



**CA MLS Addendum for all BLB Resources, Inc. HUD Homes**

FHA Case #: 197-351848

Property Address: 5848 Bowcroft St. #2, Los Angeles, CA 90016

**GENERAL DISCLOSURES (REFER TO LAST PAGE OF ADDENDUM FOR SPECIFIC DISCLOSURES PERTAINING TO THIS PROPERTY):**

- HUD Home, sold "AS IS" by electronic bid only.
- Potential purchasers must make an appointment with a Real Estate Agent/Broker of their choice in order to view a property active on the market.
- For property conditions, forms, disclosures and availability, please visit [www.HUDHomestore.com](http://www.HUDHomestore.com).
- BLB Resources makes no warranty as to current or future existence of mold in this property and is not liable for the potentially harmful effects thereof.
- **For additional forms, updates, step-by-step videos & free photo list, please visit [www.BLBResources.com](http://www.BLBResources.com)**
- Buyer to verify all information. Room sizes are approximate.
- HUD Homes are sold "**As-Is**" and no repairs may be done at any time prior to close of escrow (COE). Purchaser may not occupy, rekey, or make repairs/ improvements to the property until COE, **even** if this is a lender requirement. If BLB Resources discovers that repairs were completed prior to COE, it can be grounds for termination of the transaction including forfeiture of the EMD in favor of the Seller.
- **Please note, any repairs listed are an estimate. 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. A final list of repairs, if applicable, will be determined by the lender and buyer's appraisal.**
- **HUD REO properties with pools are not to be filled at any time.** If the loan underwriter requires the pool to be filled and tested prior to close of escrow, HUD directive states that the lender is to obtain an "as is" statement from the buyer accepting the pool in "as is" condition. If the underwriter will not accept this method, the transaction must be cancelled.
- California State law requires Carbon Monoxide detectors be installed for properties having combustible fuel heaters/furnaces, fireplaces, hot water heaters, clothes dryers, cooking appliances, *or an attached garage*, etc., **but seller (HUD) is exempt from this requirement as a Federal Entity.**



## **BID INSTRUCTIONS:**

**E-SIGNATURES FOR HUD SALES CONTRACTS:** HUD will begin using electronic signatures for their sales contract packages starting May 1, 2017. HUD will be using online technology from DocuSign on all e-signature contracts. This change should speed up the closing process and increase the ability to track the workflow and signatures of the contracts.

**As part of this E-Signature bid process, more information will be required when placing a bid on the HUDHomestore.com website** (this new bid process take effect on April 29, 2017). Additionally, Selling Broker will be required to respond to whether any purchaser has a conflict of interest with HUD or other parties associated with the sale.

The required info for bid submission will include the name, address, cell phone number, and email addresses for all of the following parties:

1. Selling Broker who will sign the contract (Designated Broker on the NAID used to submit the bid)
2. Buyers (the revised bid process will allow the ability to enter up to four (4) buyers)
3. Closing Agent

**It is strongly recommended to thoroughly review the FAQs section on the HUDHomestore website, see link below.** This section has been updated with videos and downloadable PDF guides pertaining to the new E-Signature process.

<https://www.hudhomestore.com/ListingSiteFAQ.htm>

- Properties that are listed as FHA Insurable (IN) or FHA Insurable with Repair Escrow (IE) are available exclusively for owner occupant, nonprofit and government agency bidders for the first 15 days on the market. Please note the initial bid review is on the 11<sup>th</sup> day of listing. All bids received during the first 10 days are opened and reviewed simultaneously on the 11<sup>th</sup> day. If no acceptable offers are received, bids are reviewed on a daily basis (Monday – Friday) until the exclusive 15 day owner occupant period expires. Properties are then available for all bidders, with bids reviewed daily (Monday – Friday).
- Properties listed as FHA Uninsurable (UI) or FHA Uninsurable Eligible for 203(k) (UK) are available exclusively for owner occupants for the first 5 days on the market, with all bids received during this period opened and reviewed simultaneously on the 6<sup>th</sup> day. If no acceptable bids are received, the properties are then available for all bidders, with bids reviewed daily (Monday – Friday).
- Please be aware that the purchase price for all financed transactions must be supported by the FHA as-is appraised value of the property. HUD will not provide a copy of the appraisal, which is obtained for marketing purposes only. If a purchaser is securing financing, their lender will take appropriate steps to determine if they must obtain an appraisal, including reviewing [Mortgage Letter 2015-17](#). All appraisals obtained by the lender are at the purchaser's expense, and the purchaser must pay in cash the difference between the bid amount and the appraised value. Please find more info regarding this topic by reviewing the "Important Reminders Regarding Bidding and Lending on HUD Homes" link found under the "Agent Resources" section on our website: [www.blbresources.com](http://www.blbresources.com).



