



Owner Occupant Sales Package

The following documents are contained in this package:

1. Instructions for Sales Contract
2. HUD 9548 (1/99) Sales Contract
3. Conditions of Sale
4. Radon Gas and Mold Notice and Release Agreement
5. Owner Occupant Certification
6. Lead Based Paint Addendum found on <http://mcbreo.com>
7. Forfeiture and Extension Policy (10/12/06)
8. Agreement to Abide by HUD's Earnest Money Forfeiture Policy
9. For Your Protection Get a Home Inspection Form
10. Sales Contract and Addendum Checklist
11. Request to Turn On Utilities
12. Appraisal and Termite Request Form

The Sales package also must include:

1. Pre-qualification letter from a lender or verification of cash for a cash sale
2. Copy of earnest money deposit (certified check or money order)
3. Agency Disclosure Form from the Brokerage

Important Note: For this sales package to be accepted the HUD 9548 Sales Contract may not be copied at **ANY** time. The only acceptable sales contract must have an original signature on an original print out. If a photocopy of the sales contract has an original signature it will not be accepted, it must be an original print out.

The Conditions of Sale (Page 4 of this print out) must be signed by all purchasers for the Sales Contract to be accepted.

The Sales Contract below can be filled out online, simply double click on the field (such as case number or address) to type in the appropriate information.

Please see the MCB Broker/Agent Information Handbook for additional information on Sales Contract Packages. The handbook can be found on our website: www.mcbreo.com. If you have any questions regarding the sales contract package please contact us.

Thank you,

MCB Sales

The original sales package must be dropped off or sent overnight to:
MCB Michigan Office
100 Galleria Officentre, Ste 414
Southfield, MI 48034

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. 6/30/2004)

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 Notice – The United States Department of Housing and Urban Development, Federal Housing Administration, is authorized to solicit the information requested on this form by virtue of Title 12, United States Code, Section 1701 et seq. The Housing and Community Development Act of 1987, U.S.C. 3543 authorized HUD to collect Employer ID and/or Social Security Numbers. These numbers are used to provide information to the IRS regarding payment of commissions or other fees. HUD may also disclose this information to Federal, State, and local agencies when relevant to civil, criminal, or regulatory investigations and prosecutions. It will not be otherwise disclosed or released outside of HUD, except as required and permitted by law. Failure to provide the Employer ID Number or Social Security Number could affect your participation in HUD's Property Disposition Program.

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

U.S. Department of Housing and Urban Development

Property Disposition Program

Office of Housing
Federal Housing Commissioner

HUD Case No.

1. I (We), (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:

(street number, street name, unit number, if applicable, city, county, State)

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:

3. The agreed purchase price of the property is 3. \$ Purchaser has paid \$ 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

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 \$

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

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. \$

6a. Upon sales closing, Seller agrees to pay to the broker identified below a commission (including selling bonus, if offered by seller) of 6a. \$

6b. If broker identified below is not the broad listing broker, broad listing broker will receive a commission of: 6b. \$

7. The net amount due Seller is (Purchase price [Item 3] less Items 5 and 6) 7. \$

8. Purchaser is: owner-occupant (will occupy this property as primary residence) investor nonprofit organization public housing agency other government agency. Discount at closing: %

Discount will reduced by amounts, if any, listed on Line Items 5 and 6.

9. Time is of the essence as to closing. The sale shall close not later than 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.

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: 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)

Purchaser(s) Address:

Purchaser(s) Social Security Number (SSN) or Employer Identification Number (EIN) (include hyphens) Phone No:

Date Purchaser(s) Signed Contract:

Seller: Secretary of Housing and Urban Development By: (type name & title, & sign)

Date Contract Accepted by HUD:

X

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:

Signature of Broker:

Broker's Phone No:

X

Type or print the name and phone number of sales person:

This section for HUD use only. Broker notified of:

Acceptance Back-Up No.

Rejection Return Earnest Money Deposit

Authorizing Signature & Date:

X

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.

Purchaser _____

Purchaser _____

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

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

Property Case #: _____
Property address: _____

**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 Michaelson, Connor & Boul, Inc, 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__.

Purchaser's Signature

Purchaser's Signature

Purchaser's Printed Name

Purchaser's Printed Name

**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, _____
submit this offer to purchase the property located at

Property address:

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: _____

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: _____

IMPORTANT NOTICE

LEAD BASED PAINT ADDENDUM

If this property was built prior to 1978 the sales package requires the lead based paint addendum. This can be found on our website www.mcbreo.com as a link on the property listing or under bid results for this case number.

