



## Mailing Instructions

### Accepted Sales Contracts for Area 1A & 2A

Illinois, Indiana, North Carolina, South Carolina, Kentucky, Tennessee  
Georgia, Alabama, Mississippi, Florida, Puerto Rico, Virgin Islands

**PLEASE SEND YOUR ACCEPTED SALES PACKAGE  
WITHIN 2 BUSINESS DAYS TO OUR OFFICE LISTED BELOW**

PEMCO, LTD.  
Piedmont Center  
3525 Piedmont Rd., N.E.  
Bldg. Five, Suite 310  
Atlanta, Georgia 30305

PLEASE VISIT OUR WEBSITE FOR ADDITIONAL INFORMATION OR DOCUMENTS

[www.hudpemco.com](http://www.hudpemco.com)

# 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. 7/31/2010)

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:
  - a. 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).
  - b. Enter Selling Broker's Name and Address Identifier (NAID). If broker has not been issued a SAMSNAID, 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.
  - c. The Broker is required to inform Purchaser of the Conditions of Sale on the reverse of the Sales Contract, and particularly of Purchaser's right and responsibility for satisfying itself as to the full condition of the property prior to submitting an offer to purchase and that Seller will provide no warranty or perform any repairs after acceptance of the Contract.

**Signatures:** Sign Original, leaving carbon inserts intact, making certain that the signature(s) appears on all copies.

**Transmittal:** Forward the Original with Copies 1 and 2 to HUD's designated representative. Copies 3 and 4 are to be retained by Broker and Purchaser as information copies. Upon acceptance, HUD's designated representative will return the signed Copy 1 to Broker for delivery to Purchaser(s). HUD's designated representative will retain Copy 2.

**Sales Contract**  
**Property Disposition Program**

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

HUD Case No.
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- 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)
- 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: \_\_\_\_\_
- 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 \_\_\_\_\_
- 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.
- 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. \$** \_\_\_\_\_
- Upon sales closing, Seller agrees to pay to the broker identified below a commission (including selling bonus, if offered by seller) of \_\_\_\_\_> **6a. \$** \_\_\_\_\_
- If broker identified below is not the broad listing broker, broad listing broker will receive a commission of: \_\_\_\_\_> **6b. \$** \_\_\_\_\_
- The net amount due Seller is (Purchase price [Item 3] less Items 5 and 6) \_\_\_\_\_> **7. \$** \_\_\_\_\_ **0.00**
- 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.*
- 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 \_\_\_\_\_
- If Seller does not accept this offer, Seller  may  may not hold such offer as a back-up to accepted offer.
- Lead based paint addendum  is  is not attached; Other addendum  is  is not attached hereto and made part of this contract.
- 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: \_\_\_\_\_**
- 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: X	Broker's Phone No:

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

<b>This section for HUD use only. Broker notified of:</b> <input type="checkbox"/> Acceptance <input type="checkbox"/> Back-Up No. _____ <input type="checkbox"/> Rejection <input type="checkbox"/> Return Earnest Money Deposit	Authorizing Signature & Date: X
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## 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.

Case #

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**Electronic Filing of 9548 Contract Addendum**

Purchaser(s) and Broker have elected to use the electronic 9548 contract downloaded form in the submission of their bid \_\_\_\_\_ (confirmation number) for case # \_\_\_\_\_.

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

The broker and purchaser(s) further agree that (i) they 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 purchaser.

The broker and purchaser(s) 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)."

**CERTIFICATION OF ACCURACY**

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

\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name (Purchaser)

\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name (Purchaser)

\_\_\_\_\_  
Broker/Agent

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name (Broker/Agent)

**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 PEMCO, LTD., 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



# For Your Protection: Get a Home Inspection

## 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; and
- ✓ 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 to:

- ✓ Estimate the market value of a house;
- ✓ Make sure that the house meets FHA minimum property standards/requirements; and
- ✓ Make sure that the property 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. That is why it is so important for you, the buyer, to get an independent home inspection. Ask a qualified home inspector to inspect your potential new home and give you the information you need to make a wise decision.

## 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 toll-free 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.





