



How to Complete a HUD Sales Contract Package
3S, 3P, 4D, 5S & 6S Regions

3S: AZ
 3P: CT, MA, ME, NH, NJ, NY, RI, VT
 4D: IA, NE, SD, WI
 5S: CA, HI
 6S: AK, OR, WA

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 Stimulus Realty LLC

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 Rev. 9-12-2020- all previous versions are obsolete.

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E-Signatures – Now Accepted

- Sales contracts will only be processed through E-Signatures (unless otherwise approved by BLB Resources)
- All parties privy to the sales contract will receive direct emails at designated times in the workflow requiring verification and e-Signatures of the sales contract documents

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E-Signatures – Now Accepted Cont.

- All agents MUST opt into the E-Signature process unless a paper contract submission is approved by HUD per extenuating circumstances. HUD's expectation is that most sales contracts will be conducted via E-Signature.

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E-Signatures – Bid Submission

There are a number of changes to the Bid Submission screen on HUDHomestore.com...some are below

- **Selling Agent Registration on HUDHomestore**
 - Selling Agents (Buyer Agents) MUST register for their own Selling Agent/Bidder account on HUDHomestore and submit their bids under that account. It's not only against HUD policy to submit a bid under their Broker's HUDHomestore account or that of another Selling Agent, it conflicts with the E-Signature process and will cause issues down the road
- **Purchasers (New)**
 - Previously, when submitting a bid, the Selling Agent would enter a primary purchaser and possibly a secondary purchaser
 - The Bid Submission screen now allows for a primary purchaser and up to three (3) additional purchasers
 - A phone number and email are required for each purchaser. Although a cell phone number is optional for the primary purchaser during bid submission, it is highly recommended to include one since it may have to be used as a method of verification. Verification is required before signing the electronic document

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E-Signatures – Bid Submission

Upon Agent/Broker Placing a Bid

- **Purchaser Financing Option:**
 - The Agent/Broker must now differentiate between "conventional and other financing" and "cash" (depending on the type of financing that will be utilized)

Purchaser is:

applying for HUD/FHA insured financing 2030k

applying for HUD/FHA insured financing 2030k repair escrow

applying for HUD/FHA insured financing 2030k

applying for Conventional or other financing not involving HUD/FHA

paying Cash

- **Purchaser – Not Living in the Property:**
 - If a bidder is an Owner Occupant, the Agent/Broker will have an option to state whether they will be living at the property. At least one purchaser must live occupy the property and sign the Owner Occupant Addendum

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E-Signatures – Bid Submission Cont.

- **Buyers Select Closing Agent (New)**
 - When placing a bid, the Selling Agent is required to select an existing Buyer Select Closing Agent (BSCA) or type in the name of a company that has not yet been set up with a Title ID #
 - The Selling Agent must also enter one escrow officer; this contact is selected from any already linked to the BSCA, or a new one can be entered. There is an option to enter another backup officer, but this is not required

Title Company/Buyers Select Closing Agent Information

* If you receive the title information that you want to use, begin signing the check in the Closing Room and select from the list. Click in the Escrow Officer and Backup Officer fields to enter names from existing officers or type in alternative names. A Backup Officer is not required. If your chosen title company is not listed, complete all of the required fields and it will be created.

* Company Name:

Company Phone Number:

* Company Address:

City:

* State:

* Zip Code:

Title ID:

* Escrow Officer:

* Escrow Officer Email:

* Escrow Officer Phone:

Backup Officer:

Backup Officer Email:

Backup Officer Phone:

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E-Signatures – Bid Submission Cont.

- E-Signature checklist now allows verification or updating of Purchaser(s), Signing Broker, and Closing Agent, and uploading of the following documentation:
 - Closing agent’s state license and insurance coverage (if required)
 - Earnest Money check
 - Proof of Funds (if applicable for cash buyers)
 - Prequalification Letter (if applicable for buyers utilizing financing)
 - Articles of Incorporation (for investors)
 - Broker Designated Signer Letter of Authorization (if applicable)
 - Refer to screenshot on next slide
 - **Agent/Broker Checklist after bid acceptance**
 - Requires uploads for:
 - Closing Agent’s state license
 - Closing Protection Letter (CPL) or E&O Insurance
 - HUD uses the terms “Closing Protection Letter” and “E&O Insurance” interchangeably

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E-Signatures – Bid Submission Cont.