You are required to download and print the Lead Based Paint Addendum from our website and submit with your completed sales package.

If you have any questions please contact MCB's Regional Office for your area.

Thank you,

MCB Sales Team

U.S. DEPT. OF HOUSING & URBAN DEVELOPMENT
Addendum A (REV 10/12/06)

*******FORFEITURE AND EXTENSION POLICY*******

HUD Case No. _____

Property Address: _____

City: _____

All HUD Property Disposition sales of HUD-acquired properties are to close within 45 days (60 days in Michigan and Ohio only) of acceptance of a HUD-9548 (1/99) Sales Contract offer to purchase.

Forfeiture of Earnest Money Deposits.

The failure by a purchaser to close on the sale of property within the allowable time period, including any granted extensions, will result in the forfeiture of the entire earnest money deposit, except where the purchaser presents documentation to HUD that one of the special circumstances described in paragraph (B) below this section has occurred.

A. Investor Purchasers:

1. The failure by an investor to close on an uninsured (not involving FHA) sale will result in forfeiture of the entire earnest money deposit.
2. Fifty percent of the earnest money deposit on an FHA-insured sale will be returned to an Investor Purchaser where HUD (or a Direct Endorsement Lender using HUD guidelines) determines that the Purchaser is not an acceptable borrower.

B. Owner Occupant Purchasers:

1. The entire earnest money deposit will be returned to an Owner-Occupant Purchaser who fails to close after the sales contract was signed due to:
 - There has been a death in the immediate family (contract holder, spouse, or children living in the same household).
 - 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.
 - There has been a loss of employment by one of the primary breadwinners, or substantial loss of income through no fault of the purchaser.
 - In the case of an FHA-insured sale HUD (or a direct endorsement lender using HUD guidelines) determines that the purchaser is not an acceptable borrower.
 - For other good cause, to be determined by MCB.
2. In the case of an uninsured (not involving FHA) loan where, despite good faith efforts by the purchaser, there is an inability to obtain a mortgage loan from a recognized mortgage lender, 50 percent of the earnest money deposit will be returned.

On either type of sale, forfeit 100 percent of the deposit on those instances where no documentation is submitted, where the documentation fails to provide an acceptable cause for the purchaser's failure to close, or where the documentation is not provided within a reasonable time frame following contract cancellation. (e.g., 90 days).

Extensions

The MCB office will grant extensions of time upon written request from the purchaser. Extensions of time to close the sale are entirely within the Seller's discretion. An extension, if granted, will be under the following conditions:

- a) **A written request for an extension must be received by MCB before the expiration of the sales contract.**
- b) **The documentation submitted with the request must establish the cause of delay and that mortgage approval is imminent during the extension period.**
- c) **An extension will be for a period of fifteen calendar days. Fees are based on the Contract Sales Price of the property; \$10 per day is charged if the sales price is \$25,000 or less; \$15 per day if the sales price is more than \$25,001; and \$25 per day if the sales price is over \$50,000. Extension requests must be submitted through the Closing Agent and all fees must accompany the request at the time of submission.**
- d) **Extension fees shall be retained by Seller if a closing doesn't occur.**
- e) **At the closing, unused extension fees will be prorated to the Purchaser and refunded by escrow.**
- f) **The granting of one extension shall not obligate the Seller to grant 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 expiration of the extension.**

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 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 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, plumbing 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 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. Seller disclosure concerning HOA dues, assessments, or any tax concerning HUD homes is based on available information but not deemed complete or accurate. It is the responsibility of the Buyer to obtain all information concerning these issues.

Walk-Thru Inspection

All purchasers are strongly encouraged to perform 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, Michaelson, Connor & Boul, of the damage. The buyer 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. Brokers must sign out keys with the property manager to perform the inspection. (See item #13.E of HUD Sales Contract).

Buyer Certification.

I/we certify that I/we have been interviewed, completed a loan application, verification of employment's and obtained a full credit report from the lender that has provided the attached Letter of Commitment. I/we understand the I/we will forfeit our earnest money deposit if we enter into this contract without completing this qualification process.

Signatures

| | | |
|-------------|-------------|--------|
| _____ | _____ | _____ |
| (Purchaser) | (Purchaser) | (Date) |
| _____ | _____ | _____ |
| (Purchaser) | (Purchaser) | (Date) |

HUD Case No. _____

Property Address: _____

City: _____

AGREEMENT TO ABIDE BY HUD'S EARNEST MONEY FORFEITURE POLICY

As a condition of participation in single-family property sales programs of the U. S. Department of Housing and Urban Development (HUD). I agree to abide with the Department's earnest money policy.

