

**HUD  
SALES CONTRACT  
CHECKLIST**



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## The HUD Sales Contract Package

Please complete the following checklist prior to submitting your contract.

### Required Forms:

- HUD-9548 Sales Contract / Condition of Sale
- Electronic Filing of HUD-9548 Contract Addendum
- Earnest Money Guidelines
- Earnest Money Check
- Forfeiture and Extension Policy
- Radon Gas and Mold Notice
- "For Your Protection: Get a Home Inspection"
- Lender Pre-Qualification Letter
- Verification of Funds - Broker letter & bank statement (cash purchases only)

### Additional Forms to Include, if Applicable:

- Owner-Occupant Certification
- Lead-Based Paint Disclosure Addendum
- Notice to Purchaser Addendum (FHA Contracts)
- 203(k) Rehabilitation Financing Lead Addendum

### Accepted Contract Mailing Instructions:

- Contracts for Accepted Bids are due within 48 hours of Bid Acceptance. We recommend sending via overnight delivery!

Send to: PEMCO, LTD  
1601 Response Rd, Ste. 260  
Sacramento, CA 95815

### Helpful Tips:

- All signatures and initials must be in **BLUE INK!**
- Please send the **ORIGINAL** contract. We do not accept copies.
- White out is not permitted on HUD documents.
- Cross-outs are not permitted on HUD documents.
- All docs, all signatures & initials must be the HUD Registered Broker, even when it indicates "selling agent"
- The only place the selling agent name is referenced is at the bottom of the PSA where it instructs to:  
*"Type or print the name and phone number of sales person"*
- **FHA Amendatory Clause** will not be executed on HUD Sales. HUD Homes are exempt from the clause.
- **"Repair Escrow"** only applies to FHA 203(b) financing.
  - The amount is added to mortgage, but the sales price remains the same
  - It is **NOT** a gift from HUD!
  - On the HUDHomestore.com listing you will see:
    - Itemized list of required repairs
    - Total cost of these repairs
    - The 110% total that will be added to the mortgage
    - No repairs made prior to closing!



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## Original Sales Contract – HUD form 9548

**Important Note:** For HUD home sales, the HUD-9548 Sales Contract is used in lieu of WA state contract forms. Please read the contract carefully, as the terms are different.

- 1. BUYER(S) & PROPERTY ADDRESS
  - Print buyer's full, legal name
  - Buyer's name on the contract must match the name on the Bid
  - The buyer's names need to be written in full and separate in Items 1, 2 and 13 (ex: Timothy Mckinney and Leslie Mckinney)
  - Print property address, including City-County-State (address found on HUDHOMESTORE.COM)
  
- 2. VESTING
  - Print buyer's full, legal name exactly as written in Contract Item 1 and on Bid
  - Include Vesting after name (Name, Vesting)
  - Refer to the "Vesting Information" document provided in contract package for instructions on how to properly write vesting
  - Corporate entities vesting ex: KTG, LLC, a Washington Limited Liability Company
  - If uncertain of vesting, leave vesting info blank
  
- 3. PURCHASE PRICE
  - Agreed purchase price must match what is on the accepted Bid
  - Earnest Money Deposit - Sales Price under \$49,999 = \$500; Sales Price \$50,000 & up = \$1,000
  - The earnest money deposit shall be held by PEMCO
  
- 4. FINANCING
  - Check Financing type: FHA or Cash/Conventional/Other (i.e. VA, USDA, etc.)
  - If Buyer is obtaining FHA financing:
    - Check FHA Box plus the FHA type box: 203(b), 203(b) repair escrow, 203(k)
    - FHA financing MUST match listing type established for property on HUDHOMESTORE.COM
      - IN = 203(b) no obvious repairs necessary to insure FHA loan to buyer
      - IE = 203(b) Repair Escrow necessary repairs total less than \$5K
      - UI = 203(k) more extensive repairs needed after close of escrow
    - Print amount of down payment, mortgage amount and term length of loan
    - If using FHA 203(b) repair escrow, list repair escrow amount on last line of section (repair escrow info found on HUDHOMESTORE.COM)
  - If purchase is Cash/Conventional/Other: Repair escrow does NOT apply!
  
- 5. CLOSING COSTS
  - HUD will pay up to 3% towards closing costs (except Lottery & GNND programs)
  
- 6. COMMISSION
  - Selling Agent Commission: HUD will pay up to 3% of bid price
  - Listing Agent Commission: HUD will pay 3% of bid price
  
- 7. NET TO HUD
  - Net Amount = Sales Price minus Closing Costs & Commissions
  - Winning bid is always determined by NET to HUD
  - REMEMBER: Items 5 & 6 affect the NET to HUD!