[Save Closing Agent Changes](#) [Edit Closing Agent](#)

Company Name: FIRST AMERICAN TITLE
 Company Phone Number: (310) 873-5037
 Company Address: 415 Century Park Dr
 City: Yuba City
 State: CA
 Zip Code: 95991
 BSCA ID: FIRSTA0286
 Escrow Officer: Bryant Closing Agent Demo
 Escrow Officer Email: hsa210@outlook.com
 Escrow Officer Phone: (916) 454-9888
 Backup Officer:
 Backup Officer Email:
 Backup Officer Phone:

One or both Closing Agent documents has expired. Please upload an updated document and fill out the expiration dates. HUD cannot close on the property unless the Closing Agent forms are up to date.

Select the file by clicking the Browse or Choose File button and then click Upload. Upload one file at a time. These file types are permitted: pdf, doc, docx, jpg, jpeg, and png. File upload size limit is 10MB.

A Copy of Closing Agent's State License
 Expiration Date (MM/DD/YYYY): (required if document uploaded)

A Closing Protection Letter (CPL) evidencing errors and omissions insurance coverage
 Expiration Date (MM/DD/YYYY): (required if document uploaded)

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E-Signatures – Bid Submission Cont.

- **Other Uploadable Docs after bid acceptance:**
 - Copy of Earnest Money Check
 - Buyer Proof Funds
 - Prequalification Letter
 - Articles of Incorporation – for Corporate Investors
 - Broker Designated Signer letter of Authorization – if anyone other than the principle broker will be signing the contract

[Save Closing Agent Changes](#) [Edit Closing Agent](#)

Company Name: FIRST AMERICAN TITLE
 Company Phone Number: (310) 873-5037
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 City: Yuba City
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E-Signatures – Bid Submission Cont.

E-Signature Steps After the Asset Manager Verifies the Checklist and Initiates the Sales Package

- Bidding Broker/Agent gets an email with a DocuSign link to review the contract and clicks **Finish** to move to the next step (or clicks the "Click to Reject the Sales Package" button to cancel the E-Signature process)
- Broker responsible for signing the contract gets an email with a link to sign the contract and clicks **Finish** to go to the next step
- Each Purchaser gets an email with a link to sign the contract and click **Finish** to go to the next step. Primary buyer signs at bottom of sales contract; additional buyers initial at the bottom of the following page
- Closing Agent gets an email with a link to sign the contract and clicks **Finish** to go to the next step
- Asset Manager gets an email with a link to sign the contract and clicks **Finish** to go to the next step

At this point the E-Signature process is complete

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Tips for Bid Submission Accuracy

1. Selling agents need to place their bids using their broker's NAID number, but the selling agents should submit the bid using **their own** license number!
 - a. The HUDHomestore bid submission screen asks the agent placing the bid to use **THEIR OWN** license number (refer to screenshot on the next slide that clearly instructs selling agents to use "Your Real Estate License," (even if the NAID corresponds to their principal broker and they are not the broker of record on the NAID number being used).
 - b. With the E-Signature program in place, if a selling agent does not enter **their** own license number when submitting the bid, then it will prevent that agent from modifying their bid before bid review, as well as prevent them access to the checklist in order to upload their documents.
 - c. BLB Resources cannot modify the selling agent on the record after bid acceptance, so when the selling agent does NOT enter **their** own license number, they have to get their principal broker to upload their documents (which can cause delays)...

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Tips for Bid Submission Accuracy

Property Information

Address: 25 Bliss St
Hartford, CT, 06114
Hartford County

List Price: \$75,000.00

The following can submit a bid on this property:

- > HUD-Registered Selling Brokers
- > HUD-Registered Government Agencies
- > HUD-Registered Nonprofits

* NAID Type:

* NAID:

* Your Real Estate License:

The reCAPTCHA below works with the following browse Internet Explorer version 9 or later, and the latest versions of Edge, Chrome, Safari, and Firefox. Please select the checkbox below.

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HUD Sales Contract Package



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HUD Sales Contract Package – E-Signature “Checklist”

The Buyer’s Agent is only responsible for uploading the items listed below as **one PDF file** into the “Earnest Money Deposit” section at the bottom of the E-Signature “Checklist” screen of their “Accepted Bids” tab on their HUDHomestore profile. They should print and complete the required documents listed below (if applicable), and then scan the docs together and upload them as one PDF file.

