

**FAQs**  
*for*  
**FHA - Brings the Holidays Home**  
**December REO Sales Event**

- 1. What is the “FHA – Brings the Holidays Home” sale?**  
*Throughout the month of December, FHA is offering special incentives to owner occupant purchasers who buy a HUD Home for personal use and finance it with an FHA insured loan. This sale does not include nonprofit or local government purchasers.*
- 2. When does the Holiday Sale begin and end?**  
*The FHA – Brings the Holidays Home sale begins Friday, December 8, 2006 and ends Friday, January 5, 2007.*
- 3. What incentives are available to potential purchasers for this special sale?**  
*Homebuyers who finance their purchase with an FHA insured loan are eligible for a \$100 down payment and a \$2,500 holiday home improvement allowance. Additionally, the buyer’s real estate broker will earn a \$500 commission bonus.*
- 4. How will the Holiday Home Improvement Allowance be paid and what can it be used for?**  
*The \$2,500 Holiday Home Improvement Allowance will be paid to the buyer at closing. The funds are intended to be used for such items as new flooring, kitchen cabinetry, new appliances, interior/exterior painting, landscaping or other home improvements*
- 5. Who is eligible to buy a HUD home and receive the incentive?**  
*Any individual who purchases a HUD home with the intention of occupying it for at least 12 months and finances the purchase with an FHA insured mortgage qualifies for the \$100 down payment and Holiday Home Improvement Allowance. Buyers do not need to be first time home buyers but they cannot currently have an FHA insured mortgage.*
- 6. Is the program exclusively for owner-occupant buyers or can investors also receive incentives?**  
*This holiday sale is exclusively for owner-occupant homebuyers. Investors **are not** eligible. Also, note that institutional (nonprofit or local government) owner/occupant purchasers are not eligible for these special sales incentives.*
- 7. Can buyers participating in other discount programs such Hurricane Evacuees or Good Neighbor Next Door buyers, get the benefit of both programs?**

*No, purchasers who are already benefiting from a discounts through other programs are not eligible for the holiday sale incentive.*

**8. Are 2-4 unit properties included in the holiday sales program?**

*Yes, one-to-four unit properties are eligible for the program.*

**9. Is there a maximum purchase price for the homes being offered in this special sale?**

*No, any HUD home that is listed for sale and that is eligible for FHA insurance will be available for this sale.*

**10. Why must a buyer utilize FHA insurance financing to participate in the FHA Brings the Holidays Home sale?**

*HUD authorized this special sale to both reduce its inventory and to encourage buyers to consider FHA insured loan products. FHA offers fixed and adjustable rate loans and provides borrowers with the best consumer protections in the industry.*

**11. What kinds of loans are available with FHA insurance? Contact your lender in your area for further details about the Purchase Money Loan (203b), Purchase and Rehabilitation Loan (203K), and the Easy K loan.**

**12. How can homebuyers find FHA approved lenders in their area?**

*Using the Internet, log unto [www.hud.gov](http://www.hud.gov). Once in the main page, navigate to the At Your Service section and click on Find a HUD-approved lender in your area. From there homebuyers can search the database for FHA approved lenders in their respective areas.*

**13. Can a buyer get these incentives and still be represented by a real estate broker?**

*Yes. Because buying a home is the most important investment that most individuals and families make in a lifetime, HUD requires that all buyers of HUD homes be represented by a real estate professional. HUD pays selling broker commissions of up to five percent as stated in the sales contract, and, during the FHA – Bringing Home the Holidays Sale, selling brokers will earn an additional \$500 commission bonus.*

**14. Where can I get more information?**

*Interested homebuyers can learn more about the HUD property disposition program through the Internet at [www.hud.gov](http://www.hud.gov) and [espanol.hud.gov](http://espanol.hud.gov). A real estate professional can also explain the process and requirements for purchasing a HUD home.*

**15. Does the \$500 broker bonus have to go on the bid when submitting the bid?**

*No, the broker bonus will be paid automatically to any contract on an eligible property where an owner occupant purchaser is purchasing.*

**16. Is the \$2,500 incentive in accordance with RESPA?**

*Yes.*

17. **How is the \$2,500 and the \$500 accounted for on the bid sheet and contract?**  
*There is no additional requirements of the Realtor/Buyer in order to be eligible or receive the applicable incentives and home improvement.*
18. **Can down payment assistance be used in conjunction with the FHA Brings the Holidays Home campaign?**  
*We do not have objections to down payment assistance programs being utilized. However, you will need to verify the guidelines of the down payment assistance provider to see if there are in prohibitive provisions in their programs.*
19. **If the sales price exceeds the appraised value, can a new appraisal be ordered if the existing appraisal is less than 6 months old?** *Yes, this restriction has been waived for sales made in conjunction with the Holiday Home Sale campaign.*