

FANNIE MAE HECM

Fannie Mae HECM properties are homes that had a reverse mortgage on them. Once the borrower of the loan is deceased, the heirs can purchase for what's owed on the property. *Normally* at this time, the heirs are unable to sell the property for enough to pay off the unusually high loan balance, so it goes back to the bank.

The "rules" of a HECM property are very strict. There are very high balances owed due to the reverse mortgage that was placed on the property from the previous owner. The following items apply and must be strictly adhered to.

- Must sell "as is" in the **strictest** sense of the word.
- **No repairs, and I mean NONE** (including septic issues). Buyer will have to complete repairs after it closes.
- **No buyer credits**
- Required to sell for the "appraised" value which is the "listed" value. The value is re-assessed after 90 days. **NO PRICE REDUCTIONS DUE TO INSEPTIONS**
- Condition of a lot of these HECM properties will make difficult for financing- especially the manufactured.
- For inspections, the buyer agent will need to make an appointment with a company called National field Network to meet you at the property (form is provided at time of acceptance). Utilities are turned on at buyer expense and buyer agent must be present for inspection and utility turn on
- Buyer & Agent **MUST** affirm that they have actually been **INSIDE** the property **BEFORE** offer is written
- I will give you all the forms needed once we have acceptance.
- I will guide you through the process of the HECM (reverse mortgage foreclosed)property.
- The properties are usually below typical standards, but the reward is the lower than market value.

Buyer(s) and agent **MUST** sign this document and submit with offer.

By signing below, buyer and agent state the following. "I have read this document and understand all that it implies. By signing I am certifying that I have personally been inside the property and undertand the condition of the property. I understand I cannot ask for a price reduction, buyer credit, or repairs due to my inspections."

Buyer: _____ Date: _____

Buyer: _____ Date: _____

Selling Agent: _____ Date: _____