



Office of Native American Programs
Section 184 Program
Pre-Foreclosure Sale Agreement

OMB Approval No. XXX-XXX
(Expires XX/XX/20XX)



1. Case Number

2. Holder

2a. Name

2b. Loan Number

2c. Land Type

2d. Contact's Last Name

2e. First Name

2f. Middle Name

2g. Contact's Phone Number

2h. Contact's Email

3. Borrower(s)

3a. Borrower's Last Name or Tribe/Entity

3b. First Name

3c. Middle Name

3d. Co-Borrower's Last Name

3e. First Name

3f. Middle Name

4. Property

4a. Street Address

4b. City

4c. State

4d. Zip Code

5. Servicer

5a. Name

5b. Contact's Last Name

5c. First Name

5d. Middle Name

5e. Contact's Phone Number

5f. Contact's Email

5g. Street Address

5h. City

5i. State

5j. Zip Code

A. Approval to Participate. The Servicer has determined:

a. Your Section 184 loan originated on: _____(MM/DD/YYYY).

b. You defaulted on your Section 184 loan on: _____(MM/DD/YYYY).

c. At least twelve months have passed between your Section 184 loan origination date and your Section 184 loan default date.

d. Your Section 184 loan default was due to an adverse and unavoidable financial situation impacting your ability to pay your mortgage.

e. The property has a current fair market value that is equal to or less than your unpaid mortgage balance.

f. Your Approval to Participate in the PFS program was issued on _____(MM/DD/YYYY).



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B. Property Sales Information. The property must be listed for sale with a licensed real estate broker/agent unrelated to you within seven days of your receipt of this letter for a list price no less than _____ (\$_____), which is the "AS-IS" value indicated on the appraisal of your property. For a Trust Land property, you may check the box below to request an exception to the use of a licensed real estate broker/agent.

The listing agreement must include the following clause in the event the terms of a sale are not acceptable to HUD: "Seller may cancel this Agreement prior to the ending date of the listing period without advance notice to the Broker, and without payment of a commission or any other consideration if the Property is conveyed to HUD or Holder. The sale completion is subject to approval by the Servicer in accordance with Section 184 requirements and guidelines." When the Property is on Trust Land and there is an agreement to list or advertise the Property for sale, the above clause must be included in the listing/advertisement and, where applicable, the listing agreement.

You have seven days from the date this document is signed to market the Property in the Multiple Listing Service, or other marketing resource if the Property is on Trust Land. Your deadline to obtain a signed Sales Contract from a qualified buyer is _____ (MM/DD/YYYY). If you require an extension, you must request an extension from the Servicer prior to _____ (MM/DD/YYYY). If you are unable to obtain an acceptable contract by this date or you are otherwise terminated from the Pre-Foreclosure Sale program, the Servicer shall proceed to request your execution of a deed-in-lieu or lease-in-lieu of foreclosure in accordance with 24 CFR 1005.755.

☐ **By checking this box, the Borrower states there is no real estate market on Trust Land and is requesting an exception to the use of a licensed real estate broker/agent.**

C. Acceptable Terms of Sale. The standard marketing period for a PFS program listing is 90 days from the date the Borrower and Lender execute this Agreement. The Borrower may request from the Servicer an extension for up to 60 additional days when there is a signed contract of sale. The PFS program requires that the net amount payable to HUD resulting from this sale, after allowable expenses permitted by HUD, must comply with 24 CFR 1005.753(s)(3) and Section 184 Program Guidance.

You must submit a Sales Contract for approval to the Servicer named above. The sale must be an arm's length transaction; the buyer cannot be a member of your family, business associate, or other favored party. No hidden terms or special understandings may exist with the buyer, seller, appraiser, closing agent or lender. If you negotiate with a buyer to pay for discount points, a home warranty, repairs not required for a new mortgage or other costs normally paid by the buyer, you must pay for these expenses. You may also be required to pay prorated real estate taxes and assessments at closing. The Servicer can explain which sales costs may be deducted from HUD's sale proceeds.

D. Relocation Services. A relocation service affiliated with your employer may contribute a fixed sum towards the proceeds of the PFS, without altering the arm's length nature of the sale. This contribution simply reduces the shortfall between the proceeds and the amount owed on the mortgage note. As with any other PFS, such a transaction must result in the outright sale of the property and cancellation of the Section 184 Loan Guarantee upfront loan guarantee fee, if any.

E. Hazard insurance, Occupancy and Property Maintenance. You are responsible for maintaining hazard insurance, property maintenance and repair until closing. Maintenance and repair include, but is not limited to, cutting the grass, snow removal, regular interior and exterior cleaning, immediate repair of broken doors and windows, and payment of property tax bill or amounts owed under a lease, where applicable, and utility bills. Following the execution of the Sale Contract, if the property is vacant or becomes vacant, you must inform Servicer within 24 hours of vacancy and ensure that the property is secure and protected from freeze damage by "winterizing" plumbing pipes. You may arrange with your broker/agent to provide property maintenance, but you are responsible for the condition of the home until it is sold. Additionally, damage and/or repair expenses resulting from fire, flood, or other natural causes must be reported within 24 hours to the insurance company and to your lender.

If the Borrower vacates or abandons the property, when there is no sales contract, you must contact the Servicer within 24 hours to notify them of the vacancy.

Vacancy prior to the expiration of the PFS Agreement or the execution of a Sales Contract, whichever is earlier, shall be grounds for Servicer to terminate Borrower's participation in the PFS program and invokes the Servicer's requirement for the deed-in-lieu or lease-in-lieu.

F. Extinguishment of the Section 184 mortgage upon sale and potential incentive. Following the successful sale of the property under the PFS program, you will be released from your mortgage obligation. Cash incentives to the Section 184 borrower, where applicable, for the completion of the sale of the property shall be outlined in Section 184 Program Guidance.



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G. Servicer's Agreement to comply with all Section 184 regulations and Program Guidance. Servicer's execution of this Agreement certifies that the Servicer has determined borrower is eligible for the PFS program and the Servicer's actions related to the PFS Agreement are in full compliance with all applicable Section 184 regulations and Administrative Guidance. Lenders and Servicer's non-compliance with applicable Section 184 Program Regulations and Administrative Guidance may subject them to adverse actions with respect to any claims submitted under 24 CFR 1005.805 and/or sanctions under 24 CFR 1005.907.

By signing and returning this Agreement to the Servicer, you agree to the conditions of the PFS program. The Servicer must receive a signed copy of the Agreement no later than 10 days from your receipt of this form.

6. Signatures

6a. Holder's Authorized Official's Last Name	6b. First Name	6c. Middle Name
6d. Holder's Authorized Official's Signature		6e. Date
6f. Borrower's Signature		6g. Date
6h. Co-Borrower's Signature		6i. Date

Burden Notice: This information is required for the U.S. Department of Housing and Urban Development (HUD) to formalize the defaulted borrower's Section 184 Indian Housing Loan Guarantee (Section 184) program Pre-Foreclosure Sale (PFS) program participation as a loss mitigation measure. Public reporting burden for this collection of information is estimated to average 9 minutes per response, including the time for searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions to reduce this burden, to the Reports Management Officer, REE, U.S. Department of Housing and Urban Development, 451 7th Street SW, Room 4176, Washington, DC 20410-5000. When providing comments, please refer to OMB Approval No. 2577-XXXX. HUD may not collect this information, and you are not required to complete this form, unless it displays a valid OMB control number. HUD is authorized to solicit the information requested in the form by virtue of 12 U.S.C. § 1715z-13a and 24 C.F.R. Part 1005. While no assurance of confidentiality is pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information Act request.