



## NSP & First Look Sales Method

***HUD CPD and FHA Launch..***

**“First Look” to Combat Property  
Abandonment and  
Stabilize Neighborhoods**

Community Planning and Development



# ***Welcome!***

## Housekeeping:

- ✓ Please keep your phones muted.
- ✓ We will stop for questions during the presentation.
- ✓ The moderator will call on you in order.

## To Ask A Question:

1. Click the Raise Hand icon in your Q&A Chat section of your desktop.
2. State Name and Organization when called upon to un-mute (\*6) your phone.
3. When done \*6 to re-mute and lower the hand icon.



**Moderators:**

- **David Cramer, TDA**
- **Lucy A. Cook, TDA**

**Presenters:**

- **Douglass B. Lynott, FHA**
- **Elaine A. Roberts, FHA**
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- **John Laswick, HUD NSP**



## *Introduction*

- First Look provides NSP grantees exclusive access to review and purchase newly conveyed FHA real estate-owned (REO) properties that are located in their designated areas.
- Grantees will have the opportunity to make a purchase offer on a property prior to it being made available to other entities.
- NSP grantees can purchase these properties at a 10% discount off of the appraised value (less any applicable commissions, etc.).



- The duration of the First Look period is approximately 14 business days
  - *12 days (on average) to review the property*
  - *2 days to submit a purchase offer.*
- After the First Look period has expired, the properties will be listed for purchase under FHA's standard sales methods. No preference will be available to NSP grantees after the First Look period has expired.



## *Who is eligible to participate in the FHA's First Look Sales Method?*

- NSP Grantees, including Government entities and Nonprofit organizations/ developers, either as:
  - Direct recipients of NSP funds; or
  - Subrecipients (or subawardees) of direct NSP grantees
  - Under NSP2, consortium members may also be included.
- **NOTE: For-profit entities are NOT eligible to participate in First Look.**



## *How do I become eligible to participate in the First Look Program?*

- **Provide HUD with a detailed description of the boundaries of your NSP designated area. (NOTE: HUD already has all of the NSP2 areas and a large majority of NSP1 areas.)**
- **Apply for a HUD-issued Name and Address Identifier (NAID).**



## *Wait, what if I already have a NAID?*

- In order to participate in the First Look sales method, which happens before any Direct Sales period, you must re-submit the application package in order for FHA to **'tag'** your existing NAID as that of an eligible NSP purchaser.





## ***What is included in the NAID application package?***

- A completed Payee Name and Address Form (SAMS 1111) & supplemental documentation as required by that form.
- This form is available online at <http://www.hud.gov/offices/adm/hudclips/forms/files/1111sams.pdf>.



## Required First Look Documentation to be submitted with the SAMS1111

- For state or local grantees (whether direct recipients or subrecipients of another grantee)
  - ✓ *a letter from the chief elected official or the Director of the local government agency managing the NSP program.*
- For nonprofit grantees
  - ✓ *a letter from the Executive Director, President, Chair or equivalent.*



## ***Letter Must:***

- Verify that the entity is an direct NSP recipient or subrecipient of another grantee
- Identify the person(s) who has or have been granted signatory authority to purchase FHA REO property with NSP funds
- If your entity is a direct recipient of NSP funds from HUD, identify your NSP grant number and include a list of any and all organizations and entities that are subawardees/subrecipients of your entity (including contact information, names, titles, addresses, telephone, fax, and email addresses)



- If your entity is a subrecipient of a direct NSP grantee, identify the grant number of the direct NSP grantee partner and include their contact information (names, titles, addresses, telephone, fax, and email addresses)
- If your entity is associated with more than one NSP grant or NSP grantee either as a direct grantee and/or subrecipient, the letter must identify all associations, and provide the required information above for each NSP grant from which the entity received funds directly or indirectly.
- If non-profit applicants, include bylaws, or equivalent legal document, indicating which officials or staff have authority to purchase property.



- As a reminder, the form SAMS 1111 requires the following information from nonprofit applicants (refer to the instructions under box 6 above):
  - ✓ IRS documentation showing your entity's name and tax identification number, such as the 147C, tax returns, payment coupons, etc.
  - ✓ If your entity is a nonprofit, the IRS Ruling/ Determination Letter will need to be attached to demonstrate proof of tax exempt status.



## *How do I submit my NAID application?*

- All documents in the application package may be sent by standard mail or by email to the appropriate FHA Homeownership Center (HOC).
- Mark either the envelope or the email subject line with **“ATTENTION-NSP NAID PROCESSING”** and send the application package to the appropriate HOC.
- HOC mailing and/or email addresses can be found on pages nine and ten (9 – 10) of the [Notice](#).
- For purchase offer packages submitted by email, completed forms and other required attachments must be converted to [Portable Document Format \(.pdf\)](#) for submission purposes.



## ***How can I gain access to the First Look Website?***

- Your HUD-issued NAID will be used for initial log-in purposes at the First Look web site.
- The HOC will review and approve in approximately 7 business days.
- Once approved, it will be sent to HUD HQ for data entry and NAID issuance.



