



michaelson, connor & boul, inc.
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FHA CASE NO.: _____ DATE OF HUD'S OWNERSHIP: _____

PROPERTY ADDRESS: _____

BUYER(S) NAME: _____

AMOUNT OF DISCOUNT BUYER RECEIVED _____%

AMOUNT OF RENTAL MONEY DUE: \$_____

AMOUNT OF UTILITY PAYMENT DUE: \$_____

CLOSING INSTRUCTIONS

The following closing instructions must be adhered to in order to be able to close this sale between the US Department of Housing and Urban Development (HUD) and the buyer identified on the attached executed sales contract. If you are unable to perform these tasks within the required time frame, please notify the real estate broker immediately so the buyer can select a different closing/ title company.

As a closing/ title company you must be capable of issuing title insurance, have errors & omissions insurance, current licenses, bonds, permits, etc., as required by the state in which the property is being sold, and be in good standing with the state insurance commission or other such governing body.

BUYER(S): You must close this sale for only the buyer(s) identified on the executed sales contract, or amendment/ addendum executed by Michaelson, Connor, & Boul, HUD's Marketing & Management (M&M) contractor.

EARNEST MONEY: Please notify MCB via email (see contact information above) the date and the amount of earnest money the broker submitted. The real estate broker is required to provide the earnest money within 72 hours of the executed sales contract. Please contact MCB email to advise if the earnest money is not received. MCB will provide instructions for canceling the sale.

REAL ESTATE TAXES: HUD will pay real estate taxes pro rated from the date of HUD's ownership, or date of redemption, to the date of closing. HUD will only pay for taxes currently due and will not pay for or reimburse any party after closing if said real estate taxes are reassessed by local government. The last payment made was on _____ in the amount of \$ _____ which covers the following period of time: _____. The M&M will provide a check for any late penalties or interest due before closing.

HOMEOWNER ASSOCIATION (HOA) FEES/ DUES: HUD will pay for HOA fees/ dues pro rated from the date of HUD's ownership to the date of closing. HUD will only pay for HOA fees/dues that are the responsibility of HUD during our ownership. The last payment made was on _____

_____ in the amount of \$ _____ which covers the following period of time:
_____. The M&M will provide a check for any late penalties or interest due before closing.

DISCOUNTS: HUD has a number of special programs, including the Good Neighbor Next Door, which involves the buyer receiving a discount off the purchase price, as indicated on the executed sales contract. The discount is to be reflected on Line _____ of the HUD-1.

Further, some sales such as those under the Good Neighbor Next Door require a second Note and Deed of Trust/ Mortgage and/or a Land Use Restriction. Special instructions for the completion of those documents are attached, if applicable to this sale.

CLOSING COSTS: HUD will pay the amount on Line 5 of the executed sales contract, or up to 3% of the sales price, whichever is less, towards reasonable and customary closing costs. These costs must be itemized on page two of the HUD-1; they cannot be shown as a lump sum credit to the buyer on page one. Any unused portion will be retained by HUD. (Customary Loan Origination Fee is up to 1% of the mortgage; 1.5% on a 203(k) loan)

REAL ESTATE COMMISSION: HUD will pay the amount on Line 6 of the executed sales contract, or up to 5%, whichever is less, to the broker of record for real estate commission.

DEDUCTIBLE AMOUNTS: The following amounts can be deducted from the proceeds prior to wiring the funds to the US Treasury: 1) Closing Costs (as described above), 2) Real Estate Commission (as described above), 3) Pro rated taxes, 4) Pro rated HOA fees/ dues, 5) other pre-approved, by the M&M, seller closing costs.

Recording fees for the Special Warranty Deed transferring ownership from HUD to the buyer as stated on the executed sales contract, for the second Note/ Deed of Trust, if required, for special HUD programs, and for special addendums, if required, such as Land Use Restriction, are the expense of the buyer. This expense may be covered from funds on Line 5 of the executed sales contract.

TITLE ISSUES: Process and remove routine title issues in a timely manner so as to not delay closing. Non-routine title issues should be referred to the M&M contractor for resolution.

HUD-1 PREPARATION: You must prepare the HUD-1 and provide to the MCB at least two business days in advance for their review, approval, and return prior to closing. This can be accomplished electronically.

DEED PREPARATION: You must prepare a Special Warranty Deed and provide it to the M&M contractor at least two business days prior to closing. The Deed can be sent to the M&M contractor electronically. MCB will execute, notarize, and return the Deed via overnight delivery. It is important to include a return address which is accessible by our overnight mail carrier, Fed Ex.

EXTENSIONS: The real estate broker will submit a written request, along with the extension fee, to MCB prior to expiration of the sales contract. MCB will provide electronic notification of the approval with the new expiration date, and the amount collected, or of the rejection.

WIRE PROCEEDS: You must wire proceeds to the US Treasury no later than one (1) business day after closing, ensuring the amount matches that of the executed HUD-1. Please go to the following website for specific wiring instructions, including the form to be used.

SAMS 1103 Form. http://www.hudclips.org/sub_nonhud/html/pdfforms/1103sams.pdf

DEED RECORDING: You must ensure the deed is delivered for recording no later than one (1) next business day after closing.

CLOSING PACKAGE: You must deliver a completed closing package to MCB, including the executed HUD-1 and a copy of the wire confirmation, within 3 business days after the closing. The closing package consists of:

- One original executed HUD-1 with the HUD-1 attachment;
- Copy of bank generated or on-line wire confirmation (handwritten confirmations are not acceptable);
- Evidence of the date the deed was delivered for recording;
- A copy of any invoice HUD paid at closing;
- Copy of the disbursement log accounting for all incoming and outgoing funds related to this transaction;
- Original Note and copy of GNND Deed of Trust or Mortgage with evidence it was delivered for recording.

Please send the documents to:

Michaelson, Connor & Boul, Inc.
4500 Cherry Creek Dr S. #1060
Glendale, CO 80246
Attn: Jane Ganoung

CANCELED SALE: If the sale is canceled and is not immediately rescheduled, the deed must be returned to the M&M contractor within 2 business days. If the sale does not close on the scheduled date, notify MCB via email immediately as to the date the closing is rescheduled or if it has been canceled.

E-mail: Jane.Ganoung@mcbreo.com

FORFEITED EARNEST MONEY: Comply with the earnest money forfeiture policy that was signed by the buyer(s) and is part of the executed sales contract package; the payment should be sent to MCB made payable to HUD.

CLOSING FEE: The buyer is responsible for the closing fee. If sufficient funds are available on Line 5 of the executed sales contract, the buyer can use those funds to cover the cost. The Closing/ Title Company must charge the buyer the same fee as any other buyer in a real estate closing that does not involve a HUD Home.

CUSTOMER SERVICE SURVEY: Provide the attached customer service survey for M&M services to the purchaser and broker.

Please contact _Michaelson, Connor & Boul, Inc. at 303-758-6736 or 866-889-6736 or e-mail: Jane.Ganoung@mcbreo.com__ for questions.