

## GOVERNMENT AGENCIES

The **HUD Dollar Homes Initiative** allows local governments to purchase eligible HUD-owned homes for \$1 each to create housing for families in need and to benefit neighborhoods.

Single-family properties are made available through the program whenever HUD is unable to sell the homes for 6 months.

By selling vacant homes for \$1 after 6 months on the market, HUD makes it possible for communities to fix up the homes and put them to good use at a considerable savings. The newly occupied homes can then act as catalysts for neighborhood revitalization, attracting new residents and businesses to an area.

Local governments can partner with local non-profit homeownership organizations or tap into existing local programs to resell the homes to low- and moderate-income residents of the community.

## APPROVED NONPROFITS

FHA offers community & faith-based non-profit organizations the opportunity to purchase HUD Homes, at discounts up to 30 percent off the appraised value, under the Direct Sales Program. With this discount, local non-profit organizations invest in their communities through property rehabilitation & resell to first-time homebuyers and low-moderate-income families. FHA also offers non-profit agencies favorable FHA-insured mortgage financing terms & opportunities for downpayment assistance programs.

Every year, more than 500 nonprofit organizations partner with HUD in this program to rebuild their communities. HUD also offers nonprofit agencies favorable FHA-insured mortgage financing terms and opportunities for downpayment assistance programs.

## HOMEOWNERSHIP PROGRAMS

HUD's FHA has mortgage insurance to help you become a homeowner. FHA does not actually make loans. Instead, it insures loans (up to the **maximum mortgage limit** for an area) so that if buyers default for some reason, the lenders will get their money.

You may be able to get an FHA loan for about 3 ½ percent down! Talk to an **FHA-approved lender** or contact a **HUD-approved Housing Counseling Agency** to see if an FHA loan might be right for you.

In addition, HUD's **HOME grants** are provided to the state through Kentucky Housing Corporation (KHC) and to local communities throughout Kentucky. The funds may be used to provide assistance to homebuyers (e.g., downpayment, closing costs, grants, etc.) who meet **income requirements**.

For more information, contact **KHC**, the state finance agency in Kentucky, which offers various affordable housing programs for very low-, low-, and moderate-income homebuyers at **1-800-633-8896**. Programs include below-market interest rate financing, downpayment assistance, and housing counseling. You may also contact your local government community development agency to see if they receive funding or offer homeownership programs.

## FAIR HOUSING IT'S YOUR RIGHT!

The Fair Housing Act prohibits discrimination in the sale, lease, or rental of housing because of: Race or color, National origin, Religion, Sex, Disability, and Familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under 18).

If your rights have been violated or if you would like more information about **Fair Housing**, call **1-800-440-8091** or contact our office at **502-582-5250**.

## DO YOU HAVE ACCESS TO THE INTERNET?

If so, you can learn more about HUD's programs and what HUD is doing in Kentucky by visiting our website at [www.hud.gov/kentucky](http://www.hud.gov/kentucky).

And if you do not have access to the Internet, we provide access to HUD information on the Internet through a computer known as the **HUD Answer Machine** in our office.

Stop by and visit us any time during normal business hours, Monday through Friday, 8:00 a.m. to 4:45 p.m. Our office is closed for all Federal holidays.

## WE ARE AT YOUR SERVICE

To contact a **HUD customer service representative** concerning FHA single family housing programs, including HUD homes for sale, you may email your questions to [answers@hud.gov](mailto:answers@hud.gov) or telephone us at **1-800-225-5324 (CALL FHA)**.



U.S. Department of Housing and Urban Development  
Kentucky Office, 601 W. Broadway, Room 110  
Louisville, KY 40202  
[www.hud.gov/kentucky](http://www.hud.gov/kentucky)  
502-582-5251 Fax: 502-582-6074  
TDD: 1-800-648-6056 (for the hearing-impaired)  
Hours: Monday-Friday, 8 a.m. – 4:45 p.m. (EST)



Last Revised: September 16, 2009

U.S. Department of Housing  
and Urban Development

## HUD Homes for Sale in Kentucky

What is a HUD  
Home?

How to Buy a  
HUD Home

Homeownershi  
p  
Programs

Good Neighbor  
Next Door  
Program

HUD's mission is to increase homeownership, support community development, and increase access to affordable housing free from discrimination.



Louisville Field Office  
[www.hud.gov/kentucky](http://www.hud.gov/kentucky)  
502-582-5251

## WHAT ARE HUD HOMES?

When someone with a HUD FHA-insured mortgage cannot meet the payments, the lender forecloses on the home. HUD pays the lender what is owed and HUD takes ownership of the home. Then we sell it at market value as quickly as possible.

The management and marketing of HUD Homes has been contracted to various companies throughout the country. The contractor for HUD Homes for Sale in Kentucky is **Pyramid Real Estate Services**. For information about HUD homes in Kentucky or how to sell HUD homes in Kentucky, you may call **Pyramid Real Estate Services** toll free at **1-877-451-4680** or you may visit their website at [www.pyramidrealestate.com](http://www.pyramidrealestate.com).

