



Realtor Update

Government- Owned REO's May Experience Short Delays in Settlement or Closing Dates.

As HUD tries to realign its REO inventory, buyers currently under contract may have their closing dates delayed or pushed back after Friday November 5, 2010. HUD promises these delays will be brief but are necessary as HUD has decided to accelerate the transition of HUD homes in the market from its existing management and marketing contractors to its 55 new field service managers.

Buyers that experience a delay in their closing date will not be assessed a per diem penalty or extension fees as a result of the transition. Further, the amount of HUD inventory in June 2010 was projected to be 35,000 to 40,000 for distressed or repossessed homes; which current inventory is at 44,000.

What should you do if your buyer has one of those closings being pushed to a later closing date as a result of HUD's new disposition structure?

- ⇒ Contact your title company and the buyer's mortgage company to set a new settlement date within 30 days of current closing date or until the moratorium is lifted.
- ⇒ Ensure that your buyer is not in jeopardy of losing their lock on their loan program. Try to work with the bank for a free one-time extension due to HUD's moratorium on REO sales.
- ⇒ Provide the listing agent, title company and mortgage company with a signed contract addendum extending closing date until HUD lifts moratorium and provides a clear to close at no added expense to the buyer.
- ⇒ Stay in touch with your title company.

*This information was provided in part by DS News. This alert is meant to provide information and not serve as legal advice, but as current industry information. For questions regarding this topic contact the Sage Title office nearest you. For office locations visit our website at www.sagetitlegroup.com

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