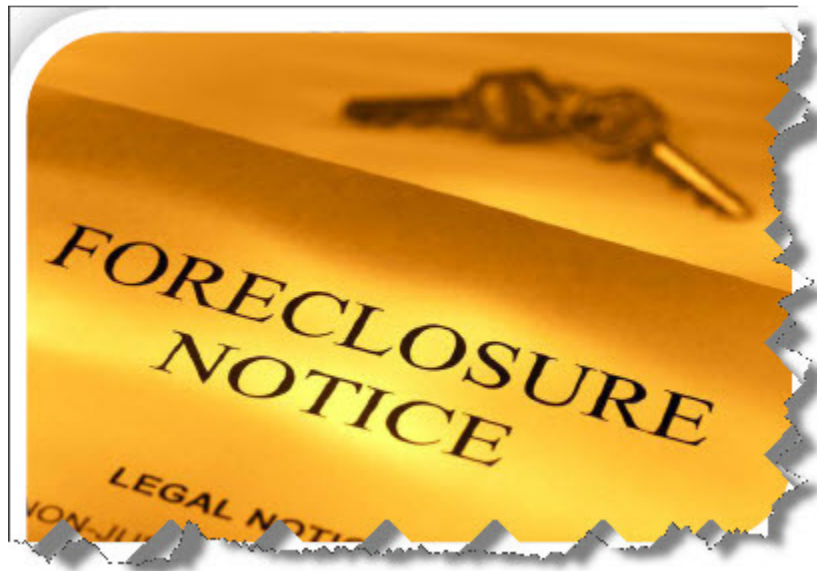


5 INSIDER TIPS

YOU MUST KNOW BEFORE YOU BUY A HUD PROPERTY

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12/8/2011



1

How can I get the most up-to-date HUD Homes listings and find out when new properties come on the market ?

A new HUD Homes superstore site is the centerpiece of HUD's new REO program. HUDHomeStore.com is a one-stop platform containing everything agents and consumers need to know about the HUD REO sales program:

- HUD property information;
- Property disclosures and addenda;
- Real estate and consumer registration features;
- Interactive maps on home page, special programs pages, and property detail pages;
- Resources and contact information for real estate agents and brokers, consumers, state and local governments, and nonprofit organizations.
- Consumers can sign up for property alerts and find out when new HUD homes come on the market.

2

How do I find a real estate agent who knows about HUD Homes?

The best place to find a good agent for HUD Homes is right here! That's why we prepared this report – we aim to help educate buyers about the ins and outs of the HUD Homes sales process. HUD Homes have their own special contracts and their own rules and procedures.

Not all real estate agents are permitted to sell HUD Homes. Licensed real estate brokers and agents must be registered with HUD prior to submitting bids for HUD Homes. We must renew our application every year to continue to sell HUD Homes.

HUD Homes are listed in the local multiple listing service. Consumers often have the mistaken impression that any Realtor who is a member of the multiple listing service can sell them a HUD Home. That is not true.



3 How can I tell if I am eligible to buy a HUD Home?

Anyone can purchase a HUD Home who has the financial ability to complete the transaction and meets other criteria. HUD Home Buyers fall into several general categories:

Owner Occupants have first priority in the bidding process. Owner occupants are purchasers who will live in the home for at least 12 months as a primary residence.

Investor buyers can purchase HUD Homes during certain bidding periods following a period of time restricted to owner occupants when no acceptable bids were received at HUD.

Nonprofits and government agencies have special opportunities for “First Look” at HUD Homes when they come on the market.

Police officers, firefighters, EMTs and teachers are eligible for 50% on select HUD Homes if they meet certain qualifications in HUD’s Good Neighbor Next Door Program.

4 Many HUD Homes need repair. Can I include the cost of repairs in my mortgage?

One of the most wonderful things about buying a HUD Home is financing flexibility with FHA financing.

Most HUD Homes are available with FHA financing. When repairs are necessary there is a special type of financing for that – FHA 203(k). You can include almost any kind of repair using FHA 203(k) financing – roofing, flooring, kitchen and bath remodeling, new appliances, heating systems, windows, and more!

HUD pulls out all the stops to make it easy for you to get into the house of your dreams.

You can use any lender you wish. Just be sure your lender finances HUD Homes. FHA lenders are usually the best bet for owner occupant borrowers.

5 Why do I have to wait a month before I bid on a HUD Home just because I am investor?

HUD wants to provide homeownership opportunities and stabilize neighborhoods. HUD believes that owner occupied housing is a stabilizing force in neighborhoods.

Investors have many opportunities to purchase HUD Homes. They become available when the owner occupant bidding period expires and they come on the market regularly when contracts fall apart and properties are re-listed for sale at HUDHomeStore.com.

Seasoned investors who work in the HUD Homes market watch their dates closely and time their bids at the appropriate hour. In a sense, it's like bidding on eBay following an extended bidding period.

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