

II. ORIGINATION THROUGH POST-CLOSING/ENDORSEMENT

A. Title II Insured Housing Programs Forward Mortgages

1. Origination/Processing

(ii) Real Estate Certification

The Borrower, seller, and the real estate agent or broker involved in the sales transaction must certify, to the best of their knowledge and belief, that (1) the terms and conditions of the sales contract are true and (2) any other agreement entered into by any parties in connection with the real estate transaction is part of, or attached to, the sales agreement.

A separate certification is not needed if the sales contract contains a statement that (1) there are no other agreements between parties and the terms constitute the entire agreement between the parties, and (2) all parties are signatories to the sales contract submitted at the time of underwriting.

(iii) Property Assessed Clean Energy (PACE)

Where the subject Property is encumbered with a PACE obligation, the sales contract must include a clause specifying whether the PACE obligation will remain with the property or be satisfied by the seller at, or prior to, closing. Where the PACE obligation will remain, all terms and conditions of the PACE obligation must be fully disclosed to the Borrower and made part of the sales contract between the seller and the Borrower.

(b) Required Documentation

The Mortgagee must obtain all signed copies of sales contract(s), including a complete copy of the final sales contract with any modifications or revisions agreed upon by Borrower and seller.

(2) Statement of Appraised Value

The Borrower must receive a copy of form HUD-92800.5B.

A statement of appraised value is not required in connection with:

- HUD REO sales;
- FHA's 203(k) mortgage program;
- sales in which the seller is:
 - Fannie Mae;
 - Freddie Mac;
 - the VA;
 - USDA Rural Housing Services;
 - other federal, state, and local government agencies;
- a Mortgagee disposing of REO assets; or
- a seller at a foreclosure sale; or
- sales in which the Borrower will not be an owner-occupant (for example, sales to nonprofit agencies).