EARNEST MONEY GUIDELINES  
FOR OWNER OCCUPANT AND  
✗ INVESTOR CONTRACTS ✗

HUD Case Number: \_\_\_\_\_

**REMINDER:** Once your bid has been accepted, you **MUST** submit the original earnest money funds (NOT a copy of the check) with your Sales Contract Package to PEMCO, Ltd. Your contract package will be **REJECTED** without the original funds!

**Guidelines:** The earnest money must be collected from your prospective Purchaser prior to submitting an offer on the HUDhomestore website.

**Earnest Money Requirements:** The earnest money deposit for owner occupant and investor contracts is \$500 when the purchase price is \$50,000 and under, and \$1,000 when the purchase is \$50,001 and over. For vacant lots, the earnest money deposit is 50% of the list price.

**Payee:** The certified funds (i.e. cashier's check or money order) should have **TWO** payees. The two payees are HUD as shown in the example below:

Pay to the order of "HUD or Jane Doe".

It is very important to show both names. In the event the bid is not accepted the buyer will be able to cash the check. If the bid is awarded, the check will be deposited by the HUD Agent.

**Selling Broker Certification:** I hereby certify that I have collected the appropriate certified funds from the Purchaser(s) in connected with the referenced contract.

I have fully explained HUD's earnest money forfeiture policy to the Purchaser(s).

Should HUD not accept the bid, I shall return the certified funds to the Purchaser(s) by 4:00pm on the next business day following HUD's declination.

\_\_\_\_\_  
Selling Agent signature

\_\_\_\_\_  
Date



**NOTICE TO PURCHASER ADDENDUM TO SALES CONTRACT (FHA CONTRACTS)**

*This addendum must be completed and accompany each written sales offer when the offered amount exceeds the appraised value at the time the offer is submitted*

Property address:

.....  
Street City State Zip Code

FHA Case #: .....

I (we) understand that HUD's appraised value for the above-mentioned property is .....\$ \_\_\_\_\_

I am (we are) submitting the offer (line 3 of the Sales Contract) in the amount of ..... \$ \_\_\_\_\_  
with the full knowledge and understanding that it exceeds the appraised value and that  
I have (we have) read and understand the Information below:

**What if my offer price is higher than the appraised value?**  
FHA guidelines will limit the underwriter to insuring the loan for the lower of two values; the offer price or the appraised value (displayed as the As-Is Value). If your offer price is higher than the appraised value, the FHA underwriter will require that your buyer(s) cover the overbid amount with a cash deposit. The buyer(s) will not be allowed to include the overbid amount into an FHA loan.  
HUD's mortgagee letter 2000-27 will require that the FHA UW use the appraisal obtained by PEMCO. This mortgagee letter instructs the FHA UW NOT to obtain a new appraisal; nor can the FHA UW request that new comps be pulled and the PEMCO appraisal updated.

If your offer price is higher than the appraised value and tentative acceptance is extended to you, the options available to you are:

1. Proceed with contract execution. PEMCO requires the selling broker to verify cash reserves are available to cover the overbid amount.
2. Use cash or conventional financing. All of the guidelines outlined above apply to FHA financing only. A conventional lender will have their own set of guidelines not governed by HUD.
3. Cancel prior to contract execution. If there is an acceptable backup, we will award tentative acceptance to the backup offer. If there are no acceptable backup offers, the property will be relisted.

Purchaser's Signature: ..... Date: .....

Purchaser's Signature: ..... Date: .....

By signing this document, the Selling Agent is confirming they have explained the options to the buyer and are fully aware of the overbidding guidelines. If proceeding with FHA, funds available have been confirmed.

Selling Agent's Signature: ..... Date: .....

**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.

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**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: \_\_\_\_\_

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**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 with the purchaser(s).

Broker's  
Name,  
Signature & Date: \_\_\_\_\_



## REQUIREMENTS FOR PREQUALIFICATION LETTER OR PROOF OF FUNDS (CASH CLOSING)

A prequalification letter or proof of funds (for cash purchase) must be submitted with all Sales Contract packages. Any offer received without the Pre-Qualification letter will be rejected and the backup bidder will be contacted. Below are the guidelines for submitting acceptable documents to PEMCO.