Should HUD instruct me to collect earnest money deposits from prospective buyers, I agree to do so at the time the contract is written, and according to HUD's instructions, deposit such funds in my trust account no later than the close of business the next banking day.

I understand that I am fully responsible for any deposit accepted and placed in my trust account. I also understand that any deposit accepted will only be in the form of a cashier's check, certified check or money order with no termination date or cancellation provision.

Earnest money deposits being held in my trust account shall be accounted for at the sales closing, unless the contract is terminated. I agree to immediately comply with HUD's instructions for the ultimate disposition of each earnest money deposit.

I agree to fully explain to each purchaser, prior to a contract being written, HUD's earnest forfeiture policy:

I understand that this document will be retained by HUD.

Signed this _____ day of _____, 19_____.

Signature of Broker

Typed or Printed Name of Broker and Firm

Street Address

City, State, Zip

Phone Number

For Your Protection: Get a Home Inspection

Name of Buyer (s) _____

Property Address _____

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

Signature & Date

X

Signature & Date



MCB Michigan Contract Package Checklist – Sales Contract

Date: _____ Agent: _____

Case Number: _____ Phone #: _____

Property Address: _____

Please complete and check off all of the following prior to submitting a bid:



Original Sales Contract – HUD form 9548 dated 1/99 (PDF or Carbon)

- Line 1: All purchasers on contract and property address
- Line 2: Title Name(s) & Style (individuals taking title)
- Line 3: Purchase Price
- Line 3: Earnest Money Amount
 - Sales price under \$50,000 = \$500
 - Sales price \$50,000 over = \$1000
- Line 3: Earnest Money held by the name of the Selling Broker
- Line 4: Check Financing type – FHA financing must match listing type or UI
 - IN = 203(b)
 - IE = 203(b) Repair Escrow (also fill in amount of escrow)
 - UI = property may qualify for 203(k) financing
 - All properties may be financed with Conventional Financing
- Line 5: Closing Costs may not exceed 3% of the purchase price
- Line 6a: Selling Commission not to exceed 5% of the purchase price
- Line 6b: Equals 0
- Line 7: Net Amount - Line 3 minus lines 5, 6a, and 6b
- Line 8: Type of ownership (owner occupant or investor)
 - *OWNER OCCUPANTS must occupy the property for 12 months and have not purchased a HUD HOME as an Owner Occupant within the past 24 Months.*
- Line 9: Closing Date must be 60 Days
- Line 11: Lead Based Paint Addendum must be attached if property year built is prior to 1978
- Line 12: Purchaser must initial
- Have Purchaser(s) Print Name(s) and Sign
- Include all Purchasers' Social Security number's, current place of residence, phone number, and date of offer
 - Social Security Number MUST match the purchasers Social Security number submitted on the bid.
- Broker Information including office address, **broker signature** (not a stamp) Tax ID number, NAID, Agents Name, and Phone number

--- The Sales Contract much match the bid submitted amounts may not be adjusted or primary purchaser changed.

--- Any sales incentives should not be included on the contract ---



MCB Michigan Contract Package Checklist – Addendums

Copy of Earnest Money Deposit check

- Sales price up to \$49,999 earnest money deposit = \$500
- Sales price \$50,000 and up earnest money deposit = \$1,000
- Certified Check or Money Order only
- Made out to the Selling Broker

Radon Gas and Mold Notice and Release Agreement

- Must be dated and signed by all purchasers

Owner Occupant Certification – HUD form 9548D dated 1/98

- *If purchaser is an Owner Occupant*
- **OWNER OCCUPANTS** must occupy the property for 12 months and have not purchased a HUD HOME as an Owner Occupant within the past 24 Months.
- Misrepresenting a purchaser as an Owner Occupant is a **SERIOUS** offense that may constitute fraud and may result in an investigation of the Broker, Agent, and purchaser by the office of the inspector general.

Lead Based Paint Addendum

- Must be downloaded from the website from the original listing or bid results – www.mcbreo.com
- Must be signed by all purchasers and the Broker or Agent

Forfeiture and Extension Policy - Version 10/12/06

- Must be read and signed by all purchasers

Broker's Agreement to Abide by HUD's Earnest Money Forfeiture Policy

- Broker MUST sign – Stamps are not allowed,

Pre-Qualification or Pre-Approval letter from a lender

- If property is being purchased with cash: verification of cash funds (bank statement or similar)
- Pre-qualification or Pre-approval letter must include pre-approval amount and name of the purchaser on the sales contract.

