

HUD Homes FAQ

If a property is listed in Active Status on MLS, but no longer posted on HUDHomeStore, a bid has been accepted on the home. Buyers are no longer able to submit an offer on homes in this category. Only homes listed on HUDHomeStore are eligible to have bids submitted.

Once a fully executed contract is received by the listing agent, the status will change to Pending in accordance with MLS rules.

1) What is HUD?

A HUD home is a 1-to-4 unit residential property acquired by the U.S. Department of Housing and Urban Development as a result of a foreclosure action on an FHA-insured mortgage. HUD becomes the property owner and offers it for sale to recover the loss on the foreclosure claim.

2) How can I search for a HUD property in my area?

Visit HUDHomestore.com. From the map on the home screen, click the state on the map or select it from the list. You can also search by price range, number of bedrooms and bathroom, and property status.

3) Where do I go if I have questions about a HUD Home?

Contact one of our agents. Our offices and agents are registered to sell HUD Homes and can answer any of your questions.

4) How can I find out if I'm eligible to buy a HUD property?

For individual purchases, you must have a valid SSN or EIN to purchase a home. Owner-occupants are not eligible if they have purchased a HUD property in the past two years.

5) Can I bid on HUD Homes myself?

No you cannot put in an offer on a HUD Home by yourself. HUD requires that all bids must be submitted through a registered HUD agent. You must use a real estate licensee that is registered to sell HUD Homes to represent you. (Fast Track Realty, LLC is an authorized HUD broker). Bids can be submitted any day of the week, including weekends and holidays. They will be opened as listed in HUDHomeStore. If your bid is acceptable to HUD, your real estate agent will be notified, usually within 24 hours.

6) What is necessary to submit a bid?

An earnest money deposit must be in the form of Certified Funds. A USPS money order is also allowed.

7) What are my financing options?

You can use FHA or conventional financing to purchase a HUD home. You may also purchase a property with cash.

8) Does HUD give money for repairs to the property?

No. However, a home buyer may wish to utilize an FHA 203K renovation loan to finance repairs on the property. Some properties are available with a repair escrow (IE – Insured with Escrow). Buyers typically need to have the money for these repairs in their pocket to complete them after closing (See Question 9). There are some lenders who will finance these repairs into the loan amount so that the buyer has no additional out of pocket expenses after closing. Please check with your lender for details.

9) Can I make repairs to the property prior to purchase?

HUD properties are sold as-is with no warranty. No repairs should be performed on a property until after the new owner has taken possession of the property.

10) What happens to my bid once it is submitted?

The bid will not be reviewed by the Asset Manager until the Bid Open Date, which is the day after the Bid Submission Deadline. During the review process, the Asset Manager determines whether they will accept or reject your bid.

11) Can I modify or cancel an offer once it has been submitted?

Yes, you can modify or cancel an offer up until the bid-opening date. You are not able to modify or cancel an offer after the bid-opening date has passed.

12) What is an Asset Manager?

The HUD contractor responsible for marketing and selling HUD-owned properties.

13) Can I buy a home for investment purposes?

Yes. However, during the initial listing, owner-occupants get priority. If an owner-occupant does not bid on the home, then investors can bid on the home.

14) What are the advantages of buying a HUD property?

HUD owned homes are sold at fair market value. Homes are available in a variety of locations, conditions and prices.

15) What kind of condition are HUD Homes in?

Their condition varies. In some cases, the property condition is excellent and requires no repairs. In other cases, the property may need cosmetic work, foundation repairs, fixtures and appliances replaced because they could be missing. However, the list price is supposed to reflect the fact that the buyer will have to spend some money on repairs.

Contact Fast Track Realty, LLC at 901-767-8770 for more information about HUD homes, or to view HUD owned homes in your area.