The **HUD Atlanta Homeownership Center (HOC)** oversees the management and marketing contract with **Pyramid Real Estate Services**. If, for any reason, you would like to contact HUD, you can reach our customer service representatives with all of your single family FHA questions by email at [answers@hud.gov](mailto:answers@hud.gov) or by telephone at **1-800-225-5324 (CALL FHA)**.

HUD Homes are sold "as-is," without warranty. That means that HUD will not pay to correct any problems. But even if a HUD Home needs fixing up - and not all of them do - it can be a real bargain! For example, HUD's asking price on the home will reflect the fact that the buyer will have to invest money to make improvements. HUD might offer special incentives such as an allowance to upgrade the property, a moving expense allowance, or a bonus for closing the sale early. And keep in mind that on most sales, the buyer can request HUD to pay all or a portion of the financing and closing costs. Your real estate agent will have details. We encourage you to get the home professionally inspected before you make an offer so you will know what repairs you may have to make BEFORE you submit

## HOW DO I BUY A HUD HOME?

You can find a listing of HUD Homes for Sale on our web site at [www.hud.gov](http://www.hud.gov) or [www.pyramidrealestate.com](http://www.pyramidrealestate.com). Follow the links for HUD Homes to find the list. The list is updated daily. If you see one that interests you, start by finding a **HUD-registered Real Estate Broker** (a listing can be found on Pyramid's website at [www.pyramidrealestate.com](http://www.pyramidrealestate.com).) A HUD-registered real estate agent/broker must submit your bid for you. If your real estate agent/broker is not HUD-registered, he or she can contact **Pyramid Real Estate Services** to find out more about becoming registered to sell HUD Homes.

Normally, HUD Homes are sold in an "Offer Period." At the end of the Offer Period, all offers are opened and, basically, the highest reasonable bid is accepted. If the home is not sold in the initial Offer Period, you can submit a bid until the home is sold. Bids can be submitted any day of the week, including weekends and holidays. They will be opened the next business day. If your bid is acceptable to HUD, your real estate agent will be notified, usually within 48 hours.

HUD does not finance the purchase of homes. If you need mortgage financing to purchase a HUD home and would like to learn more about homebuying programs in Kentucky, please see the **HOMEOWNERSHIP** section.

Most HUD Homes are initially offered on a priority basis to **owner occupant purchasers** (people who are buying the home as their primary residence). Following the priority period, unsold properties are then available to all buyers, including **investors**.

**HUD-APPROVED HOUSING COUNSELING AGENCIES** provide housing counseling to homebuyers, homeowners, and to renters. Counselors are familiar with local resources and programs and can help you to make informed housing decisions. To locate the **HUD-approved Housing Counseling Agency** nearest you, please call **1-800-569-4287**.

## GOOD NEIGHBOR NEXT DOOR PROGRAM

Law enforcement officers, pre-Kindergarten through 12th grade teachers and firefighters/emergency medical technicians can contribute to community revitalization while becoming homeowners through HUD's Good Neighbor Next Door Sales Program. HUD offers a substantial incentive in the form of a discount of 50 percent from the list price of the home. In return you must commit to live in the property for 36 months as your sole residence.

### How the Program Works

Eligible Single Family homes located in **revitalization areas** are listed exclusively for sale through the **Good Neighbor Next Door Program**. Presently in Kentucky, revitalization areas are **specific areas within Louisville Metro, Lexington-Fayette Urban County Government, Kenton County, and Campbell County**. For more information about revitalization areas, please contact our **FHA Resource Center at 1-800-225-5342**.

### How to Participate in the Good Neighbor Next Door Program

Check the listings for your state. Follow the instructions to submit your interest in purchasing a specific home. If more than one person submits a bid on a single home, a selection will be made by random lottery. You must meet the requirements for a law enforcement officer, teacher, firefighter or emergency medical technician and comply with HUD's regulations for the program. HUD requires that you sign a second mortgage and note for the discount amount. No interest or payments are required on this "silent second" provided that you fulfill the three-year occupancy requirement. The number of properties available is limited and the list of available properties changes weekly.

### Who May Participate in the Good Neighbor Next Door Sales Program?

Law enforcement officers, pre-K through 12th grade teachers, and firefighters/ emergency medical technicians are eligible to purchase home through this program.

### What Are the Benefits for the Participant?

The selected bidder may purchase the property at a 50 percent discount from the list price. For example, if a HUD home is listed for \$100,000, an officer can buy it for \$50,000. To make a HUD home even more affordable, you may apply for an **FHA-insured mortgage** with a downpayment of only \$100 and you may finance all closing costs.

If the home you want to purchase needs repairs, you may be eligible for an FHA rehabilitation mortgage. The **FHA 203(k) mortgage program** helps homebuyers buy a home and finance enough money to rehabilitate or repair it. The cost of the repairs and the mortgage are combined into a single monthly payment. FHA also has a new **Streamlined 203(k)** program, which may be useful if there are not major repairs or renovations needed. Discuss these financing options with your FHA lender.