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8. TYPE OF OWNERSHIP
- Select appropriate type of buyer (i.e. owner occupant, investor)
  - **OWNER OCCUPANTS** must occupy the property for 12 months and cannot have purchased a HUD HOME as an Owner Occupant within the past 24 Months.
9. CLOSING DATE
- Cash purchases and all types of financing - 45 Days
  - ONLY EXCEPTION: 203(k) financing - 60 Days
10. BACKUP BID OPTION
- Choose "may" so that buyer may be a possible back up bidder if award was not made to him/her
11. ADDENDUMS
- Check box for Lead Based Paint Addendum if property was built prior to 1978, and attach addendum to contract
  - If buyer uses FHA financing, HUD will pay up to \$4,000 to stabilize LBP issues
  - "Other Addendum" box MUST be checked
12. BUYER INITIALS
- Buyer must initial in **BLUE INK** on the line provided for buyer
  - If more than one buyer, put both initials on the same line
  - DO NOT initial on the line provided for seller (this is for HUD)
13. BUYER INFO & SIGNATURE
- Print Buyer's full, legal name
  - Buyer must sign full, legal name in **BLUE INK!**
  - Print complete address of Buyer's current residence (not property to be purchased)
  - Include Buyer's phone number
  - Be sure name(s) on items 1, 2, & 3 all match! Same legal name(s), same spelling, same individual(s).
  - Include all Buyers' social security numbers
    - SS# on contract must match SS# submitted on the Bid. If SS# is incorrect, we will request a copy of identification (i.e. driver's license and social security card)
  - Include date Buyer signed original offer
14. CERTIFICATION OF BROKER
- Print Brokerage business name and address
  - Include Brokerage EIN
  - Broker's NAID number
  - Principle Broker's phone number
  - Principle Broker's signature in **BLUE INK!** (This must be the principal broker who is registered with HUD)
  - If selling agent is signing on behalf of principal broker, provide a letter from principal broker on business letterhead authorizing agent to sign on his/her behalf. This letter must be included with contract!
  - Print the name and phone number of the actual sales person (selling agent) on the very last line.
    - This is the **ONLY** area of the HUD contract that lists the selling agent!
    - All other requests for broker/agent name and/or signature on the contract & addenda are for the Principle Broker.
  - The authorizing signature line must not be signed



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- **IMPORTANT NOTES:**

**CASH PURCHASES**

- Verification of funds letter written by HUD registered broker
- Bank statements - the amount shown must cover the NET to HUD

**CORPORATE PURCHASES**

- Provide the Articles of Incorporation giving permission to sign on behalf of corporation
- HUD Sales Contract Item 13 must state business name AND signee name. Needs to be signed.

**BUYER IDENTIFICATION**

- The buyer's name on their social security and identification card must match the sales contract and all of the certification forms, addendums and the check for the earnest money deposit.
- Copy of buyer identification (i.e. driver's license and social security card) **MAY BE** required to verify the spelling of buyer's name if there are any inconsistencies in your paperwork!

**TIMELINE FOR MUTUAL ACCEPTANCE**

- Please note that it can take up to 2 weeks to receive seller signature on the contract

**UTILITY ACTIVATION FORM** *(Only for Accepted Bids!)*

- Upon bid acceptance, please fill out and send the Utility Activation Form to the Field Services Management company designated for this property.
- PEMCO will attach the Utility Activation Form with your "Bid Acceptance" email.
- We have also included the forms for the 2 possible FSM companies at the end of the contract package. Only one is assigned to maintain the property.
- Please refer to the "Agent Info" tab for the property on HUDHOMESTORE.COM to determine which company you will need to contact and which form to submit.
- We recommend you send the Utility Activation Form directly to the designated FSM at the time you submit your contract to PEMCO for seller signature.
- Once you have received a ratified contract back from PEMCO, contact the FSM company immediately to schedule your home inspection and arrange for utility activation and dewinterization, if needed.



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**- REQUIRED FORMS:**

**ELECTRONIC FILING ADDENDUM 9548**

- Must be read, signed & dated by all buyers
- HUD Registered Broker (*not selling agent!*) must sign & date

**EARNEST MONEY GUIDELINES DOCUMENT:**

- HUD Registered Broker (*not selling agent!*) must sign & date

**EARNEST MONEY**

- Certified Funds - cashier's check or postal money order ONLY  
No personal checks or personal money orders accepted!
  - Purchase price \$49,999 and under, earnest money deposit is \$500
  - Purchase price \$50,000 and up, earnest money deposit is \$1,000
- Check must be payable to "HUD or Buyer's Name"  
*Ex: "HUD or Jane Doe"*  
If more than one buyer is listed on check, all full names must be separated by the word "OR"  
*Ex: "HUD or Jane Doe or John Smith"*
- No additional verbiage or symbols permitted
- The "Pay To" line cannot be handwritten in. It must be typed print.
- If EM check is issued by a local or regional bank, the check must include a WA state bank address
- PEMCO will send EM to HUD Designated Closing Agent to be held and managed