### **BID INSTRUCTIONS (cont.):**

- **Please note that effective 12-15-16, HUD will no longer pay a sales commission to the Selling Broker (Buyer's Broker) on an Investor sale if the investor/buyer is also the Selling Broker (Buyer's Broker) on that file.** For example, if Selling Agent John Doe is representing themselves on a HUD sales transaction, and their sales contract is for Investor purchaser type, then HUD will not be paying the Selling Broker commission to John Doe. Please note that this does not affect the Listing Agent (LLB) commission. This new policy only applies to the Selling Broker side, and only if the Selling Broker is also the Investor buyer on the same sales transaction.

### **Bid Submission and Bid Open Date Changes (effective 12-2-13)**

- As of December 2, 2013, the Exclusive listing period for FHA-insurable homes is 15 days instead of 30.
- Bids coming in on Friday, Saturday, or Sunday will be grouped together for the AM's consideration on Monday. Except if a case is going through a listing period change over the weekend and/or holiday.
- The 10-day bid-accumulation period at the beginning of the Exclusive period for FHA-insurable homes will be extended up to three days depending on whether the 10th day falls on a Friday, Saturday, or Sunday, and if there's a Monday Federal holiday. **Note:** This does not apply to the 5-day Exclusive bid-accumulation period for FHA-uninsurable homes since day 6 falls in the Extended listing period.
- Bids coming in on a Federal holiday will be grouped with the previous days' bids. For example, bids coming in on Martin Luther King Day (Monday) will be grouped with the preceding Friday, Saturday, and Sunday bids (if the listing period doesn't change). And bids coming in on the Wednesday before Thanksgiving will be grouped with Thanksgiving's bids, so the Asset Manager will be looking at two days' bids on the Friday after Thanksgiving.

### **What changes will the agent/broker see on the HUDHomestore website?**

- Bid-submission dates will be extended for bids made on a Friday, Saturday, or Sunday. The Bid-Submission Deadline will be Sunday at 11:59:59 PM Central Time (or Monday at 11:59:59 PM Central Time if Monday is a Federal holiday). Except if the case is going through a listing period change over the weekend and/or holiday.
- If the listing period stays the same on Friday, Saturday, and Sunday (and Monday if it's a Federal holiday), agents/brokers can submit only one bid during that time period for a single buyer.
- If the listing period changes on Saturday, or Sunday (or Monday if it's a Federal holiday), agents/brokers will be able to submit two bids for the same buyer during that time period—one bid during the earlier listing period and one bid during the later listing period. The **Bid Submission Deadline** and the **Bid Submission Time Remaining** will let the agent/broker know how much time they have to place their bids in each of the listing periods. Exclusive listing period bids would be opened and all of those bids would have to be canceled before the Extended listing period bids could be reviewed.
- For Federal holidays that fall on a Tuesday, Wednesday, or Thursday, the bid-submission period will extend from the day before until the end of the Federal holiday (unless there's a listing period change, or the holiday is in the middle of a 5- or 10-day bid-accumulation period).



#### **BID INSTRUCTIONS (cont.):**

- Attention Bidders, backup bids will NOT be accepted for this property. This notification supersedes the selection made in your electronic bid placed on HUDHomestore.com as well as line 10 of the 9548 HUD Sales Contract. Due to this policy change it is in the buyer's best interest to place their Best and Final offer. If the winning bid is canceled, the property will be relisted on HUDHomestore.com. A backup bid might only be considered if it's in HUD's best interest.
- **Effective 9-28-18 a new \$2,000 EMD amount will be required on any bid acceptance with a sales price equal to or greater than \$250,000.** This update is taking place nationwide in all contract areas. Below is the amended breakdown of EMD amounts based off sales price:
  - \$500 EMD – Sales Price is \$50,000 or less
  - \$1,000 EMD – Sales Price is \$50,001 to \$249,999
  - **\$2,000 EMD – Sales Price is \$250,000 or higher**

#### **BUYER SELECT PROGRAM:**

HUD has implemented a “Buyer Select” closing agent program in all states. All buyers will be required to select their own escrow company. The selling agent will be required to complete an addendum providing the name and contact information of the selected escrow company. This addendum must be submitted with the contract package at the time of bid acceptance.

Please note escrow fees will now be a buyer expense. HUD will only pay a portion of the closing fees if the buyer includes closing costs on line 5 at the time of bid submission and there are sufficient funds remaining to allow for this fee to be paid. If there are no closing costs included in the bid, the buyer will be required to pay all escrow and closing fees.

#### **ADDITIONAL DISCLOSURES/REPAIR ITEMS (PROPERTY SPECIFIC):**

**Disclosures:** Property is NOT located in a FEMA Special Flood Hazard Area but is listed as a moderate to low flood risk. Please refer to [www.floodtools.com](http://www.floodtools.com) for additional information regarding flood zones and insurance. State law requires Carbon Monoxide detectors be installed for properties having combustible fuel heaters/furnaces, fireplaces, hot water heaters, clothes dryers, cooking appliances, or an attached garage, but seller (HUD) is exempt from this requirement as a Federal Entity, Individual condominium unit. Property not eligible for FHA 203K due to 4 UNIT RULE FOR CONDO building, Missing smoke detectors.