- HUD will notify entity by email that they have been approved to purchase FHA REO properties. The email will include:
  - The NAID number,
  - A description of the information you will receive from HUD when a new property is available in your designated area, and
  - A description of the notification that HUD will provide when appraisal information for a property in your designated area is available; and
  - Instructions to login and use the NSP First Look website.





- The account administrator (the contact person listed on the NAID form) will have the right to add, update, and remove users. All users will get emails as described above.
- Given the limited amount of time for the First Look period it is very important to be responsive to these notifications.
- If you have any questions about how to use the website, please contact Community Connections at 1-800-998-9999, option 4.



## *The Offer Period*

- Once the appraisal has been received, the grantee will be notified via email and the offer period will start.
- The offer period will run for two (2) business days after notice of the appraisal has been transmitted.
- The grantee will be able to review the website to see the appraised value the property available for purchase.
- ***Note: Only those individuals listed by the grantee as having signatory authority to purchase properties should submit the purchase offer. Offers submitted by those individuals without signatory authority may be rejected by the M&M Contractor.***



## ***What happens if property is not purchased during the 2-day First Look Purchase Period?***

- The property will be removed from the First Look website and the M&M contractor will market the property for direct and/or public sale
- Please note that properties purchased through standard FHA disposition procedures are not eligible or otherwise offered for purchase *with the preferences* that are provided to eligible NSP purchasers under the FHA NSP First Look program.
- Finally, additional approvals from FHA may also be necessary in order to participate in certain direct sales programs.



## *How do I submit a purchase offer?*

- Once a property has been appraised, the offer period has begun and the grantee has 2 full business days to submit an offer to the M&M contractor by fax or email.
- The offer to purchase any First Look property must be submitted by 11:59 pm EST on the last day of the First Look purchase period.
- Once the M&M contractor receives your purchase offer, that property is removed from the website. Grantees should contact the M&M contractor by phone or email to confirm that offer has been received in a timely manner. The contact information for each M&M contractor is available on the FHA website:

<http://www.hud.gov/offices/hsg/sfh/reo/mm/mminfo.cfm>.



- Before submitting an offer to purchase a property, eligible purchasers will be asked to confirm that the property is within the boundaries of their NSP designated area approved by HUD.
- To submit an offer to purchase a property, locate the “Contact to View Property or **Make an Offer**” button on the First Look website.
- Eligible purchasers should offer 100% of the appraised value and the M&M contractor will calculate the discount.
- When the offer is accepted the grantee will be notified and will have a limited period of time to submit a sales contract and other addendum with an ink signature.



## **Complete purchase offer submissions must include :**

- Name of the offering entity;
- A printout of the email notification of the entity's HUD-issued NAID number;
- The entity's NSP Grant Award Number (if the offering entity is not a HUD direct grantee, it should provide the grant number of the direct NSP grantee partner);
- A copy of the web listing that indicates the address, FHA case number and appraised value of the subject property covered by the purchase offer;
- A copy of a completed sales contract for the M&M contractor's review.



- For purchase offer packages submitted by email, completed forms and other required attachments must be converted to [Portable Document Format \(.pdf\)](#) for submission purposes.
- In the event that multiple eligible offers are received from NSP purchasers for the same First Look property (this would happen for overlapping NSP designated areas), the M&M contractor will give preference to the submission that was **first received** during the 2-day purchase period.



- Contingent contracts will be accepted which will allow eligible purchasers time to satisfy NSP program requirements such as environmental reviews and other requirements, but the grantee will be required to close on the property within the same timeframes as other (non-NSP) purchasers. That timeframe is 30 days.
- Extension dates to close on the property may be available on a case by case basis for emergency situations.
- The NSP grantee is required to meet all NSP program rules and requirements.

NOTE: Please refer to the following guidance for the preparation of a contract contingency language for NSP purchases:

[http://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/pdf/cond\\_purchase\\_agreement.pdf](http://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/pdf/cond_purchase_agreement.pdf).



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## *How long does the First Look Period last?*

- Immediately after FHA acquires a new property in your NSP designated area, eligible NSP purchasers will be notified via email with information about the property including the property address.
- For up to 12 business days on average, grantees can contact FHA's corresponding Marketing and Management (M&M) Contractor to request access to the property **before** the property is appraised.
- Information about FHA M&M Contractors and related contact information can be found at:

<http://www.hud.gov/offices/hsg/sfh/reo/mm/mminfo.cfm>



## More Information:

- Further information about First Look was published in the Federal Register on **July 15, 2010**, and is available online: <http://edocket.access.gpo.gov/2010/pdf/2010-17335.pdf>.
- HUD's website NSP Resource Exchange: <http://hudnsphelp.info/index.cfm?do=viewResource&ResourceID=601>
- FHA REO Home: <http://www.hud.gov/offices/hsg/sfh/reo/reohome.cfm>





## NSP Open Forum

*For more help, go to:*

<http://hudnsphelp.info/>

*Give us your feedback:*

<http://www.surveymonkey.com/s/fhafirstlook>

Thank You!

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