

# Offer of Sale of Real Property

Public reporting burden for this collection of information is estimated to average 1.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This collection of information is required for developing a public housing project pursuant to HUD regulations 24 CFR 941. The information will be used to provide HUD with sufficient information to enable a determination that funds should or should not be reserved or a contractual commitment made. This information collection is mandated pursuant to the U.S. Housing Act of 1937. The information requested does not lend itself to confidentiality.

1. In consideration of the sum of \$ \_\_\_\_\_ and other valuable consideration herein called "option price," the receipt whereof is hereby acknowledged, the undersigned (**hereinafter called the "seller"**), being the owner of the property described below, hereby offers and agrees to sell and convey the property to the \_\_\_\_\_

(hereinafter called the "Public Housing Agency" (PHA) or its assignee or nominee for the sum of \$ \_\_\_\_\_.

In the event that a Purchase Agreement (form HUD-51971-II) is executed but closing cannot be consummated for the reasons stated in paragraph 3 or 5 of the Purchase Agreement, the seller hereby agrees that the option price or portion thereof shall be returned to the PHA as provided in the Purchase Agreement.

2. The property is located in (**city or town and county**) \_\_\_\_\_

in the State of \_\_\_\_\_ and the property is described as follows (**include street address or other specific location, attach list of any renter occupants by name, address, and number of persons in household, and identify any exceptions to the offer**):

3. This offer shall be irrevocable for a period of \_\_\_\_\_ days (**insert at least 90 days**) from the date hereof and shall remain in force thereafter until terminated by the seller by giving 30 days prior written notice to the PHA of such termination. Until the offer is terminated, the PHA or its designee shall have the right to enter said property for the purpose of appraisal, survey and inspection.

4. The PHA shall evidence acceptance of this offer by executing at least three copies of form HUD-51971-II, Purchase Agreement, a copy of which is attached as an exhibit, and by mailing at least two executed copies to the seller at the address specified below so that the seller may execute both copies and return one to the PHA.

5. Upon closing, the seller shall: (a) convey (**subject to any exceptions specifically set forth in paragraph 2 hereof and liens for current taxes and assessments**) to the PHA or its designee or nominee by general warranty deed a good and marketable fee-simple title thereto, together with all improvements, hereditaments, and appurtenances thereunto belonging, free and clear of all liens, easements, restrictions, delinquent taxes and assessments, leases and encumbrances of any kind, existing or inchoate, with proper release of dower, curtesy, and waiver of homestead rights, if any, together with all of the seller's rights, title, and interest in and to any streets or alleys adjoining or abutting thereon; (b) provide documentary evidence that the zoning permits the PHA's proposed use of the property; and (c) deliver possession to the PHA which shall be responsible for relocation of any renter occupants in accordance with the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA).

6. Loss or damage to the property by any cause shall be at the risk of the seller until title has been conveyed to the PHA.

7. The seller agrees, so long as this offer remains in effect, not to sell, mortgage, encumber, or otherwise dispose of the property or any part thereof, or interest therein, except to the PHA.

8. This offer is made voluntarily. The PHA will not use its power of eminent domain to acquire this property if the seller and the PHA are unable to reach an amicable agreement as to the purchase price. The PHA will inform the seller of the amount it believes is the fair market value of the property. If that amount is less than the proposed sale price in paragraph 1 of this Offer of Sale, the seller may withdraw the offer and return the option price to the PHA. The seller understands that the seller is not and will not be eligible to receive relocation assistance under the URA implementing regulations at 49 CFR Part 24, or HUD program regulations. This offer shall be binding upon the seller and the seller's heirs, executors, administrators, successors, and assignees.

Witness	Seller
	Date
Witness	Address

# Purchase Agreement

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This collection of information is required for developing a public housing project pursuant to HUD regulations 24 CFR 94I. The information will be used to provide HUD with sufficient information to enable a determination that funds should or should not be reserved or a contractual commitment made. This information collection is mandated pursuant to the U.S. Housing Act of 1937. The information requested does not lend itself to confidentiality.

1. The \_\_\_\_\_ (hereinafter called the "Public Housing Agency" (PHA)) agrees to purchase, and \_\_\_\_\_ (hereinafter called the "seller") agrees to sell, the property described in paragraph 2 of the attached Offer of Sale of Real Property (form HUD-51971-I, executed by the seller on \_\_\_\_\_ (date)(hereinafter called the "Offer of Sale"), for the sum of \$ \_\_\_\_\_. The Department of Housing and Urban Development (hereafter called "HUD") has, on the basis of its appraisal, determined the fair market value of the property to be \$ \_\_\_\_\_. (If the fair market value of the property is greater than the price specified in paragraph 1 of the Offer of Sale, the seller may withdraw its offer of sale. If the seller withdraws the offer of sale, the option price shall be returned to the PHA). The Purchase Agreement incorporates all conditions stated in the Offer of Sale.
2. The PHA shall specify the place and time of closing, which shall not be more than 90 days after the date of seller's execution of this Purchase Agreement or such later date as may be acceptable to seller; however, if additional time is needed for required zoning changes, the closing date shall be extended for an additional 90 days or such additional time as may be acceptable to seller.
3. Upon closing, the seller shall deliver title to the property in compliance with paragraph 5 of the Offer of Sale. If there are defects in the title which can be remedied by legal action within a reasonable time as agreed to by the seller and the PHA, the seller shall take such action promptly at the seller's own expense and the date for closing shall be extended for such period of time. If there be defects in title which cannot be or are

not remedied within such time, this Purchase Agreement shall be terminated, the seller shall return the option price to the PHA and both parties shall be released from all liability for damages by reason of any defect in title.

