

# How to buy a HUD Home for pennies on the dollar

If you are looking for a home to buy for yourself and/or your family or are an investor looking to buy real estate at the best prices, HUD Homes can provide you just what you are looking for at often times unbeatable price.

Below are some important tips about buying a HUD Home followed by the next steps you should take for more information about buying a HUD home.

## 1. How do I purchase a HUD home?

All HUD homes available for sale are listed for sale on their website [www.hudhomestore.com](http://www.hudhomestore.com)

All bids for HUD homes must be placed by a licensed, HUD registered real estate agent

An agent experienced in HUD home sales will be your best asset in locating and successfully negotiating your HUD home.

## 2. How can I obtain financing for HUD home purchases?

A local mortgage banker (Roy Paeth at Command Capital Mortgage) can help you finance a HUD home purchase, just the same as a normal home purchase! You can use FHA, VA or conventional financing to purchase a HUD home. You may also purchase a property with cash.

In addition, in Illinois, HUD currently offers a \$100 down payment program for all eligible HUD real estate owned (REO) properties. Purchasers must be owner occupants, utilize FHA or VA insured financing and offer full list price.

Please contact your local HUD Roy Paeth at Command Capital Mortgage at 630-670-1594 for further information and to see if you qualify for the HUD \$100 down program.

## 3. Are there special programs for teachers, police officers, fire fighters and EMS personnel to purchase HUD properties?

Yes! The Good Neighbor Next Door (GNND) program allows people in these professions to purchase qualifying HUD homes at a 50% discount with certain occupancy requirements! Verify Qualification for this Program or get more information.

## 4. How can an investor purchase a HUD home?

Owner Occupants have first priority to purchase HUD homes during the exclusive listing period. Once this period is over, investors and others may bid on HUD homes for purchase.

## 5. What if my bid for a HUD home is accepted and I decide I do not want to buy it?

You can cancel your bid under certain circumstances, but consult your licensed HUD registered real estate agent or broker to ensure this is done properly to avoid losing your deposit or earnest money.

## 6. When can I complete a home inspection on the property?

You should do a walk through inspection before you make a bid on a HUD home and again immediately BEFORE the closing.

You should make a written documentation of the property condition and take pictures during your first walk through in case the property is damaged between then and your follow-up walk through before the close of escrow.

If you find out that the condition of the property has changed between your walk through inspections, immediately notify the HUD property manager of the problems or change.

Your agent can help you get a price adjustment or credit as needed in these cases where HUD allows.

Your agent can assist you with this and answer any questions.

### **7. Mortgage Services. What if I want to make repairs or changes to the property before I move in?**

HUD homes are sold as-is and there are no warranties. You are not allowed to make repairs BEFORE you have purchased the home. You can however use the FHA 203K renovation loan to roll the repair costs into your loan. For more information on the FHA 203k renovation loan contact Roy Paeth with Command Capital Mortgage Services at 630-670-1594.

### **8. Are there any special financing programs available for repairing HUD homes?**

Yes! The FHA 203K is a streamlined loan that allows qualified buyers to make repairs to homes purchased from HUD! For more information on the FHA 203k renovation loan contact Roy Paeth with Command Capital Mortgage Services at 630-670-1594. You may be able to combine the \$100 down payment program with the 203k renovation loan.

### **9. What are the down payment requirements for HUD home purchase?**

This depends on the type of loan or financing you will be using to purchase the property. Your mortgage lender will be able to help you with this.

If it is a FHA loan, then a down payment of 3.5% of the sales price is required. In most cases, a VA financed property has no down payment requirement.

HUD homes can provide you as much value as any foreclosure or short sale home in the market without a lot of the hassles associated with those types of sales.

To find out if a HUD home purchase will provide you with the home you want at an unbeatable price please contact me to review your situation and see about getting you into the home of your dreams at a price most only dream about.

**For more information on the HUD \$100 down payment program or any other financing options contact Roy Paeth with Command Capital Mortgage Services at 630-670-1594 or by email at [rpaeth@commandcapital.net](mailto:rpaeth@commandcapital.net)**



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