Required Items:

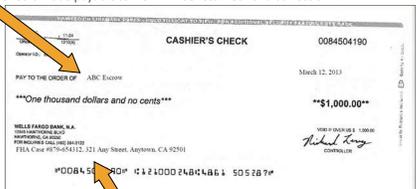
- EMD (must be uploaded by Buyer’s Agent)
- POF/Lender Letter (must be uploaded by Buyer’s Agent)
- LLC docs (if applicable)
- Broker Authorization (if applicable)
- Agency Disclosure (optional)

Please also remember that the Buyer’s Agent will still be required to provide the original copy of the EMD check to the LLB’s office within two (2) business days of bid acceptance. Although the Buyer’s Agent will also have to attach a copy of the check onto the “Checklist” link on HUDHomestore within two (2) business days of bid acceptance, they will also need to provide you with the hard copy, as per previous instructions.

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Earnest Money Deposit (EMD)

- **Must be certified funds**
 - Funds must be a Cashier’s check from a bank or a US Postal Money order
 - Checks from credit unions, Western Union, Money Gram, etc. are not acceptable
 - In 3P (CT, MA, ME, NH, NJ, NY, RI & VT) all types of money orders are accepted
- **Made payable to: “(Buyer selected escrow company)”**
Checks made payable to HUD will be returned for a correction



Please also reference the property address and FHA Case Number.

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EMD Instructions

- Please note, we are now going to allow that EMD checks be made payable to the Buyer Selected Closing Agent (BSCA) only (as opposed to the "BSCA name or Buyer's Name"). If the EMD checks are made payable based off our previous instructions ("BSCA or Buyer's Name"), we will probably still accept those as is, but we are not going to reject EMD checks if they are made payable to the BSCA only

- Please note that **ORIGINAL EMD checks** must now be **delivered to the Listing Agent** within two (2) business days of bid acceptance, **NOT** to BLB Resources

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Proof of Funds

- If paying cash, purchaser(s) must show proof of funds equal to or greater than purchase price
- If obtaining financing, a valid **pre-qualification letter** must be included
 - Approved loan amount must be equal to or greater than purchase price
 - Purchaser(s) may be required to show proof of additional funds if loan amount is less than purchase price
 - Escrow amount (if any) must also be included
 - Must be on lender's letterhead, with loan officer's email address

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Electronic Filing of HUD-9548 Contract Addendum

If Purchaser is NOT a licensed Real Estate Agent, or Broker, Purchaser must INITIAL the first line.

If Purchaser IS a licensed Real Estate Agent, Purchaser must INITIAL the second line AND the line indicating whether purchaser is affiliated with the LLB.

Purchaser(s), broker and selling agent must all sign

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Investor Documentation

- If purchaser is an LLC, please include articles of incorporation
- If purchasing under a trust, please include trust documentation

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Agency Disclosure

Please ensure that the Sales Contract Package includes the Agency Disclosure from your brokerage.

- In 3P (CT, MA, ME, NH, NJ, NY, RI & VT), this form is optional.

Please note that this is **NOT** a BLB Resources or HUD form



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Proof of Identity

- Copies of documentation may be submitted to show that legal name on contract package matches the bid submission
- This may include a copy of the purchaser's driver's license, passport, Social Security card, and/or a recent paystub that shows the Social Security Number
- HUD requires a United States issued SSN or EIN to purchase a HUD property. No other identification number is allowed
- HUD does not accept an ITIN either. The purchaser **MUST** have an SSN or an EIN to purchase a HUD home
- This also pertains to foreign nationals purchasing a HUD home. For example, if the purchaser is a Canadian national, but they have been issued an U.S. EIN, then they would be required to use the address featured on their US EIN upon bid submission

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Workflow of E-Signature Contract

- **Asset Manager Verification**
 - BLB Resources will review the information/addendums to be included in the sales package
 - After BLB' final verification, BLB will review and verify a draft sales package
 - After final verification by BLB, BLB will send out the sales contract package/ envelope
- **E-Signature Signing Ceremony**
 - The Selling Agent who placed the bid is the first recipient of the envelope. Their responsibility is to review the purchaser information and populate a few additional fields, if necessary. The purchaser information can be modified. The Selling Agent may also reject the envelope
 - Please note that the Buyer/Selling Agents DO NOT sign the contract...they review and approve and then it goes to the NAID's Broker of Record for signature. Again, the Selling Agent is not going to be signing the e-signature contract at all, unless they are also the Broker associated with the NAID used to submit the bid
 - After the Selling Agent confirms, the sales contract envelope proceeds as follows: Designated-Signer (NAID Registered Broker or Authorized Broker), Purchasers (all simultaneously), BSCA, Asset Manager (BLB)
- **Ratified Sales Contract**
 - When the document has been signed by all parties, a PDF of the final sales package is delivered to each party, along with a Certificate of Completion from DocuSign