4. Prior to closing, the site must be determined to meet the requirements of HUD. The seller grants permission to the PHA or its designee to enter said property for the purpose of conducting the following studies or tests which must be completed to make the determination, prior to closing, that the property meets HUD requirements:
5. In the event that title is in compliance with paragraph 5 of the Offer of Sale, but closing cannot be consummated because the studies or tests result in a determination that the site does not meet HUD requirements, or any required zoning changes have not been obtained, one-half of the option price as provided in paragraph 1 of the Offer of Sale shall be returned to the PHA.
6. All expenses of examination of title, transfer tax, and of preparation and recording the Deed shall be paid by the PHA. Payment of the above-stated purchase price shall be made upon transfer of title to the PHA.
7. Current taxes shall be prorated as of the time of closing. Any outstanding special assessments or future installments thereon, remaining unpaid against the property shall be paid in full at time of closing by the seller.

**Certification:** We hereby certify that to the best of our knowledge and belief no member, officer, or employee of the PHA, no official of the locality (city, county, etc.) and no member of the locality's governing body has any interest, direct or indirect, in this Purchase Agreement or in any proceeds or benefits arising therefrom.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

PHA Execution		Seller Execution	
Signature	Date	Signature	Date
Title of PHA Official		Title	
PHA Address		Address	
Witness		Witness	
Notary		Notary	

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## Form HUD-51971-I, Offer of Sale of Real Property

### Form HUD-51971-II, Purchase Agreement

- Purpose:** A Public Housing Agency (PHA) is responsible for selecting a site or property for its proposed public housing project under the conventional and acquisition methods. As stated in the form HUD-51971-I, Offer of Sale of Real Property (**Offer of Sale**), the offer is voluntary and the PHA will not use its power of eminent domain to acquire the property if the seller and the PHA are unable to reach an amicable agreement on the purchase price. Paragraph 1 of the Purchase Agreement indicates the amount HUD believes is the fair market value of the property. As a consequence of these disclosures, the purchase is not subject to any of the policies of Title III (Uniform Real Property Policy) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) and the seller is not eligible for relocation assistance. Renter-occupants of the property are, however, eligible for relocation assistance under Title II (Uniform Relocation Assistance) of the URA. All documentation evidencing the voluntary nature of the transaction, e.g., invitation, newspaper and other listings, etc., must be retained by the PHA. The form HUD-51971-II, Purchase Agreement, is to be used by the PHA to indicate the amount which the PHA is authorized to pay to purchase the site or property and to identify any studies or tests required to determine if the site or property meets HUD requirements.
- Prepared By:** The form HUD-51971-I, Offer of Sale, is completed by a prospective seller. The form HUD-51971-II, Purchase Agreement, is prepared by the PHA and executed by both the PHA and the seller. Adaptations required by state or local law may be made to forms HUD-51971-I and HUD-51971-II with the approval of the HUD Office Counsel.
- Number:** At least three executed copies of the form HUD-51971-I, Offer of Sale, and form HUD-51971-II, Purchase Agreement.
- Distribution:** As an attachment to its PHA proposal, a PHA shall submit one copy of the form HUD-51971-I to the HUD Office for each site or property comprising a public housing project to be developed under the conventional or the acquisition methods. One copy of the forms HUD-51971-I and 51971-II shall be an attachment to the PHA's submission of the site acquisition documents. If there are renter occupants on the site, and if delays in closing beyond 30 days of PHA execution of the Purchase Agreement are anticipated (**due to zoning changes, site studies, HUD Office approvals, etc.**), the PHA should submit, with its PHA Proposal, a request for HUD Office approval of an appropriate specified extension of time for providing the required relocation notices.

## 5. PHA Instructions Concerning Preparation:

### A. Form HUD-51971-I, Offer of Sale of Real Property

Paragraph 1. In the first space state the dollar amount of the consideration. In the second space state the legal name of the PHA. In the third space state the seller's asking price for the property described in paragraph 2.

Paragraph 2. In the first space identify the city or town and county or equivalent political subdivision in which the property is located. In the second space identify the State (**or equivalent**) in which the property is located. Describe the property in the large space, beginning with the street address or other specific location. Also in this space identify any exceptions to the offer and list any renter occupants by name, address, and number of persons in the household. Use a continuation page if required.

Paragraph 3. Insert a time period of at least 90 days taking into consideration time necessary for any anticipated special requirements such as site studies or zoning changes.

Signature Area. The seller's signature and typed name, date and address should be included in this area with the signatures of two witnesses who have seen the seller sign. Space is also provided for notarization or acknowledgement if required by local law.

### B. Form HUD-51971-II, Purchase Agreement

Paragraph 1. In the first space state the legal name of the PHA. In the second space state the name of the seller. In the third space state the date the seller signed the Offer of Sale (form HUD-51971-I) and attach a copy of the Offer of Sale to the Purchase Agreement. In the fourth space insert the amount authorized by the HUD Office as the purchase price. In the fifth space indicate the amount determined to be the fair market value of the property by HUD. If the proposed sale price in paragraph 1 of the Offer of Sale of Real Property (HUD-51971-I) is less than the HUD determined fair market value, the seller may withdraw the Offer of Sale and return the option price to the PHA.

Paragraph 4. In the space provided identify any studies or tests required to be completed prior to closing to make the determination that the property meets HUD requirements.

Paragraph 7. The second provision, that the seller pay any out-standing assessments, is based on the assumption that the value of any improvements for which the assessment is made has been included in the HUD-approved purchase price of the property.

Signature Area. The first signature is that of the authorized PHA official and signifies the PHA's acceptance of the seller's offer, with or without changes in the price and with or without the specified studies or tests. The second signature is that of the seller and confirms that there is an agreement. Both signatures attest to the certification immediately preceding the signature area. The signatures of two witnesses are required for each party to the agreement and spaces are provided for any locally required notarization or acknowledgement.