



Buying a Fannie Mae Home

Thank you for taking the time to view a Fannie Mae Home and our listing. Occasionally Fannie Mae Homes become available for sale in our marketplace creating exciting opportunities.

Please take time to **carefully read** the following as well as the Fannie Mae Real Estate Purchase Addendum so that both Purchaser(s) and Purchaser(s) Broker will have a thorough understanding of what is expected through the transaction contemplated.



Special Financing 3% Down No PMI! Owner Occupants! Investors 15% down!

Visit www.HomePath.com

Select Fannie Mae homes may be eligible for special financing, HomePath® Mortgage Financing or HomePath® Renovation Financing. These are excellent financing solutions for Fannie Mae homes that may need repairs ranging from cosmetic in nature to more complicated renovations. There are reduced closing costs; an appraisal is not required and there will not be lender-required repairs. If this financing is offered, the listing agent will publicize that in the MLS comments. Pre-qualification is required through an approved HomePath® lender, all of which are listed on Hompath.com.



Fannie Mae's innovative First Look period contributes to neighborhood stabilization by encouraging home ownership. During this period, owner occupants, public entities, and their partners can submit offers and purchase properties without competition from investor offers. The First Look period is typically the first 15 days a property is listed on HomePath.com. Properties within the First Look period now include a countdown clock on the property details page, which displays the number of days remaining for owner occupants and public entities to submit offers. If the property remains available for sale after the expiration of the First Look period, investor offers may be submitted and will be considered along with all other offers.

The days on market is tracked exclusively on HomePath.com, please visit that site if you would like to know the remaining number of days in FirstLook.

Mortgage Pre-qualification Letter - MANDATORY

Regardless of the type of financing elected by the purchaser, Fannie Mae requires a pre-approval letter with the submission of any offer which **must** include the following statements:

- 1) Lender has **reviewed** Purchaser(s) credit report for credit worthiness
- 2) Lender has **reviewed** Purchaser(s) bank statements to verify sufficient
- 3) Lender has **reviewed** Purchaser(s) most recent paycheck stubs and W-2's
- 4) Lender must state the **maximum** loan qualification
- 5) Lender must state the Purchaser(s) have no home to sell
- 6) Lender must state the borrower's credit score

Fannie Mae will not accept a sale contingency. Transactions contingent upon the settlement of the Purchaser(s) home will be considered on a case by case basis, however, the earnest money deposit shall be non-refundable.

Buyers must make application for mortgage within 5 days of verbal acceptance. No exceptions!

Cash Transactions

If the property is being purchased without mortgage financing, the Purchaser(s) must produce satisfactory proof of funds in the form of a bank statement or such other satisfactory documentation.

Purchaser(s) and Agent(s) Initial acknowledging that they have read and completely understand these general guidelines, which are not intended to supersede the written Real Estate Purchase Addendum.

The foregoing is subject to change without notice, errors, omissions and revisions.



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Paperwork

The Statewide Realtors® Agreement of Sale together with the Fannie Mae Real Estate Purchase Addendum must be completed and delivered to the PANTANO Real Estate main office in Wilmington.

Both, the pre-filled Statewide Realtors® Agreement of Sale, Radon Disclosure, Lead Based Paint Disclosure and Fannie Mae Addendum can be found on the Trend MLS system as an attachment to the property listing.

Condition of the Home

It must be understood by the Purchaser(s) and the broker that Fannie Mae is selling its homes in their present condition and in **AS IS condition**. This includes but is not limited to code and zoning violations, open permits and un-permitted improvements among other possible zoning and condition related matters. See paragraph 6 of the Fannie Mae Real Estate Purchase Addendum.

Inspections

The successful purchaser is granted a 10 day period from the date of **verbal acceptance** to conduct a home, termite, radon or other such inspection the Purchaser(s) deems necessary, at their expense to determine if the condition of the property is acceptable to purchaser. Matters that are reasonably discoverable by the Purchaser at the time of their initial and/or subsequent visits to the property do not qualify as valid defects. See paragraph 5 of the Fannie Mae Real Estate Purchase Addendum.

NOTE: Purchaser(s) are not permitted to enter the premises without their agent at any time. Nor are they permitted to enter the premises after the completion of the inspection period with the exception of the pre-settlement walk-through which must be accompanied by their agent. See paragraph 12 of the Fannie Mae Real Estate Purchase Addendum.

Winterized Properties

If the Purchaser(s) wishes to inspect the plumbing system of a property that has already been winterized, please provide notice of Purchaser(s) intent to inspect at time of initial offer so that the listing broker can arrange for de-winterizing the property. **AFTER INSPECTIONS ARE COMPLETE THE SELLER WILL RE-WINTERIZE THE PROPERTY. IT WILL REMAIN WINTERIZED THROUGH CLOSING. THE PURCHASER(S) IS RESPONSIBLE TO DE-WINTERIZE AFTER CLOSING.**

IMPORTANT: Please arrange for the appraisal inspection and the home inspection during the 10 day inspection period during the time which the property is de-winterized.

