



HUD Sales Contract Package Checklist

Courtesy of 100% Real Estate, Inc.

ONLY USE BLUE INK

- HUD Sales Contract HUD 9548
- HUD Conditions of Sales HUD 9548
- Prequalification Letter AND/OR Proof of Cash
- Addendum to the Sales Contract HUD 9548 D (OWNER OCCUPANTS ONLY)
- For Your Protection: Get A Home Inspection FHA Form
- OFORI - General Addendum to HUD Sales Contract (4 PAGES)
- Radon Gas and Mold Notice and Release Agreement
- Notice to Purchaser Addendum to Sales Contract
- Lead Based Paint Disclosure Addendum
(3 PAGES. ONLY SUBMIT WITH PROPERTIES BUILT BEFORE 1978)
- ATTACH** Money Order or Cashier's Check **MADE PAYABLE TO HUD** to your HUD Sales Contract Package.

Package is due within 24 hours (NO EXCEPTIONS). Package must be sent via overnight delivery service to:

OFORI
ATT: PRE-ACCEPTANCE DEPT.
2000 RIVEREDGE PARKWAY, SUITE 300
ATLANTA, GA 30328
877-667-9022
REFERENCE: HUD CASE# {USE PROPERTY CASE NUMBER}

Sales Contract
Property Disposition Program

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

HUD Case No. _____

1. 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)

2. 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: _____

3. 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 _____.

4. 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.

5. 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.** \$ _____

6a. Upon sales closing, Seller agrees to pay to the broker identified below a commission (including selling bonus, if offered by seller) of ➤ **6a.** \$ _____

6b. If broker identified below is not the broad listing broker, broad listing broker will receive a commission of: ➤ **6b.** \$ _____

7. The net amount due Seller is (Purchase price [Item 3] less Items 5 and 6) ➤ **7.** \$ _____

8. 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.

9. 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 _____.

10. If Seller does not accept this offer, Seller may may not hold such offer as a back-up to accepted offer.

11. Lead based paint addendum is is not attached; Other addendum is is not attached hereto and made part of this contract.

12. **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: _____

13. 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:

Broker's Phone No:

X

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

This section for HUD use only. Broker notified of:

Acceptance Back-Up No. _____

Rejection Return Earnest Money Deposit

Authorizing Signature & Date:

X

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.

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.

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: _____

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: _____

**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 [insert name of M & M Contractor], 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.

Property Address:

.....
Street City State Zip Code

FHA Case #:

I/we understand the importance of getting an independent home inspection. I/we have considered this before signing a contract with the seller for a home. Furthermore, I/we have carefully read this notice and fully understand that FHA will not perform a home inspection nor guarantee the price or condition of the property.

I/We choose to have a home inspection performed.

I/We choose not to have a home inspection performed.

Purchaser's Signature:

Date:.....

Purchaser's Signature:

Date:.....



NOTICE TO PURCHASER AND ACKNOWLEDGEMENT

This NOTICE must be completed and accompany each written sales offer at the time the offer is submitted.

Property Address:

.....
Street City State Zip Code

FHA Case #:

Closing Time Frame:

All purchasers must close on or before forty-five (45) days of Contract Acceptance Date. The Contract Acceptance Date refers to the date of Seller's ratification of the Sales Contract. **Failure by the Selling Broker or Selling Agent to file a proper extension with HUD's Closing Agent prior to the expiration of the Sales Contract, as set by Line 9 of the Sales Contract or any approved extensions thereof, will result in cancellation of the Sales Contract.** Further, the Selling Broker, Agent, and/or Purchaser understand and accept that an extension must be filed for any contract that is due to expire, regardless of reason.

Should the Selling broker, Agent, and/or Purchaser refuse or fail to fulfill the contractual obligations, HUD reserves the right to retain all or a portion of the Purchaser's deposit as liquidated damages.

Closing Extension Policy:

Ofori & Associates, PC, as HUD's Representative, may grant an extension of closing time and, if approved, extensions will be granted for a period of fifteen (15) days. The "Request for Extension of Closing Date" and all the required supporting documents must be submitted to HUD's Closing Agent no later than forty eight (48) hours prior to the expiration of the Sales Contract. Documentation must be submitted with the extension request and must establish that closing can reasonably be expected to occur within the extension time period.

