

Working with HUD

The U.S. Department of Housing and Urban Development has in place several programs to help homebuyers and homeowners with homeownership issues. The site is divided in six broad categories: *HUD News*, *HUD Homes*, *HUD Communities*, *Working with HUD*, *Resources*, and *Tools*. From all of these sections and its links, there are some very useful for the homebuyer or the real estate professional.

Useful information for homebuyers

HUD Homes Section

- [Buying](#): sHomebuyer rights, how much mortgage can you afford, home wish list, finding a real estate broker, mortgages, [local homebuyer programs](#), and shopping for a home.
- [Owning](#): Maintaining and improving your home, energy and home environment, paying the mortgage, refinancing, reverse mortgages, manufactured homes, disaster relief and homeownership government links.
- [Selling](#): Advice about selling a home, tips on interviewing brokers, getting your house ready to sell, selling your home, settlement costs.
- [Renting](#): Renters kit, housing counseling, federal financial assistance, apartment shopping, renters insurance, programs/services in federal rental housing, rent your home.
- [Homeless](#): Information for homeless people, assistance providers, advocates, and other resources.
- [Home improvements](#): Federal repair and rehabilitation programs
- [HUD homes](#): How to buy HUD's homes.
- [Fair housing](#): Fair Housing Policy and Research Forum, news, Housing Discrimination Complaint Form, and other miscellaneous information.
- [FHA refunds](#): For homeowners who had a HUD/FHA insured mortgage previous to Sept. 1983.
- [Foreclosure](#): How to avoid foreclosure questions and answers.
- [Consumer info](#): Protecting consumers' rights links, i.e. lead hazard control or land sales complaints.

Working with HUD Section

HUD does **not** offer direct grants or loans to individuals; it works through local governments and non-profit organizations to make financial assistance and counseling available. These are the main resources available for homebuyers:

- [Housing Counseling](#): List of HUD approved agencies.
- [The American Dream Downpayment Act](#): Program created to assist low-income first-time homebuyers in purchasing single-family homes by providing funds for

- downpayment, closing costs, and rehabilitation carried out in conjunction with the assisted home purchase.
- [Low Downpayment Information](#): This homepage will facilitate approval of downpayment assistance through secondary financing programs
 - [Housing Choice Vouchers \(Section 8\)](#): Allow very low-income families to choose and lease or purchase safe, decent, and affordable privately-owned rental housing.

Useful information for REALTORS®

HUD Homes

When someone with a HUD insured mortgage is unable to meet the payments, the lender forecloses on the home; HUD pays the lender what is owed; and HUD takes ownership of the home. Then HUD sells it at market value as quickly as possible using a bid system. From those properties, HUD sets apart some for [HUD approved non-profits](#) and/or for officer/teacher purchase only. The general public can buy the rest. These properties are commonly known as **HUD homes** and are sold in a “as is” condition. If the HUD home, once active in the bid system is not sold within a six-month period, then a local government can buy it for \$1. These [Dollar HUD Homes for local governments](#) can then be fixed, and put back in the market at considerable savings. The fixing of the property is done either by the government itself or in a joint partnership with local non-profit homeownership organizations or by taping into existing local programs to resell the homes to low- and moderate-income residents of the community. Homes located in [revitalization areas](#) have an **additional discount**.

In general, the dollar HUD homes, the set-aside properties for non-profits, officers and teachers and the HUD homes for the general public allow for the revitalization of neighborhoods and help maintain the affordable housing stock.

To [buy a HUD home](#), it is necessary to use a real estate broker who will submit the buyers' bid. The bids are submitted at 100% of the listed price value, which equals the appraised value. Properties sold through this system have clear deadlines and are also available for the officers and teachers program. They can purchase a property off the General List and still receive a 50% discount if: (a) the property is located in a HUD-designated revitalization area; and (b) no other acceptable offers have been received. In the case that multiple offers are entered into the bidding system, a lottery process will decide the bid winner. Officers or teachers must submit a contract bid at 100% of the "Listed Price". When bids are submitted by officers and teachers on properties in the General Property List that are above or below 100% of the list price, they will be treated as standard "owner/occupant" bids and will not be eligible for the 50% Officer Next Door/ Teacher Next Door (OND/TND) discount. The 50% discount, applicable to the OND/TND program will be applied at closing.

Other HUD Homes links of interest:

[General Information about HUD homes](#)

[Selling HUD homes](#)

[Frequently asked questions about Marketing and Management program](#)

[HUD homes for sale](#)

About Communities

This HUD section provides links to maps and statistics about virtually any locality in the United States. Searches can be performed either by name place or by zip code. The information helps REALTORS® answer accurately general questions about the location of educational facilities, environmental conditions, and demographic data of any given home.

- [Community maps](#): Maps provide information from HUD and the Environmental Protection Agency (EPA), i.e. community development projects and toxic release sources.
- [Facts about your community from the Census](#): Statistical information about the population that inhabits a place, i.e. age, education, income, race, home values, homeownership, mortgage and housing starts.
- [Facts about the environment from EPA](#): For those who want to know more about radiation, superfunds, watersheds and other highly technical environmental questions.
- [Look for schools, colleges, and libraries](#) Information on local public and private schools, colleges and libraries. If you are looking for the school performance index (ranking), log into the California Department of Education's web page [Academic Performance Index](#).
- [Look for child care](#) Find the closest child care facility to any given location.

Other Important HUD pages

[Descriptions of Single Family Housing Programs](#)

[Approved Appraisers List](#)

[HUD Approved Lenders](#)

[Maximum Mortgage Limits](#)

[Revitalization Homes' area locator](#): It allows you to find out if a single family property is located within a Revitalization Area. This online tool can help verify if a particular location is eligible for **the discount sale programs** offered in revitalization areas.