**Closing Agent for Northern California:**

- Chicago Title  
4015 Coffee Rd, Suite #100  
Bakersfield, Ca 93308

Escrow Officer- Jill Mushaney  
Email: [JILLMUSHANEY@CTT.COM](mailto:JILLMUSHANEY@CTT.COM)  
Phone: 661-410-4700  
Fax: 661-410-4668

**FORFEITURE & EXTENSION POLICY**

- Must be read, signed & dated by all buyers on Page 3
- Extensions-are done in 15 day packages except 203(k) which are done in 30 day packages
- The amount of per diem charged past the close date for extensions
  - up to \$25,000 is \$10.00 a day for a 15 day extension = \$150.00
  - 25,001-50,000 is \$15.00 a day for a 15 day extension = \$225.00
  - 50,001- and up is \$25.00 a day for a 15 day extension = \$375.00
- HUD Registered Broker (*not selling agent!*) must sign & date on Page 3

**RADON GAS & MOLD NOTICE & RELEASE AGREEMENT**

- Must be signed & dated by all buyers

**FOR YOUR PROTECTION GET A HOME INSPECTION**

- Buyer must initial & date at the very bottom next to "Be an Informed Buyer"



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### REQUIREMENTS FOR PREQUALIFICATION LETTER OR PROOF OF FUNDS (CASH CLOSING)

A prequalification letter or proof of funds (for cash purchase) must be submitted with all Sales Contract Packages. Any offer received without the Pre-Qualification letter will be rejected and the backup bidder will be contacted. Below are the guidelines for submitting acceptable documents to PEMCO.

**Prequalification Letter** (required on contracts being submitted with FHA or conventional financing)

- Must be printed on the Lender's letterhead and signed by the Lender
- Must have Property Address
- Must have HUD Case #
- Must have Purchaser's Name
- Must be dated within 30 days of the bid acceptance date
- Must confirm the type of financing and terms Purchaser has applied for
- Finance type must match the finance type on the contract
- Must confirm the amount the Purchaser has been approved for
- Must confirm the Purchaser's credit has been obtained and reviewed
- Approved loan amount must meet or exceed the gross purchase price
- If for some reason the loan amount does not cover the purchase price a Verification of Funds letter from the Broker will also be required for the difference.

**Proof of "cash" funds available**

- Copy of bank statement verifying funds are available
- Account number may be "blacked out" on bank statements or other related documents
- Purchaser's name must be on the statement, regardless of document type
- Statement must be dated within 30 days of bid acceptance date
- Available account balance must meet or be greater than the gross purchase price
- PEMCO will accept a signed statement from the Broker on their letterhead confirming sufficient funds have been verified and are available. (\*\*A SAMPLE LETTER IS INCLUDED IN CONTRACT PACKAGE\*\*)



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- **ADDITIONAL FORMS:**

- INDIVIDUAL OWNER-OCCUPANT CERTIFICATION**
  - If Buyer is an Owner Occupant – Buyer must sign & date
  - HUD Registered Broker (*not selling agent!*) must sign & date "Broker Certification" section
  - **OWNER OCCUPANTS** must occupy the property for 12 months and have not purchased a HUD HOME as an Owner Occupant within the past 24 Months.
  
- LEAD BASED PAINT ADDENDUM**
  - Applicable only if the home was built prior to 1978
  - Use case-specific LBP addendum (*see Property Listing Details*)
  - HUD Registered Broker initials the "Finance Type" & "Broker Acknowledgement" sections on page 1 & 2
  - Buyer initials the "Buyer Acknowledgement" section on page 3
  - Both HUD Registered Broker and Buyer need to sign
  
- NOTICE TO PURCHASER ADDENDUM**
  - Applies to contracts with FHA financing ONLY
  - Addresses Over-Bidding: The buyer must pay the overbid difference in cash
  - Must print or type in the appraised value for the property. This info can be found on HUDHOMESTORE.COM
  - Both HUD Registered Broker and Buyer need to sign
  
- 203(k) REHABILITATION FINANCING LEAD ADDENDUM**
  - Applies to contracts with 203(K) financing ONLY
  - Addresses buyer's right to a lead paint stabilization plan for homes built prior to 1978 where lead paint is present
  - Must be signed by Buyer's Lender
  - Both HUD Registered Broker and Buyer need to sign