The extension request must be accompanied by a cashier's check, money order or other certified funds in the appropriate amount and made payable to HUD. The fee is based on the Contract Sales Price:

Contract Sales Price equal to or less than \$25,000 Extension fee is \$150 total (\$10.00 per day)

Contract Sales Price of \$25,001 to \$50,000 Extension fee is \$225 total (\$15.00 per day)

Contract Sales Price over \$50,000 Extension fee is \$375 total (\$25.00 per day)

HUD will retain the extension fee if the sale fails to close. In the event that the Purchaser closes prior to the end of the extension period, the unused, prorated portion of the extension fee will be credited to the purchaser at closing.

The initial fifteen (15) day extension will be provided for owner occupant purchasers at no cost, if documentation is provided indicating that proper and timely loan application was made, that the delay of closing is not the fault of the Purchaser and that mortgage approval is imminent.

The submission of an extension request along with the required fees does not automatically obligate the Seller to accept the extension. Acceptance is entirely at the Sellers discretion after review of the documentation that has been submitted. An approval of an extension request does not obligate the Seller to grant future extensions.

Earnest Money Deposits:

All bids received during the Exclusive or Extended Listing Periods must be backed by earnest money in the form of certified funds (Cashiers Check, Official Bank Check, or Money Order only) or be retained by the selling broker, where applicable.

Earnest Money Forfeiture and/or Return:

The following provisions are applicable in all instances except those where HUD is unable or unwilling to close the sale, in which case the entire amount will be returned.

Investor Purchasers:

Uninsured Sales: 100% of the deposit will be forfeited to HUD for failure to close regardless of the reason.

Insured Sales: 50% of the deposit will be forfeited to HUD for failure to close if the purchaser is determined by HUD to be an unacceptable buyer.

100% of the deposit will be forfeited to HUD if the sale fails to close for any other reason.

Owner-Occupant Purchasers**Return 100% of the deposit when:**

- There has been a death in the immediate family (purchaser, spouse or children living in the same household).
- 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.
- There has been a loss of job by one of the primary breadwinners, or a substantial loss of income through no fault of the purchaser.
- For an FHA insured sale, HUD (or a D.E. underwriter) determines that the purchaser is not an acceptable borrower.
- For an uninsured sale, the purchaser was pre-approved for mortgage financing in an appropriate amount by a recognized 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 specified dollar amount sufficient to purchase the property.
- There is other equally good cause, as determined by Ofori, in keeping with the spirit and intent of the above policy.

Return 50% of the deposit when:

For an uninsured sale, despite good faith efforts by the purchaser, there is an inability to obtain a mortgage loan from a recognized mortgage lender.

Forfeit 100% of the deposit when:

- No documentation is submitted.
- Documentation fails to provide an acceptable cause for the buyer's failure to close.
- Documentation is not provided within a reasonable time following contract cancellation.

Vacant Lot Sales: The purchaser is considered to be an investor and instructions pertaining to investors will apply.

Closing Costs:

HUD will pay certain Closing Costs up to 3% of the purchase price, IF the closing costs are included in the bid and inserted on line 5 of the Sales Contract.

Upon closing of a HUD-owned single-family property, the Department will allow to be deducted from its proceeds, purchaser financing and closing costs considered to be reasonable and customary in the jurisdiction where the property is located. Form-HUD-9548 (Sales Contract – Property Disposition Program), shall be used to reflect the total dollar amount HUD is expected to pay towards a purchaser's financing and closing costs. However, in no event may the costs exceed three percent (3%) of the property's gross purchase price. If the total closing costs reflected on the HUD 1 settlement statement are less than the amount indicated on the sales contract, HUD will reimburse only the actual costs charged and will not credit the purchaser with any difference either in cash or through a reduced purchase price.

HUD will pay the lesser of the amount requested in Line 5 or the actual costs of the items specified. Any funds remaining after the allowable closing costs have been paid will not be credited to the purchaser(s) at sales closing.