### **Prequalification Letter** (required on contracts being submitted with FHA or conventional financing)

- Must be printed on the Lender's letterhead
- Must have Property Address
- Must have Purchaser's Name
- Must be dated within 30 days of the bid acceptance date
- Must confirm the type of financing the Purchaser has applied for
- Must confirm the amount the Purchaser has been approved for
- Must confirm the Purchaser's credit has been obtained and reviewed
- Approved loan amount must meet or exceed the gross purchase price

### **Proof of "cash" funds available** (required on contracts being submitted for cash purchase)

- Copy of bank statement verifying funds are available
- Account number may be "blacked out" on bank statements or other related documents
- Purchaser's name must be on the statement, regardless of document type
- Statement must be dated within 30 days of bid acceptance date
- Available account balance must meet or be greater than the gross purchase price
- PEMCO will accept a signed statement from the Broker on their letterhead confirming sufficient funds have been verified and are available



## FORFEITURE AND EXTENSION POLICY (REV 11-5-10)

HUD Case Number \_\_\_\_\_

Property Address: \_\_\_\_\_

With the exception of properties being purchased with 203(k) financing, all HUD Property Disposition sales of HUD-acquired properties are to close within 45 days of acceptance of a HUD-9548 (1/99) Sales Contract offer to purchase. Purchases involving 203(k) financing are to close within 60 days 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 extensions granted by HUD, will result in the forfeiture of the earnest money deposit, except where the Purchaser presents documentation to HUD that one of the special circumstances described in paragraphs (a), (b) or (c) below of this section has occurred.

#### (a) Investor Purchasers

1. The failure by an investor Purchaser to close on an uninsured sale will result in forfeiture of the entire earnest money deposit.
2. Fifty percent of the earnest money deposit on an insured sale will be returned to an investor Purchaser where HUD (or a Direct Endorsement lender using HUD guidelines) determines that the Purchaser is an unacceptable borrower. Forfeit 100 percent if the sale fails to close for any other reason.

#### (b) Owner-Occupant Purchasers

1. Return 100 percent of the deposit where:
  - (i) There has been a death in the immediate family (contract holder, spouse, or children living in the same household);
  - (ii) 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;
  - (iii) There has been a loss of job by one of the primary breadwinners, or substantial loss of income through no fault of the Purchaser;
  - (iv) On an insured sale, HUD (or a Direct Endorsement lender using HUD guidelines) determines that the Purchaser is not an acceptable borrower; or
  - (v) On an uninsured sale, the purchaser was pre-approved for mortgage financing in an appropriate amount by a recognized mortgage lender and despite good faith efforts, is unable to obtain mortgage financing. Pre-approved means a commitment has been obtained from a recognized mortgage lender for mortgage financing in a specific dollar amount sufficient to purchase the property.
  - (vi) For other good cause, as determined by HUD.

On an uninsured sale, forfeit 50 percent of the deposit in those instances where, despite good faith efforts by the purchaser, there is an inability to obtain a mortgage loan from a recognized mortgage lender.

#### (c) Vacant Lot Sales

The purchaser will be considered as an investor and the instructions pertaining to forfeiture by investors will apply.

On any type of sale, the Purchaser will forfeit 100 percent of the deposit in those instances where no documentation is submitted, where the documentation fails to provide an acceptable cause for the buyer's failure to close, or where documentation is not provided within a reasonable time following contract cancellation (e.g., 30 days).



**FORFEITURE AND EXTENSION POLICY**  
(REV 11-5-10)

HUD Case Number: \_\_\_\_\_

**Extensions**

PEMCO, Ltd. will grant extensions of time upon written request from 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 HUD's Closing Agent no later than five days before the expiration of the sales contract. HUD's Closing Agent will forward the request to PEMCO for consideration.
- 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 will be 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 \$25,000, but not more than \$50,000; and \$25 per day if the sales price is over \$50,000. Extension requests must be submitted through the Closing Agent and all fees in the form of cashier's check or money order) must accompany the request at the time of submission.
- d) Extension fees shall be retained by Seller if a closing does not occur.
- e) At time of 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 Purchaser's failure to close the sale upon the expiration of the original closing period or upon expiration of the extension.

