



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

NOTICE

PUBLIC HOUSING AGENCIES (PHAs), NON PROFIT HOUSING ORGANIZATIONS, NEIGHBORHOOD STABILIZATION PROGRAM (NSP)-1 GRANTEES AND SUB-GRANTEE RECIPIENTS, GOVERNMENT SPONSORED ENTERPRISES (GSEs), NATIONAL COMMUNITY STABILIZATION TRUST SPONSORS AND NSP-TECHNICAL ASSISTANCE (TA) PROVIDERS

HUD REAL ESTATE OWNED (REO) PROGRAM PROPERTIES FOR SALE

HUDs OFFICE OF PUBLIC HOUSING AND VOUCHER PROGRAMS IS OFFERING HUD REO PROGRAM PROPERTIES FOR SALE AND BORROWER ACCESS TO ACQUISITION AND REHABILITATION FINANCING THROUGH A PROGRAM SPECIFIC LINE OF CREDIT OFFERED THROUGH THE NATIONAL COMMUNITY STABILIZATION TRUST

HUD is currently offering approximately 500 HUD REO Program properties for sale through HUDs Office of Public Housing and Voucher Programs in cooperation with HUDs Office of Single-Family Asset Management Division. All 500 properties are currently occupied. In cases where federal funding (NSP-1, CDBG, HOME, etc) is used to acquire and rehabilitate HUD REO properties, the Uniform Relocation Act (URA)/104(d) regulations will apply. Relocation expenses are an eligible expense item under NSP-1. In cases where National Community Stabilization Trust private financing is used, URA/104(d) may no longer apply.

The properties are located in 11 states which includes Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, Oklahoma, South Carolina, Tennessee and Texas. The properties are available for sale at 50% of the HUD appraised value. The HUD REO Program and a list of HUD REO properties can be found on the HUD REO Program website at <http://www.hud.gov/offices/pih/programs/hcv/reo/index.cfm>. For more information please contact David Fleischman at 202 402 2727 or David.Fleischman@HUD.gov

- HUD property appraisals are provided at HUDs expense
- HUD properties are in excellent condition
- Average sales price is \$85,000 per unit
- Average range of rehabilitation costs is between \$5,000 and \$20,000 per unit
- HUDs contract team provides no-cost technical assistance to create and submit business plans and HUD approved purchase agreements to HUD
- HUDs REO Program contract team provides program specific access to the properties and to acquisition and rehabilitation financing through a revolving line of credit established through the National Community Stabilization Trust (non-federal funding source)
- NSP – 1 funding is also an allowable acquisition and rehabilitation financing source
- The HUD REO Program will assist NSP-1 grantee and sub-grantee recipients in meeting three key NSP-1 program goals through participation in the HUD REO program:
 1. Obligation of funds by September 30, 2010 (18 month requirement).
 2. Help meet the requirement that not less than 25 percent of the funds appropriated or otherwise made available under NSP shall be used for the purchase and redevelopment of abandoned or foreclosed upon homes or residential properties that will be used to house individuals or families whose incomes do not exceed 50 percent of area median income (AMI).
 3. 50% in-kind HUD equity contribution may allow energy efficient improvements to provide long term energy savings during rehabilitation of the properties.
- In cases where HUD REO properties are located outside of the NSP1 target areas (NSP1 grant applications currently approved by HUD); the NSP grantee must submit a written request to HUD NSP to include the HUD REO properties in its NSP target area.

Online support and additional information are available at the following websites:

<http://hudnshelp.info/index.cfm>

http://www.hud.gov/offices/cpd/community_development/programs/neighborhoodspg/

<http://www.stabilizationtrust.org>

<http://www.hud.gov/offices/pih/programs/hcv/reo/index.cfm>