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 mort­
gage lender. Many HUD homes are eligi­le 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

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

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 through­
out Utah. Best of all, HUD homes are
always offered at fair market value,
assuring you a solid home value.

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.

ARE HUD HOMES ALL DISCRIMINATORY?
No. HUD has a wide selection of town­
homes and condominiums, as well as a
variety of detached homes.

MUST I LIVE IN THE HOME I BUY?
No. Many people have taken their first
step to owning income property by buy­
ing 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.

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 homes, complete
your offer, help you find financing and
assist at the closing.

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.

HOW ARE HUD HOMES LISTED?
HUD homes are advertised for sale in
the classified section of your newspaper.
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:
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.

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.

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.

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).

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.