

Riverside County
Economic Development Agency
1325 Spruce Street, Suite 400, Riverside, CA 92507
951.955.3389
www.rivcoeda.org

VOLUNTARY ACQUISITION OF FORECLOSED PROPERTY -

- Informational Notice To Seller

- Select one: **Initial Notice** or **Final Notice**

(Date)

_____, (hereinafter called "Buyer") is interested in acquiring property you (Seller) own at (address)

which may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD) under the Neighborhood Stabilization Program (NSP) created under the Housing and Economic Recovery Act of 2008 to purchase foreclosed homes at a discount. The Buyer intends to apply and qualify for the Riverside County Economic Development Agency (EDA) Neighborhood Stabilization Homeownership Program (NHSP) assistance for down payment and home repair assistance to purchase the property. Acquisitions financed with NSP funds are subject to Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA)

Please be advised that Buyer does not have authority to acquire your property by eminent domain. In the event the Buyer cannot reach an amicable agreement for the purchase of your property, the proposed acquisition can not be consummated under the Neighborhood Stabilization Homeownership Program and the application for the assistance will be denied.

In accordance with the URA, owner-occupants who move as a result of a voluntary acquisition are not eligible for relocation assistance. A tenant-occupant who moves as a result of a voluntary acquisition for a federally-assisted project may be eligible for relocation assistance. Such displaced persons may include not only current lawful occupants, but also former tenants required to move for any reason other than an eviction for cause in accordance with applicable federal, state, and local law. If the property is currently tenant-occupied or a tenant lawfully occupied the property within the past 90 days prior to this offer, Riverside County Economic Development Agency (EDA) and Buyer need to know immediately. Further, you should not order current occupant(s) to move, or fail to renew a lease, in order to sell the property to Buyer as vacant.

Initial Notice - Under the NSHP, Buyer is required to purchase foreclosed property at a discount from its current market appraised value. Upon receipt of the NHSP application and preliminary review of the eligibility, EDA, through an independent fee contract appraiser will conduct an appraisal of the property. The appraisal must be completed meeting the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) and its implementing regulations at 49 CFR Part 24. The contract fee appraiser contracted by EDA must be State licensed or certified in accordance with title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA). All purchase price at the time of application of NSHP funds is received will be considered as initial offer. EDA will determine the appraisal value of the house within **ten (10)** working days of the receipt of the application. The final purchase price must be at least fifteen percent (15%) below the appraised value. If the initial purchase price meets the fifteen percent (15%) discount, Seller and Buyer will be required to submit **Final** NSHP-6 form and will be considered to be the final offer. The final offer – NSHP-6 form must be received and dated within sixty (60) days of the completed EDA appraisal report. Failure to submit this in a timely manner will result in denial of the NSHP application. However, if the initial purchase price falls short of the fifteen percent (15%) discount, the Buyer will be required to negotiate a minimum 15% discount. If the Seller and Buyer could not reach an amicable agreement for the purchase price of the property, the NSHP application by the Buyer will be denied and the cost of the appraisal will be absorbed by EDA.

Initial Purchase Price Negotiated by Buyer and Seller: \$ _____

By signing below, both Buyer and Seller acknowledge and understand the purchase price discount requirements of the transaction. Buyer's initial purchase price is contingent and subject to the discount requirement of the Neighborhood Stabilization Homeownership Program and the current market appraised value. (See Note)

_____ Signature of Seller	_____ Date	_____ Signature of Buyer	_____ Date
_____ Print Name		_____ Print Name	
_____ Signature of Seller	_____ Date	_____ Signature of Buyer	_____ Date
_____ Print Name		_____ Print Name	
_____ Signature of Seller	_____ Date	_____ Signature of Buyer	_____ Date
_____ Print Name		_____ Print Name	

Final Notice – To be filled by EDA. EDA has obtained an appraisal of the property under consideration,
 The appraisal indicates the property’s market value is \$ _____.
 The appraisal report is dated _____
 The fifteen (15%) discount is \$(_____)
 The final purchase price must be equal to or less than \$ _____
 and will expire on midnight of _____
 Buyer’s Initial Purchase Price dated _____ is \$ _____
 Buyer’s Initial Purchase Price does does not meet the 15% discount of the current market appraised value.

Final Notice – To be filled by Buyer and Seller (if PP>15%). If Buyer’s Initial Purchase Price **is at least fifteen (15%) or more** below the current market appraised value, by signing below, Buyer and Seller acknowledged that they mutually accepted the Final Purchase Price of \$ _____ (_____).

Signature of **all parties below** must be dated before the expiration of offer to be valid.

Signature of Seller	Date	Signature of Buyer	Date
Print Name		Print Name	
Signature of Seller	Date	Signature of Buyer	Date
Print Name		Print Name	

Final Notice – To be filled by Buyer and Seller (if PP<15%). If Buyer’s Initial Purchase Price **is less than fifteen (15%)** of the current market appraised value, Buyer is prepared to offer you \$ _____ to purchase your property. This offer is less than the current market appraised value as required by the NSHP. Please contact Buyer at your convenience if you are interested in selling your property.

By signing below, Buyer and Seller acknowledged that they mutually accepted the Final Purchase Price of \$ _____ (_____).

Signature of **all parties below** must be dated before the expiration of offer to be valid.

Signature of Seller	Date	Signature of Buyer	Date
Print Name		Print Name	
Signature of Seller	Date	Signature of Buyer	Date
Print Name		Print Name	

If you have any questions about this notice and the Neighborhood Stabilization Homeownership Program, please contact the Riverside County Economic Development Agency at (951)955-3389 or by email to Bernadette Cruz at bacruz@rivcoeda.org or Thomas Ausmus at tausmus@rivcoeda.org

Note:

Section 2301(d)(1) of Housing and Economic Recovery Act of 2008 (HERA) limits the purchase price of a foreclosed home, as follows: “Any purchase of a foreclosed upon home or residential property under this section shall be at a discount from the current market appraised value of the home or property, taking into consideration its current condition, and such discount shall ensure that purchasers are paying below-market value for the home or property.” To ensure that uncertainty over the meaning of this section does not delay program implementation, HUD is defining “current market appraised value” as the value of a foreclosed upon home or residential property that is established through an appraisal made in conformity with the appraisal requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) at 49CFR24.103 and completed within 60 days prior to an offer made for the property by a grantee, sub-recipient, developer, or individual homebuyer.

For mortgagee foreclosed properties, HUD is requiring that grantees seek to obtain the maximum reasonable discount from the mortgagee, taking into consideration likely carrying costs of the mortgagee if it were to not sell the property to the grantee or sub-recipient.