

\$1 HOME SALES (FOR LOCAL GOVERNMENTS ONLY)

The Department of Housing and Urban Development has instituted the “Good Neighbor Program” in an effort to expand its partnership with local governments in helping to foster housing opportunities for low to moderate income families and address specific community needs. This program allows local governments to purchase aged HUD inventory that has been marketed for six months, without a sale, for the price of \$1.00.

Program Purpose and Eligibility Requirements:

Properties that have been offered to the public for sale for six or more months and are not presently under a sales contract will be removed from the market and offered exclusively to local governments for a period of ten calendar days at a sales price of \$1.00 plus closing cost. The property must have been offered to the public for at least 180 days to be eligible. Days on which the property is held off market as a result of a pending sale or other reason do not count toward the 180 day total. To be eligible to participate in this new sales program, local governments must:

- Identify the intended disposition strategy and clear public purpose goals and objectives it will pursue with properties purchased through this program;
- Affirm that all profits/proceeds of sales of HUD homes will go to support local housing/community development initiatives;
- Identify what specific programs or uses these profits/proceeds will support; and
- Agree to provide HUD's Homeownership Center (HOC) Program Support Staff Director with an annual report on all properties purchased under this program. The report must include information on the ultimate property purchaser, the amount of profit realized on the final sale and where the profit was put back into local housing/community development.

As part of its disposition strategy, the local government may indicate that it intends to purchase the property and convey it to a nonprofit organization for rehabilitation and resale to first time homebuyers, low to moderate income buyers or some other public purpose objective. While this is an acceptable approach, local governments should be reminded that all information pertaining to the purchase and subsequent resale must be included in the annual report provided to HUD's Program Support Staff Director. Failure of the local governments to comply with any of the above requirements may result in their removal from participation in this program.

Nonprofit organizations and entities such as housing authorities are not permitted to directly purchase properties under this sales program. They are, however, encouraged to partner with local governments in reaching the disposition goals and strategies for these homes.

Program and Procedure:

Properties will be made available to local governments on a weekly basis with new properties being added as they reach six months of market exposure. Local governments should check www.clfres.com each week to see what properties have become available in their jurisdiction. **Local governments are only eligible to purchase properties within their jurisdictional limits.** The listed properties will remain available exclusively for purchase by local governments for ten calendar days. After this time, they will be returned to active listings for all purchasers.

To purchase an eligible home, the local government must execute and deliver the form HUD-9548 Sales Contract with the required \$1 Home Sales Addendum (both available on our website under “Forms”) to:

**The Chapman Law Firm Co., LPA
Attn: \$1 Home Sales Program
925 Keynote Circle, 2nd Floor
Brooklyn Heights, Ohio 44131**

ORIGINAL SALES CONTRACTS WITH THE REQUIRED ADDENDUM MUST BE RECEIVED BEFORE 4:30 PM ON THE DATE INDICATED AS THE "DEADLINE." You will see this date on the property list for each property exclusively available to local governments. Late contracts will not be considered. Please note that there is no other way of indicating your interest in or intention to purchase the property. We are not able to accept telephonic, fax, or electronic indications of interest.

To the extent that more than one local government (e.g., city and county) wish to purchase the same property, the first complete contract package received will be awarded the property.

If sales contracts are received within the required time period but contain errors requiring correction, CLF will notify the local governments of the required changes and allow five days for the submission of a corrected sales contract. Failure to submit corrected documents within these five days will result in contract cancellation.

If local governments do not submit a sales contract within 10 days, the properties will be returned to the public list and local governments may then submit offers to purchase these aged properties for \$1.00. Consideration will only be given to these offers only if no other acceptable offers have been received from the public.