

Fannie Mae HECM Reverse Mortgage Guidelines

Please read this website in its entirety to fully understand the sale of the subject property. This is an Fannie Mae HECM (Home Equity Conversion Mortgage) reverse mortgage foreclosure, which must be sold subject to 24 CFR 206.125. (This means there are very specific guidelines outlined for the sale of this property, which are outlined below. You can read further [HERE](#) and [HERE](#).) Even though this is a Fannie Mae product, it has its own set of unique guidelines that are NOT the same as conventional Fannie Mae guidelines.

- The subject property CANNOT be sold for less than 95% of the current appraised value as established by an FHA Roster Appraiser (list price), without HUD's express authorization. Offers not submitted at list will be countered regardless of any terms, conditions or circumstances at full price. The list price is the value the property needs to sell at.
- Property is sold "AS-IS AT TIME OF SALE". In many of these properties, they will not be completely cleaned out and they will not be maintained during the escrow process. Buyer accepts condition at the time of closing.
- There can be no repairs and no termite completed on property. This includes repairs or termite completed by the buyer. If buyer is found to have completed any repairs or termite during contract period without written authorization from seller, contract will be terminated immediately and buyer will not receive any reimbursement. If repairs will be required for buyer's financing, do not offer as they will not be completed.
- Per HUD guidelines, utilities will NOT be turned on at any time at seller's expense. Buyer's AGENT may turn on utilities and Buyer will be responsible for any and all costs incurred turning on the utilities. Utilities can ONLY be turned on during 10 day inspection period and utilities MUST be turned off upon completion of inspections or 10 day period.
- Homepath Financing is not available.
- Seller does not provide HOA documents. Buyer will be responsible for incurring the cost of all governing documents.
- Seller does not allow buyer to pay a transaction coordinator fee, selling agent commission or any other transaction related expenses to the selling (buyer's) agent. If fees are on the HUD, the HUD will be rejected by HUD and property cannot close escrow.
- Other costs not allowed by HUD at closing include, repair reimbursements or allowances, county and or city transfer taxes, home warranty fees, discount points or closing cost credits, wire fees, "miscellaneous" fees, courier fees.
- Fannie Mae does not allow for a 1031 exchange.
- If a corporation/LLC/LP is purchasing the property, the Articles of Incorporation/Organization will be required as well as Specific Signing Authority.
- Mediation and Arbitration will be removed from the contract.

- Seller requires 30 days for a cash transaction and 60 for a financed transaction. This gives time to ensure a clear title at closing. Property may be able to close sooner and extensions to this timeframe may be required.
- Electronic signatures are not accepted.
- Under no circumstances is the buyer allowed to move into the property prior to the close of escrow.

We hope this helps explain the guidelines we MUST follow while selling the subject property. Buy understanding and accepting all terms up front it will ensure a smooth transaction and closing for all parties involved