It is likely that the water service is on, but off at the meter, unless the property is in a condition that does not justify turning on the water service. Please ask the listing agent. We do this to preserve the property in the event of a plumbing failure. Please have the inspector turn the water on at the valve for the inspection(s) and then turn it off upon completion of the same. It is our policy to keep the water OFF at the main shut off valve in the house during all times.

Appraisal Inspection

If the purchaser is obtaining a loan which requires the systems operate during the appraisal inspection, the same must take place during the 10 day inspection period during which time the property has been de-winterized.

Seller Paid Closing Costs (Settlement Help)

If Settlement Help also referred to as Buyers Closing Costs paid by seller are negotiated, Fannie Mae will only pay up to the lenders allowable closing costs for the buyer, any amounts not used, shall not be refunded to purchaser. It is important to understand that Fannie Mae is exempt from Transfer Tax thus reducing the total closing costs the buyer will incur. Please advise the buyers lender of this so that an appropriate amount of Settlement Help can be negotiated. The language in the Fannie Mae Real Estate Purchase Addendum should read; "Seller agrees to pay up to \$x,xxx.xxx towards buyers closing costs at settlement.

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Disclosure

Since Fannie Mae is a quasi governmental entity, they are exempt from the State required seller's disclosure of real property condition report so there is not a Sellers Disclosure of Real Property Condition Report for the property.

Earnest Money Deposit

Owner occupant purchasers are required to make a reasonable earnest money deposit typical for the marketplace in which the property is located. **Investor purchasers** are required to make a 10% earnest money deposit.

Resale Restriction – FOR INVESTOR PURCHASES ONLY

A resale and refinance restrictive covenant shall be included in the Deed from seller to Purchaser(s) and recorded at time of final settlement which shall prohibit the Purchaser(s) from conveying the property for value or for a sales price greater than 120% of the original sale price for a period of 3 months following settlement. Purchaser(s) shall also be prohibited from encumbering the subject property with a financing/security instrument for value greater than 120% of the original sales price for a period of 3 months following settlement. See paragraph 14 of the Fannie Mae Real Estate Purchase Addendum.

Title Vesting

The time at which your offer is accepted, it is possible that Fannie Mae is not yet in title as the record owner. The process of Fannie Mae receiving title from the New Castle County Sheriff may cause delays in closing. Please advise your buyer of this and plan accordingly.

Contract Amendments

Any change to the agreement between Fannie Mae and the purchaser must be documented thoroughly and in writing. Fannie Mae requires the use of their Amendment form, please ask the listing agent for a copy of this form if necessary.

Corporate (or Limited Liability Company) purchases

Offers from a corporate buyers or an LLC must provide a copy of the corporate resolution to purchase this property and an authorization that the person making the offer has the right to do this on behalf of a corporation and/or LLC.

Multiple Purchaser Disclosure

The seller requires that the Purchaser(s) disclose to Seller if Purchaser(s) has or has not purchased a Fannie Mae home, see paragraph 16(e) of the Fannie Mae Real Estate Purchase Addendum.

Presenting, negotiating and acceptance of an agreement

Once a written offer is presented to the Listing Broker with a signed Fannie Mae Addendum, Pre-Approval Letter and earnest money, the Listing Broker will present that offer. The response time can be up to 24-72 hours and take place during normal business hours Monday through Friday excluding holidays.

If your agreement is verbally accepted, that date is the effective date of the contract from which all inspections and applications are to commence. The same shall be entered into paragraph 1.a. of the Fannie Mae Addendum. Once an agreement is verbally determined, then *new* agreements must be prepared by the Purchaser(s) Broker reflecting the verbally negotiated agreement. Fannie Mae requires newly drafted agreements and will reject struck and initialed changes. The revised agreement must be delivered to the listing agent within 48 hours of the verbal acknowledgement date. Please expect at least 5 to 7 business days to process the original agreement(s). Acceptance is often times subject to management or Q.C. approval. In this case, please do not schedule inspections until such time that the listing broker has informed you that the offer has been "accepted". FNMA reserves the right to revoke their verbal acceptance.

It should be noted that inspections are to be completed within 10 days of verbal acceptance and mortgage application within 5 days of verbal acceptance. No exceptions!

Closing Date and Place

Fannie Mae expects that an agreement of sale subject to financing close within a reasonable period of time for the marketplace in which the property is located, often 45+/- days, and prefers closing not occur within the last several days of the month, so please plan carefully. Cash and/or investor transactions are expected to close within 30 days, or sooner.

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