

LETTER TO TENANT - RIGHT OF FIRST REFUSAL  
(SAMPLE LETTER - PREPARE WITHOUT MODIFICATION ON FIELD  
OFFICE LETTER)

THE DATE OF THIS LETTER MUST BE THE SAME DATE IT IS GIVEN TO THE  
TENANT

Ms. Prospective Homeowner  
123 Happiness Street  
Home Town, USA 12345-0123

Dear

By this letter, the U.S. Department of Housing and Urban Development (HUD) is offering you the right to purchase the home you are now renting from HUD on a direct, noncompetitive basis at HUD's estimate of fair market value before being offered for sale of other parties. Because the purchase of a home is often the biggest financial decision a person will make, we will be pleased to answer any questions you may have about this offer and the sales process.

Your right of first refusal is subject to the following conditions.

1. Within five business days of the date of this letter, you must contact HUD to indicate your interest in purchasing the home. If you do not contact the Department to indicate your interest within the five business days allowed, the property will be offered for sale to the public. You may then bid on the property in a competitive, public sale.
2. You may not be the former owner (mortgagor) of the property.
3. You must have a good rent-paying history. The Department may require confirmation of your rent-paying history in the form of rental receipts or other documentation.
4. You must have a recognized ability to acquire financing. You are entirely responsible for obtaining financing to purchase the property. The Department may require that you provide a prequalification letter from a lender as evidence of your ability to acquire financing. Depending upon the property's condition, it may be sold with FHA mortgage insurance.
5. The purchase price will be the fair market value established by HUD. No discounts will be given. The price will reflect the property's "as is" condition, without repairs or warranties, and HUD will not make repairs or warrant the condition of the home before or after sales closing.
6. As soon as the purchase price is established by HUD, you will be informed. You will then have ten (10) business days from the date you are notified of the purchase price to sign a Sales Contract, Form HUD-9548. If a sales contract is not executed within ten business days, you will lose your right of first refusal although you may bid on the property in the public,

competitive sale.

7. At the time you sign the sales contract, you must be prepared to pay an earnest money deposit of \$\_\_\_\_\_.

Please contact (Insert name) at (insert area code and phone number) to express your interest in exercising your right to purchase the home you are renting or for further information and assistance.

Sincerely,  
Chief Property Officer