

Calendar

GREC Brokerage Course & Trust Accounts Class

Dates:

- April 26 & 27, 2010 @ www.bartowrealtors.com
- May 19 & 20, 2010 @ www.empireboard.com
- June 22 & 23, 2010 @ www.cowetarealtors.com

Common Violations Class

Dates:

- March 29, 2010 @ Athens Area Association
- April 19, 2010 @ Tift Area Board
- April 20, 2010 @ Valdosta Board
- April 21, 2010 @ Douglas-Coffee Board
- May 5, 2010 @ Georgia Institute Duluth

Georgia Instructor Training Workshop Dates:

- April 29-30, 2010
GIT – Atlanta
<http://www.grec-git.com/>

[Click here to see GREC Disciplinary Sanctions](#)

Georgia Real Estate Commission

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This Issue:

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“As Is” Sales

In a market where foreclosures are not uncommon, houses are left empty and as a result may be poorly maintained. Homeowners with a house for sale may not have funds available to make needed repairs or even less to paint the house and cosmetically dress up the house for marketing. Because of this, there are likely more “As Is Sales” than in previous years.

It is important for the licensee to understand his/her responsibilities when dealing in sales made on an “as is” basis.

Even if the term “as is” is used, generally the seller is still responsible for any known material defects in the property. It is imperative that the licensee

disclose known material defects, whether he/she is a representative of the buyer or the seller.

However, a seller may elect not to do any repairs for those obvious or cosmetic in nature and quite often that is what the “as is” language is intended to apply to.

There is a resource article on the Georgia Real Estate Commission web site titled [“As Is Sales”](#). In addition, the following article of this newsletter describes the sale of HUD homes on an “as is” basis. The HUD use of “As Is” should be considered in a different light when selling HUD Homes.

Sale of HUD Homes “As Is”

“HUD Homes are sold in their as-is condition without warranty. HUD does not warrant the condition of its properties and will not pay for the correction of defects or repairs. A HUD Home...is a one-to-four unit residence acquired as a result of a foreclosure on an FHA-insured mortgage.” (Source www.hud.gov)

These properties often require repair, therefore licensees must insist that buyers have a property inspection performed, at their cost. HUD provides a Property Condition Report for each

HUD property which is available online. The buyer cannot expect a refund of earnest money if he/she decides not to buy the property because of an issue already listed in the Property Condition Report. However unlikely, if the buyer’s home inspection finds something major wrong with the property not identified on the Property Condition report, the buyer may be able to cancel the contract and be entitled to a refund of earnest money. *continued on page 2...*

Selling HUD Homes

...continued from page 1

[Click here to view a sample HUD sales contract.](#)

Although any real estate licensee is eligible to show HUD homes, the broker must first be registered with HUD in order to show HUD properties. In order to sell HUD Homes, a Broker must do the following:

1. Sign HUD's Selling Broker Certification Form
2. Submit Form [SAMS 1111 Broker application](#)
3. Submit Form [SAMS 1111A Selling Broker Certification](#)

After completion of the above, the broker can show, advertise, and submit offers on HUD Homes. All of the needed forms and a complete checklist for

the broker are available online at http://www.hudpemco.com/BREG_AH.pdf.

Brokers and agents are required to set up a profile in a *My Buyer Center Account* for online access with HUD. As of February 4, 2010, when submitting an offer, the *HUD BidSelect* system now requires a buyer's agent, as well as a seller's

agent, to provide his/her broker's name & email address in order to submit an offer. HUD policies allow that the broker can be paid a commission of up to 5% of the selling price.

HUD properties for sale are listed on the HUD home page. Anyone can search a list of Georgia HUD properties and a broker can also subscribe to an online mailing list of properties. [Click here for the HUD properties link for Georgia.](#)

The HUD site also provides resources and checklists for home buyers. In relation to the "as is" sale issue, there is a helpful list of [10](#) -

In order to show HUD homes, the Broker must first be registered with HUD.
www.hud.gov

[Ten Important Questions to Ask Your Home Inspector.](#)

HUD properties may be an opportunity for further real estate brokerage activities. The following are more HUD resources:

- [HUD FAQ for Brokers and Buyers](#)
- customerservice@bidselect.com.
- 800-881-9260

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Enroll Now For Free GREC Online CE Course "Staying Out of Trouble" [Click Here](#)

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Focus on Terminology: "HUD"

In 1965, HUD was created by the Department of Housing and Urban Development Act. The current Secretary of the U.S. Department of Housing and Urban Development is Shaun Donovan.

"HUD's mission is to increase homeownership, support community development and increase access to affordable housing free from discrimination. A HUD Home...is a one-to-four unit residence acquired as a result of a foreclosure on an FHA-insured mortgage."

HUD offers resources and assistance to individuals regarding buying a home, avoiding foreclosure and finding a rental property. HUD has responsibility for the enforcement of the Fair Housing Act which outlaws discrimination in housing. HUD also has resources "to expand availability of mortgage funds for moderate income families using government guaranteed mortgage-backed securities."

Source: www.hud.gov