



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

March 8, 2013

Notice H 2013-08

To **All Homeownership Center Directors**
All Real Estate Owned (REO) Directors
All Management and Marketing Contractors
All Interested Parties

Subject **Implementation of a 15 Percent Discount to Neighborhood Stabilization Program (NSP) Grantees Purchasing Uninsurable Properties Through HUD's First Look Program**

Purpose This Notice advises all interested parties of a change, published in the Federal Register on January 10, 2013, 78 FR 2280, increasing the amount of the discount allowed on uninsurable properties purchased under the Department of Housing and Urban Development's First Look Program. On July 12, 2010, HUD announced the First Look Sales Method, under which eligible Neighborhood Stabilization Program (NSP) purchasers received a preference to acquire HUD homes within NSP-designated areas. This program was detailed further in a July 15, 2010, Federal Register notice, 75 FR 41225. Pursuant to the July 15, 2010 Federal Register notice, HUD's First Look Program provided eligible NSP purchasers the opportunity to purchase HUD homes at a discount of 10 percent below their appraised value, less the cost of any applicable listing and sales commission. The January 10, 2013, Federal Register notice, raised the percent discount from 10 percent to 15 percent.

Effective Date and Duration The change in discount percentage available for the purchase of uninsurable HUD properties shall be applicable to all contracts ratified after the date of publication of this Notice through the expiration of the Office of Community Planning and Development's NSP.

First Look Discount Percentage for Uninsured Properties When purchasing uninsurable properties under the First Look Program, eligible NSP purchasers will be given a 15 percent discount off the list price. Pursuant to 24 CFR § 291.210(a), which states that qualified entities may purchase uninsured HUD properties "at a discount off the list price determined by the Secretary to be appropriate, but not less than 10 percent, for use in HUD and local housing or homeless programs." The previously announced 10 percent discount remains applicable to sales of all other properties purchased through the First Look Program, including insured and insured properties with escrow.

Eligible Participants	Entities that have received a HUD-issued Name and Address Identification Number (NAID) in connection with the First Look Program remain eligible to participate in the First Look Program, and are referred to throughout this notice as “eligible NSP purchasers.”
Uninsurable Properties	Uninsurable properties are those HUD properties for which the FHA appraisal report indicates the property does not meet the Federal Housing Administration’s Minimum Property Standards (MPS) or Minimum Property Requirements (MPR), as defined in HUD Handbook 4905.1 for existing dwellings.
Information Collection Requirements	Paperwork reduction information collection requirements contained in this document have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and assigned OMB Control Number 2502-0589. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB Control Number.
Questions	If you have any questions regarding this Notice, please contact the FHA Resource Center at 1-800-CALL-FHA (1-800-225-5342) or please visit www.hud.gov/answers . Persons with hearing or speech impairments may access this number via TDD/TTY by calling the Federal Information Relay Service at 1-800-877-8339.
Signature	Carol J. Galante, Assistant Secretary for Housing-Federal Housing Commissioner