Closing costs automatically paid by HUD

Proration of property taxes and any special assessments such as Homeowner's Association (HOA) fees and utility bills	Paid by HUD automatically
Condominium or HOA Transfer Fee (from HUD to buyer only)	If applicable
Costs to provide condominium documents to Purchaser	If applicable
Repair escrow administration fee of \$200	Where applicable on FHA insured loans only
Settlement or Closing Fee	The Department will pay HUD's Closing Agent. This is the Purchaser's cost if another closing agent is chosen.
Recording Fees	HUD will automatically pay recording fees and charges for the deed only (i.e., nominal amount charge per recordation)

A sales commission of up to three (3) percent of the gross purchase price will be paid by HUD to the Selling Broker, if indicated on Line 6a of form HUD-9548.

If indicated on line 5 of the HUD-9548, closing costs that are considered to be reasonable and customary in the jurisdiction where the property is located will be paid by HUD. In no event may these costs exceed 3% of the property's gross purchase price. Please reference the most recent HUD Notices for additional information.



**Property Disposition Program  
203(k) Rehabilitation Financing  
Lead Agreement**

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

OMB Approval No.2502-0306  
(Expires 7/31/2010)

Public reporting burden for this collection of information is estimated to average 12 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 HUD Lead Safe Housing Rule (24 CFR Part 35). The information is required in order to determine and document eligibility to participate in the 203(k) sales program. 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. The information will be retained by the Department as part of the transaction record for a property disposition action. Failure to provide this information could affect your participation in the HUD Homes program.

**Warning:** Falsifying information on this or any other form of the Department 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. Failure to adhere to the residency and resale requirements may result in administrative sanctions being taken against the purchaser.

**ADDENDUM TO SALES CONTRACT:  
203(k) REHABILITATION FINANCING LEAD AGREEMENT**

Property Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

FHA Case Number:

\_\_\_\_\_

This agreement is an addendum to and incorporated in the contract for the purchase of the above referenced property by (Purchaser's name) \_\_\_\_\_ executed on \_\_\_\_\_, 20\_\_ (date). Prior to closing of the sale transaction, this agreement must be executed by the Selling Broker, the Purchaser and the Lender listed below and a copy delivered to the Seller's designated closing agent.

The purchaser intends to finance this transaction with an FHA 203(k) rehabilitation loan provided by

\_\_\_\_\_ (Lender) doing business at  
\_\_\_\_\_ (Lender's address).

By signing below, the Lender and Purchaser agree to incorporate a paint stabilization plan including lead clearance, into the 203(k) work plan, in accordance with HUD's Lead Safe Housing Rule (24 CFR 35). The plan will be based on a visual assessment, lead-based paint inspection, and/or risk assessment of the subject property. Lender and Purchaser agree that the interior work and clearance will be completed prior to the Purchaser's occupancy. Lender and Purchaser also agree that the exterior work and clearance will be completed prior to occupancy unless significant adverse weather conditions exist (e.g., winter cold weather prevents proper paint application), in which case occupancy will not be barred, but exterior work must be completed as soon as possible (in accordance with local practices, which may include temporarily enclosing the work area to permit work in any weather conditions, or waiting for a thaw to do work).

Upon the completion of the required lead work and clearance, the undersigned Lender agrees to provide the attached Addendum to Sales Contract: Completion of 203(k) Rehabilitation Financing Lead-Based Paint Stabilization and Clearance to the HUD Home Ownership Center indicated on the notice.

Signature of Lender

Date

Signature of Purchaser

Date

Signature of Selling Broker

Date

**LEAD-BASED PAINT DISCLOSURE ADDENDUM**

**SELLER HAS NO RECORDS OR REPORTS PERTAINING TO LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS**

Property Case #: \_\_\_\_\_  
Property Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Lead Warning Statement**

Every Purchaser of any interest in residential real property on which a residential dwelling was built before 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The Seller of any interest in residential property is required to provide the Purchaser with any information on lead-based paint hazards from risk assessments or inspections in the HUD's possession and notify the Purchaser of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended before purchase.

**Inspection Contingency**

Seller has no records or reports pertaining to lead-based paint and/or lead-based paint hazards. The Purchaser has a contingency period that expires fifteen (15) calendar days from the date the contract is accepted by HUD, to conduct at the Purchaser's expense, an independent lead-based paint inspection, visual assessment for deteriorated paint, or risk assessment. The Purchaser may withdraw from the contract by providing written notice of withdrawal on or before the contingency expiration date (as evidenced by the postmark on the Purchaser's notice of withdrawal). The Purchaser will be entitled to a refund of earnest money only if the Purchaser obtains an independent lead-based paint inspection performed by a Certified Lead-Based Paint Inspector or Risk Assessor, and the Purchaser provides HUD with a copy of the inspection report.

