

Frequently Asked Questions

Regarding Incentives Starting 11/23/2007

Q: Which properties are eligible for the \$100 down payment incentive?

A: Any property listed as available for FHA financing (203B, 203B with repair escrow and 203K) on the effective date of 11/23/07 will be eligible. However, the purchaser must be an owner occupant to qualify and the full price offer must be accepted after the effective date. Properties with an accepted offer or currently under contract will not qualify.

Q: What is a "full price offer?"

A: The current list price is a full price offer, even if the property has been price-reduced. HUD will still pay up to 3% of the list price for closing costs and up to 5% for the selling agent commission. This is a great opportunity for buyer's to purchase a HUD home at a reduced price and with an affordable down payment.

Q: Are properties listed under special programs available for the \$100 down payment incentive?

A: Properties sold under the Good Neighbor Next Door Program currently have this provision if FHA financing is used

Q: How do I indicate my buyer would like to take advantage of the \$100 down payment incentive?

A: Enter \$100 as the down payment amount on line 4 of the sales contract. The mortgage amount and length of the mortgage may be left blank or filled in with "TBD"

Q: My buyer's won the bid, but bid more than the appraised value to ensure that they would be awarded the property. Can they still buy the home for \$100 down?

A: The down payment amount should remain the same, but the buyer would still be required to bring in the difference between the accepted offer and the appraised value in cash at closing.

Q: My buyer's were awarded the bid on an eligible property, but submitted the offer and contract using conventional financing. Will the incentives apply if they switch to FHA?

A: As long as the property and bid meet the eligibility requirements and an amendment to the sales contract changing financing is approved, buyers may take advantage of the \$100 down payment incentive. Please do not hesitate to contact the MCB Sales Team for assistance and guidance regarding this process.

Q: How long will this incentive program last?

A: HUD has not published the length of time these incentives will be offered.