Over-Bidding with FHA financing

If purchaser is obtaining FHA financing it is required to use HUD's FHA AS-IS Appraisal (unless HUD's Appraisal is over 6 months old, in this case the purchaser will be required to obtain a new FHA AS-IS appraisal at their cost). Therefore, if the purchase price is greater than the appraised value and FHA financing is being used, the **purchaser must pay the overbid difference in cash**. This is because FHA will not insure a loan for greater than the appraised value of the property.

Michaelson, Connor & Boul, Inc.
100 Galeria Officenter, Ste 414
Southfield, MI 48034
Phone (248) 827-0200 Fax (714) 230-3875

PERMISSION TO TURN ON UTILITIES FORM

Revised April 16, 2009

No utilities may be activated on any HUD properties without prior written permission from Michaelson, Connor & Boul, Inc. (MCB). MCB permission to activate utilities may be requested by completion of this form and should be submitted to MCB via facsimile.

Utilities must be activated by the potential purchaser and/or their agent and discontinued within 72 hours. Failure to obtain authorization prior to utility activation or failure to discontinue utility service will result in cancellation of the sale and forfeiture of the earnest money deposit.

If the inspection can not be completed in the time authorized below, a new request form must be submitted for approval.

We the undersigned, request permission form MCB to turn on the following utilities:

*water_____ electricity_____ gas_____

at the HUD property located at the following address_____and designated by HUD case number _____for purposes of performing a systems check on the above property.

Permission is requested to turn on the above designated utilities on the following date:_____then turned off on the following date:_____.

We the undersigned understand that in so doing, we shall be **liable for the payment** of any and all connection and disconnection fees and/or utility usage charges resulting from this activation request and/or the resulting system check.

We further agree to **assume full responsibility for any damage** to the above designated property and/or any neighboring or adjacent property resulting from the requested utilities activation and/or systems check. ***And agree to properly re-winterize the property after systems check has been completed.***

We further agree to take proper care of any and all appliances affected by the utilities activation and systems check, and specifically agree to ensure that all hot water heaters in the above designated property are full of water before turning on electricity to be certain not to burn out the elements.

By signing below, we agree to be bound by the statements agreed to above.

| | | |
|----------------------------|---------------|-----------------------|
| _____ Purchaser | _____ Date | _____ Phone number |
| _____ Purchaser | _____ Date | _____ Phone number |
| _____ Real Estate Agent | _____ Date | _____ Phone number |

Company name:_____ Fax number _____
For MCB use only

Permission is hereby granted for the above listed utilities to be turned on as of _____

and disconnected on: _____

Approved for MCB by _____ Date _____

ATTN: MCB Michigan Office
FAX #: (714) 230-3891 or attach and email appraisalrequest-pg@mcbreo.com

Appraisal Report Request Form

Date: _____

Property Information:

Case Number: _____

Property Address: _____

Agent Information:

Agent: _____ Phone #: _____

Brokerage: _____ Email: _____

Lender Information:

Loan Officer: _____

Loan Officer Signature: _____

Company: _____

Lender's Address: _____

Phone #: _____

For email delivery, please clearly enter **lender's email address**. If available, a PDF version of the appraisal will be emailed to you. For overnight delivery, a carrier and account number is required.

Lender Email Address: _____

Circle one: **Email** **UPS** **Airborne** **Fed-Ex**

Overnight Account Number: _____

PLEASE NOTE: Your request will be processed upon contract ratification.

For MCB Use Only:

Date Appraisal sent: _____

Sent By: _____ Reg. Mail Overnight Email

ATTN: MCB MI
FAX #: (248) 827-0200

Termite Report Request Form

Date: _____

Property Information:

Case Number: _____

Property Street Address: _____

Property City, Zip: _____

Property County: _____

Agent Information:

Agent Name: _____

Brokerage: _____

Agent Phone #: _____

Fax #: _____

Agent email address: (print clearly)

Purchaser Name(s): _____

Property Closing Scheduled on: _____

PLEASE NOTE: Termite inspection reports may take up to 2 weeks to be processed.

For MCB Use Only:

Ratified Contract Date: _____ Date Report emailed: _____

Sent By: _____