Property Condition:

HUD 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 the Sales Contract. All HUD homes are sold "As Is." As a result, Purchaser acknowledges that Purchaser is responsible for ensuring that the property, in its current condition, is acceptable to Purchaser. Seller will provide no

warranty after acceptance of the Sales 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.

It is Purchaser's responsibility to be an informed buyer. Purchaser has the right to carefully examine the potential new home with a qualified home inspector. Purchaser has fifteen (15) calendar days from the day of HUD's acceptance of the Sales Contract to complete the inspection. Failure to comply with this timeframe may forfeit Purchaser's right to an inspection with utilities activated. Utilities must be activated in Purchaser's name and may not remain activated for more than two (2) days. Regardless of the test results, Purchaser understands fully that neither HUD nor Ofori & Associates, PC will be responsible for costs associated with, nor perform any repairs to the property.

A home inspection provides the buyer more detailed information about the condition of the home prior to purchase. In a home inspection, a qualified inspector takes an in-depth, unbiased look at a potential new home to:

- Evaluate the physical condition (i.e., structure, construction, and mechanical systems)
- Identify items that need to be repaired or replaced
- Estimate the remaining useful life of the major systems, equipment, structure and finishes

If the inspection discloses a major defect, the following provisions will apply:

Insured Sales:

- a) Purchaser may close the sale as scheduled without Seller performing repairs nor a price reduction or,
- b) Purchaser may request termination of the contract with a full refund of the earnest money, provided that the Seller is furnished a copy of the inspection report and that the Seller concurs with the findings of the inspection report. As a condition to having the contract terminated and the earnest money deposit refunded, Purchaser agrees to have the test completed and to provide a written rejection, with the appropriate documentation to Ofori & Associates, PC within fifteen (15) calendar days from the date the Sales Contract was signed by Ofori & Associates, PC; otherwise the Seller will assume that the inspection was satisfactory and Purchaser will proceed to closing. The cancellation contingency is limited to roof, foundation, defective components within the mechanical systems (electrical, plumbing, and heating). Defective kitchen appliances, window air conditioner units, light fixtures, receptacles and switch plate covers, as well as leaky faucets, missing showerheads and other similar defects are not considered in the mechanical systems nor is equipment age or energy efficiency ratings.

Uninsured Sales: No repairs will be authorized. The inspection will not be a basis for canceling the sale. The same provisions, as listed above, will also apply if any of the utilities cannot be turned on due to code violations, known defects, utility company policy or if the inspection cannot be completed as the result of a major component defect.

Home Inspection:

If FHA insured financing is used, the cost of the inspection, up to the maximum amount allowed by HUD, may be financed into the mortgage or included as part of the financing/closing costs figure stated on Line 5 of the sales contract.

If problems are discovered with the home after closing, FHA cannot give or lend money for repairs, and FHA cannot buy the home back. Purchaser understands the importance of obtaining a home inspection. Purchaser also understands that FHA will not perform a home inspection or guarantee the price or condition of the property.

_____ **Purchaser chooses to have a home inspection.**

_____ **Purchaser chooses not to have a home inspection.**

Purchaser also understands fully and hereby agree to bear all expenses associated with the testing of the systems, including inspections required by local municipalities or utility service providers, repair of damage and re-winterization of the property.

Acknowledgements:

Purchaser acknowledges that the keys to the Property have been available to the public. It is recommended that the Purchaser have the locks re-keyed immediately after closing. Seller and its agents are not responsible for the new owner's personal property if the Purchaser chooses not to re-key the locks.

Purchaser has read and understands this Addendum. By signing this Addendum, Purchaser acknowledges and agrees with all its contents.

Purchaser is aware that failure to perform in accordance with the sales contract and its addendums may result in the forfeiture of all or a portion of the earnest money deposit.

Purchaser's Signature: **Date:**

Purchaser's Signature: **Date:**

I agree that I will be present during the inspection and am responsible for any costs incurred by my Purchaser associated with the inspection. I agree to I further agree to ensure that the property is returned to the same condition as before the inspection. This includes repair of damage and re-winterization of the property when deemed appropriate by the Seller. I also agree to notify the Seller and its Neighborhood Listing Broker within one day upon completion of the testing.

Selling Broker's Signature:..... **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)