**Financing Type (Selling Broker to initial applicable clause)**

\_\_\_\_\_ **No FHA Financing of Property Constructed Prior to 1978:** The purchase of this property is not being financed with an FHA insured loan. The Purchaser has an inspection contingency that expires 15 days from the date of the Purchaser's signature below. The property is being sold as is with respect to all conditions including, subject to the above contingency, the potential presence of lead or lead-based paint hazards.

\_\_\_\_\_ **Any FHA Insured Financing Except 203(k):** This property is being sold subject to FHA insured financing under any program other than a 203(k) Rehabilitation Mortgage. Upon contract execution the HUD will procure a lead-based paint inspection and will deliver the inspection report to the Selling Broker by overnight delivery service along with a

paint stabilization plan and cost estimate if deteriorated lead-based paint is found and a supplemental Lead-Based Paint Disclosure Addendum.

The Purchaser shall have the right to review the inspection report, paint stabilization plan and cost estimate.

If deteriorated lead-based paint was identified in the Report, HUD will only perform stabilization if the cost estimate is \$4000.00 or less. If the cost estimate is greater than \$4000.00, HUD at its sole discretion may: (1) cancel the sales contract, or (2) allow the purchaser to amend the contract financing to FHA 203k or conventional. In the event that HUD cancels the sale, the purchaser will be entitled to a 100% refund of earnest money.

If the cost estimate is \$4000.00 or less and the Purchaser is dissatisfied with the information provided, the Purchaser may withdraw from the contract and receive a full refund of earnest money by providing written notification to HUD of the intention to withdraw. Written notification must be postmarked by the latest of fifteen (15) calendar days from the date the contract is accepted by HUD or two (2) business days following the date of the Purchaser's signature on the supplemental Lead-Based Paint Disclosure Addendum.

If deteriorated lead-based paint was identified in the Report and the Purchaser does not exercise its option to withdraw from the sale contract, HUD will stabilize the deteriorated lead-based paint in accordance with the stabilization plan and obtain lead clearance by the close of the escrow period or any extensions thereof.

***FHA 203(k) Financing:*** This property is being sold subject to a 203(k) Rehabilitation Mortgage. Upon contract execution HUD will procure a lead-based paint inspection and will deliver the Report to the Purchaser by overnight delivery service along with a lead-based paint stabilization plan, if deteriorated lead-based paint is found, and a supplemental Lead-Based Paint Disclosure Addendum.

The Purchaser shall have the right to review the inspection report, paint stabilization plan and cost estimate. If the Purchaser is dissatisfied with the information provided, the Purchaser may withdraw from the contract and receive a full refund of earnest money by providing written notification to the Seller of the intention to withdraw. Written notification must be postmarked by the later of fifteen (15) calendar days from the date of the Purchaser's signature below, or two (2) business days following the date of the Purchaser's signature on the supplemental Lead-Based Paint Disclosure Addendum.

If deteriorated lead-based paint was identified in the Report and the Purchaser does not exercise its option to withdraw from the sale contract, the Purchaser shall stabilize the deteriorated lead-based paint as part of its work plan for the property rehabilitation and shall obtain lead clearance before occupancy. Purchaser shall complete the 203(k) Rehabilitation Financing Lead Agreement form.

**Purchaser Acknowledgement (initial)**

\_\_\_\_\_ Purchaser has received the pamphlet *Protect Your Family from Lead In Your Home*.

\_\_\_\_\_ Purchaser has received a 15-day opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

**Selling Broker Acknowledgement (initial)**

\_\_\_\_\_ Selling Broker is aware of his/her responsibility to ensure compliance with 42 U.S.C. 4852d.

**Certification of Accuracy**

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

\_\_\_\_\_ (Purchaser) \_\_\_\_\_, 20\_\_ (date)

\_\_\_\_\_ (Co-Purchaser) \_\_\_\_\_, 20\_\_ (date)

\_\_\_\_\_ (Selling Broker) \_\_\_\_\_, 20\_\_ (date)

\_\_\_\_\_ (Seller) \_\_\_\_\_, 20\_\_ (date)