

Instructions for Sales Contract

Property Disposition Program

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

OMB Approval No. 2502-0306

Public Reporting Burden for this collection of information is estimated to average 0.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Office of Information Policies and Systems, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600; and to the Office of Management and Budget, Paperwork Reduction Project (2502-0306) Washington, D.C. 20503. Do not send this completed form to either of these addressees.

Privacy Act Statement: The U.S. Housing Act of 1937, as amended, authorized the Department of Housing & Urban Development (HUD) to collect all the information on this form. The Housing and Community Development Act of 1987, 42 U.S.C. 3543 authorized HUD to collect Employer ID and/or Social Security Numbers. These numbers are used to provide information to the IRS regarding payment of commissions or other fees. HUD may also disclose this information to Federal, State and local agencies when relevant to civil, criminal, or regulatory investigations and prosecutions. It will not be otherwise disclosed or released outside of HUD, except as required and permitted by law. Failure to provide the Employer ID Number or Social Security Number could affect your participation in HUD's property disposition program.

This Sales Contract, identified as form HUD-9548, must be prepared and transmitted in accordance with the following instructions. The form provides an original for fiscal and legal review, signed copy for the Purchaser, and unsigned information copies for the Purchaser, the selling Broker, and the HUD Field Office.

Remove this Instruction Sheet and type the HUD Case Number in the box in the upper right.

- Item 1: Type Purchaser(s) name and complete property address.
- Item 2: Enter name(s) and style in which title will be taken.
- Item 3: Enter Bid Amount and amount of earnest money Purchaser has deposited.
Enter holder of earnest money deposit in accordance with Seller's instructions.
- Item 4: Enter when appropriate, strictly in compliance with Seller's offering. If Seller has offered the property with insured financing available, and Purchaser is buying under such means, check the first block and complete the down payment and mortgage information. If the insured mortgage involves a repair escrow (and has been so offered by Seller), also check the second block and insert the amount of the repair escrow.
Note: Only owner-occupant purchasers are eligible for Section 203(b) mortgages with repair escrow.
Note: The amounts shown for "cash due at closing" and "balance by mortgage" do not include the HUD/FHA Mortgage Insurance Premium.
Note: If Purchaser is paying cash or applying for conventional or other financing not involving HUD/FHA, check appropriate block.
- Item 5: Enter amount of financing/closing costs Seller is expected to pay. If Purchaser is applying for a Section 203 (b) mortgage with repair escrow, include amount of Lender's escrow account charge Seller is expected to pay.
Note: If the amount stated in Item 5 exceeds actual and typical allowable financing and/or closing costs, such excess shall not be paid by Seller and may not be used by Purchaser to reduce amount(s) owing to Seller.
- Item 6: Enter dollar amount Seller is expected to pay, including any selling bonus if offered by Seller. The commission will be paid by Seller upon completion of closing.
- Item 7: Enter net amount due Seller (purchase price, Item 3, less Item 4 escrow amount, if any, less Items 5 and 6). Contract will be awarded on the basis of the greatest net return to Seller.
- Item 8: Enter appropriate occupancy information. If left blank, Purchaser will be considered as an investor.
- Item 9: Enter in accordance with HUD's instructions.
- Item 10: Enter appropriate back-up offer information.
- Item 11: Enter if an addendum is to be attached to and made a part of this contract.
Note: Addendum not previously approved by HUD/FHA may not be made a part of this Contract. Approved addendum must be signed by, and in the same style as, those signing as Purchaser(s).
- Item 12: Purchaser(s) must initial in appropriate space.
- Other:
- Failure of the Purchaser to perform in accordance with this contract may cause the Seller to retain all or a portion of the earnest money deposit. Broker must be certain this is fully explained to and understood by the Purchaser(s).
 - Enter Selling Broker's SL-NA (SAMS) number. If broker has not been issued a SAMS SL-NA number, complete form SAMS-1116 and attach to this contract. Contact local HUD office for more information.
 - The Broker is required to inform Purchaser of the Conditions of Sale on the reverse of the Sales Contract, and particularly of Purchaser's right and responsibility for satisfying itself as to the full condition of the property prior to submitting an offer to purchase and that Seller will provide no warranty or perform any repairs after acceptance of the Contract.

Signatures: Sign Original, leaving carbon inserts intact, making certain that the signature(s) appears on all copies.

Transmittal: Forward Original with Copies 1 and 2 to the HUD Field Office. Copies 3 and 4 are to be retained by Broker and Purchaser as information copies. Upon acceptance, HUD will return the signed Copy 1 to Broker for delivery to Purchaser(s). HUD will retain Copy 2.

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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 HUD/FHA insured financing 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 HUD/FHA Mortgage Insurance Premium).
 Said mortgage involves a repair escrow amounting to _____ > 4. \$ _____
 Purchaser is paying cash or applying for conventional or other financing not involving HUD/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. \$ _____
6. Upon sales closing, Seller agrees to pay to the broker identified below a commission (including selling bonus, if offered by seller) of _____ > 6. \$ _____
7. The net amount due Seller is (Purchase price, Item 3, less Item 4 escrow, if any, 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.
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 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, social security numbers, & sign)	Purchaser(s) Address:	
	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 HUD'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 HUD's earnest money policy as set forth on HUD forms SAMS-1116 and SAMS-1116A, Selling Broker Information and Certification, which he/she has executed and filed with Seller.

Broker's Business Name & Address: (for IRS reporting) (include Zip Code)	Broker's SSN or Employer ID No. (include hyphens)	SAMS SL-NA Number:
	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:	Authorizing Signature & Date:
<input type="checkbox"/> Acceptance <input type="checkbox"/> Back-Up No. _____	
<input type="checkbox"/> Rejection <input type="checkbox"/> Return Earnest Money Deposit	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.
- 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 HUD, 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. If the property is damaged prior to the date of closing, Seller reserves the right to terminate this contract. Tender of the earnest money shall release Seller from any claims arising from this transaction.
- F. If this property is being offered with HUD/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 warrants that no person or agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial agencies maintained by the Purchaser except as provided herein. For breach or violation of this warranty, Seller shall have the right to annul this contract without liability or in its discretion to require Purchaser to pay, in addition to the contract price or consideration, the full amount of such commission, percentage, brokerage, or contingent fee.
- J. 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.
- K. 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 HUD 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 notice which discusses the lead-based paint hazard and has signed, on or before the date of this contract, the addendum, Lead-Based Paint Health Hazard - Property Constructed Prior to 1978. Purchaser understands that the 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.
- L. The effective date of this contract is the date it is accepted (signed) by the Seller.
- M. 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.
- N. 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.
- O. Seller makes no representations or guarantees that the property will, in the future, be eligible for HUD-FHA insured mortgage financing, regardless of its condition or the repairs which may be made.
- P. **WARNING:** Section 1010 of Title 18, USC., "Department of Housing and Urban Development and Federal Housing Administration transactions," provides: "Whoever, for the purpose of ... influencing in any way the action of such Department ... makes, passes, utters, or publishes any statement, knowing the same to be false ... shall be fined not more than \$5,000 or imprisoned for more than two years, or both."
- Q. 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.