



ALL YOU NEED TO KNOW

TO BUY A

HUD HOME

STEP BY STEP

GUIDE TO BUYING A HOME THE HUD WAY

1

LOOK IN YOUR LOCAL NEWSPAPER CLASSIFIED ADS

There you can find the right house in the right neighborhood for the right price. The HUD advertisement has complete listings of all the available HUD homes in your area.



2

TAKE A SUNDAY DRIVE

... And be sure to take the newspaper with you. Drive by the homes that interest you. Peek in the windows, or take a walk around the house. Get a feeling for the neighborhood.



3

CALL YOUR BROKER/AGENT

Tell him or her that you'd like to preview the home or homes that interest you. Any HUD qualified real estate broker or agent can give you a tour of the HUD home that interests you, as well as answer your questions about buying a home — the HUD way.

4

MAKE AN OFFER

Your real estate broker or agent will work with you to make an offer on a particular HUD home. Some HUD homes are offered through a ten-day bidding period, after which you will be promptly notified if your offer has been accepted. Other HUD homes are listed on an extended basis, and your offer will be accepted or rejected following the daily 3:00 p.m. bid opening.

5

FIND FINANCING

Your offer has been accepted. What's the next step? Because HUD does not offer financing, all HUD homes must be financed through a conventional mortgage lender. Many HUD homes are eligible for FHA Mortgage Insurance. Your real estate broker or agent will assist you in obtaining a financing package.

6

CLOSE THE SALE

The rest is easy. Your real estate broker or agent will set a closing date and coordinate the closing of the sale. Congratulations! You've just joined the thousands of people who have become happy homeowners the HUD way!



QUESTIONS AND ANSWERS

COMMON Q&A'S FROM HOME BUYERS

Q A

WHAT ARE HUD HOMES?

HUD acquires single-family homes when a mortgage lender files a claim under the HUD/FHA Mortgage Insurance program. HUD pays the claim, receives title to the home, and puts it on the market for sale.

Q A

WHAT DO HUD HOMES OFFER ME?

In two words: Selection and value. HUD homes come in all sizes, shapes and prices, and HUD homes are available in most neighborhoods in Salt Lake City, Ogden, Provo, and other areas throughout Utah. Best of all, HUD homes are always offered at fair market value, assuring you a solid home value.



Q A

WHO CAN BUY A HUD HOME?

Any bank-qualified or lender-qualified buyer can offer to buy a HUD home, regardless of race, color, religion, sex or national origin.

Q A

ARE HUD HOMES ALL DETACHED, SINGLE-FAMILY HOMES?

No. HUD has a wide selection of town-homes and condominiums, as well as a variety of detached homes.

Q A

MUST I LIVE IN THE HOME I BUY?

No. Many people have taken their first step to owning income property by buying a HUD home. The same value and selection that make HUD homes a good choice for your own home also make them good investments. Whether you are interested in building "sweat equity" through restoration, or are looking for a "ready-to-rent" investment home, HUD is a great place to look first.

Q A

DO I HAVE TO INVOLVE A REAL ESTATE BROKER OR AGENT?

Yes. HUD only sells homes through real estate professionals. HUD chooses to involve them because it's important buyers receive the personal attention they deserve. A real estate broker or agent can show you the home, complete your offer, help you find financing and assist at the closing.

Q A

WON'T I HAVE TO PAY A BROKER'S COMMISSION?

No. HUD pays the commission to real estate brokers and agents for their help in selling HUD homes.

Q A

HOW ARE HUD HOMES LISTED?

HUD homes are advertised for sale in the classified section of your newspaper.

GREAT HOMES AND GREAT PRICES

Are you looking for a new home? Trading up? Trading down? Maybe you're looking for income property? Or maybe you are ready to take the step into your first home? Whatever you are looking for in a home, you owe it to yourself to investigate buying a HUD home. HUD homes are an outstanding value, and HUD has a surprisingly wide selection of single-family homes, townhomes, and condominiums available throughout Utah. And HUD homes are easy to find; easy to buy. Here's all you have to do:

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Q A

HOW DO I READ A HUD AD?

HUD listings in your local newspaper are packed with valuable information. Each ad shows the HUD case number, the address of the home, the type of home, whether it is eligible for FHA insured financing, and a brief description of the home, including the approximate square footage. HUD homes are listed by area and by category. There are several categories of HUD homes:

1

NEW LISTING

A home that has just been offered by HUD is a New Listing. In the interest of fairness, all New Listings are offered through a ten-day bid period. This gives all interested buyers an equal opportunity to submit offers. The bid opening date is a minimum ten days from the date the home is first advertised.

2

EXTENDED LISTING

If no offer is accepted following a bid opening, the home becomes an Extended Listing. You and your broker or agent can submit an offer on an Extended Listing any time, and the offer will usually be accepted or rejected immediately following our daily 3:00 p.m. bid opening.

3

CHANGE IN TERMS

Sometimes the FHA insurability status of a home will change, often making it accessible to more buyers. If, for instance, a home was offered uninsured but additional review showed it was eligible, it would be offered under a new ten-day bid period in this category.

4

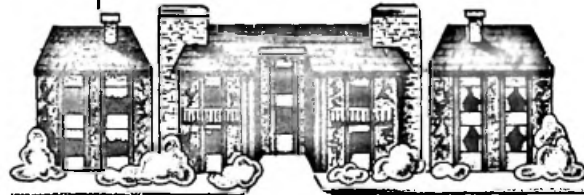
PRICE REDUCTIONS

HUD may drop the listed price of a home to reflect current market conditions or simply to sell the home. Because a price reduction is likely to attract new buyers, these homes are also subject to a new ten-day bid period.

Q A

WHAT IS A BID OPENING?

At the end of the bid period, a bid opening is held where all offers are opened and the offer price is announced. Bid openings are held at the HUD Office located at 324 South State Street, Suite 220, Salt Lake City. Attending the bid opening is a good way for you and your broker or agent to assess whether or not you have made a successful offer, and HUD representatives are on hand to answer any questions you might have about the HUD homebuying process.



Q A

DO I HAVE TO OFFER THE PRICE LISTED IN THE PAPER?

No. HUD will consider all offers. HUD's listed price is based on our assessment of the home's fair market value. You may offer more or less than the listed price.

Q A

WILL HUD HELP ME FIX-UP A HOME IN NEED OF REPAIRS?

Certain HUD homes are listed under the "Mortgage with repair escrow program." Eligible homes requiring up to \$3,000 in repairs may be FHA insured with a cash escrow that would allow you to complete the needed repairs (this program is available only to owner-occupants).

Q A

WHERE CAN I GET MORE INFORMATION?

Your broker or real estate agent should be able to answer any questions you might have about buying a HUD home, or call the local HUD Office at 524-5216.

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