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FSM Inspection Request Forms

- No changes have occurred with this process
- Please view the "Agent info" tab of the Property Details on www.HUDHomestore.com for the FSM assigned to the property
- Original **utility request form** and deposit (if applicable) **must be sent to FSM after contract ratification. Do not send the utility request forms to BLB Resources for processing. BLB Resources does not process utility activation requests**
- Purchaser's inspection may **not** be done until the signed form is returned from the FSM
- It is the Purchaser's responsibility to activate utilities. Neither BLB Resources nor the assigned FSM will activate utilities

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Purchaser(s) must choose whether they wish to have a home inspection performed, then date, sign, and print name at the bottom.





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Most Common Sales Contract Errors, Cont.

- Line 4
 - Choose correct loan type to match bid. This can only be changed by addendum, do not make a change on the contract, the contract **HAS** to match the bid
 - **NOTHING** should appear in the lines regarding down payment, mortgage or number of days
 - The part that states “Said mortgage involves a repair escrow” should be blank with the exception of FHA 203b with repair escrow and in this case it should state TBD only!



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Most Common Sales Contract Errors, Cont.

- Line 7
 - All of these lines must be completed and must match the bid exactly as submitted
 - **As a reminder**, Sales Agents who are also investor purchasers may NOT ask for closing costs or commission. If they bid using closing cost or commission, they will have to complete a new contract removing these numbers
- Line 8
 - Purchaser type **MUST** match the bid. Investors who inadvertently bid as O/O must cancel and resubmit bid
- Line 9
 - Please enter the correct time here – O/O 203b, IE or Conventional Financing enter 45 days, O/O Cash enter 30 days, O/O FHA 203k enter 60 days. All investors regardless of type of financing enter 30 days
- Line 10
 - One box must be checked whether to hold as backup or not. This is frequently missing or wrong box checked



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Most Common Sales Contract Errors, Cont.

- Line 11
 - LBP addendum is/is not attached or incorrect box checked or frequently missing
 - Our package auto checks “other addendum is attached” but handwritten contracts miss this frequently
- Line 12
 - Initials are frequently missing – must be wet ink or we need a new original
- Line 13
 - Signature of buyer, printed name also. If it is a corporation or LLC, business name must be printed, purchaser must sign and print name and title such (i.e. John Doe, managing member). Purchaser address required – PO Boxes not allowed. Phone number is frequently missing. Date contract signed is frequently missing or in wrong spot
- Certification of Broker
 - Business name and address to match NAID. Correct EIN or SSN needed and must match NAID. The Broker signing must be the Broker on the NAID. If someone else signs, they must provide a Broker authorization letter signed by the Broker of Record.



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Other Frequent Sales Contract Errors

- PCR missing or not signed – this is sent out with bid acceptance
- LBP addendum - missing
- LBP addendum - Broker not initialing and signing; Broker initials on wrong loan type; Purchaser not initialing both spots.
- LBP Receipt Addendum - This form has a LOT of corrections. Applicable LBP statement initialed in line 1 and 2. Purchasers need to initial line 3 and 4 always. It is difficult asking for corrections for this form as agents get it confused with the LBP addendum. Some agents think this is the LBP addendum

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Other Frequent Sales Contract Errors Cont.

- HUD Electronic Filing Form - Agents need to understand that this pertains to the purchaser - whether or not the purchaser is an agent and purchaser needs to initial, not checkmark
- EMD Checks - not made out properly; not certified funds; not given to the listing broker; purchaser changes closing company and now they need a new check made out to the new closing company.
 - Please note, we are now going to allow that EMD checks be made payable to the Buyer Selected Closing Agent (BSCA) only (as opposed to the "BSCA name or Buyer's Name"). If the EMD checks are made payable based off our previous instructions ("BSCA or Buyer's Name"), we will probably still accept those as is, but we are not going to reject EMD checks if they are made payable to the BSCA only

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Questions About the Process?

Our Customer Service Department would be happy to assist you if you have any questions regarding how to complete your sales contract package.
 Please call (949) 261-9155
 Or by email: CSRDept@blbresources.com

For 3P (CT, MA, ME, NH, NJ, NY, RI & VT):
 Please call (248) 356-4711
 Or by email: 3PSalesContract@blbresources.com

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