

Module 12: Custodial and REO Property

Lesson 1: Module Content

Topic 1: Overview of Module

Page 1

M12_L01_T01_P01

Audio Text:



Module 12: Custodial and REO Property - Menu

Lessons



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Animation/Interaction: Menu items are hyperlinks. All menu items link to their respective lessons and topics.

Notes:

Module 12: Custodial and REO Property

Lesson 1: Module Content

Topic 1: Overview of Module

Page 2

M12_L01_T01_P02

Audio text: The Agency assumes management responsibility for 2 types of properties: custodial and real estate owned (REO). Custodial property is borrower owned property which has been abandoned. REO is Agency-owned property to which the Agency has acquired title, either as a result of foreclosure or conveyance by deed in lieu of foreclosure. The purpose of this module is to provide guidance and direction on the Field Offices' role in the management of custodial and government owned real estate properties.



Overview of Module 12: Custodial and REO Property

The Agency assumes management responsibility for 2 types of properties: custodial and real estate owned (REO). Custodial property is borrower owned property which has been abandoned. REO is Agency-owned property to which the Agency has acquired title, either as a result of foreclosure or conveyance by deed in lieu of foreclosure. The purpose of this module is to provide guidance and direction on the Field Offices' role in the management of custodial and government owned real estate properties.

Show picture of a home



Image description:

Image filename: TBD

Text on screen: as presented on screen

Animation/Interaction:

Notes: Prompt: click the Next button to continue

Module 12: Custodial and REO Property

Lesson 1: Module Content

Topic 1: Overview of Module

Page 3

M12_L01_T01_P03a

Audio text: Upon completion of this module you will be able to:

- locate information regarding the management of custodial and Real Estate Owned (REO) properties, using the Field Office Handbook, the RD Intranet, and various other RD Instructions.
- describe the steps needed to properly list and prepare an REO property for sale.



Overview of Module 12: Custodial and REO Property

Upon completion of this module you will be able to:

- locate information regarding the management of custodial and Real Estate Owned (REO) properties, using the Field Office Handbook, the RD Intranet, and various other RD Instructions.
- describe the steps needed to properly list and prepare an REO property for sale.

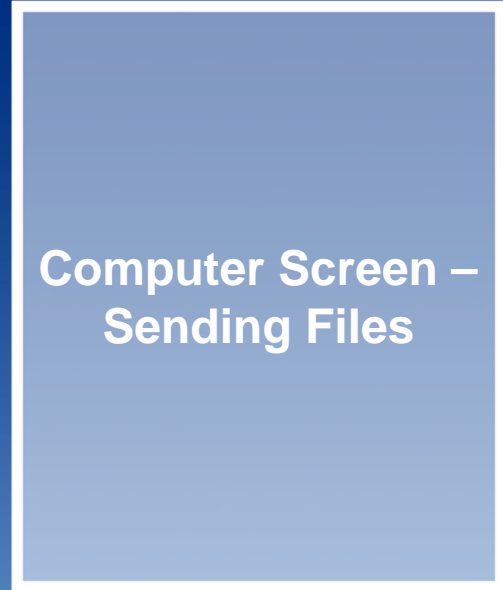


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Text on screen: as presented on screen

Animation/Interaction:

Notes: Prompt: click the *Next* button to continue

Module 12: Custodial and REO Property

Lesson 1: Module Content

Topic 1: Overview of Module

Page 4

M12_L01_T01_P03b

Audio text: In order to complete this particular Module it is necessary to reference various chapters in HB-1-3550, Rural Development Instructions, and the DLOS Training Manual. Please use the button shown in this box to open the SFH Employee Portal in a new web browser for quick reference as you complete this lesson.

The screenshot shows a training module interface. At the top left is the Rural Development logo. The main title is 'Single Family Housing Employee Training'. Navigation links include Menu, Help, Glossary, Resources, and Exit. The current page is 'Module 12: Custodial and REO Property/ Lesson 1: Module Content/ Topic 1: Overview of Module'. The main heading is 'Overview of Module 12: Custodial and REO Property'. Below this, it says 'Upon completion of this module you will be able to:' followed by a list of bullet points: 'locate information regarding the management of custodial and REO properties, RD Intranet', and 'describe the process to prepare an...'. A purple dialog box titled 'Get the Info!' is overlaid on the page. It contains the text: 'In order to complete this particular Module it is necessary to reference various chapters in HB-1-3550, Rural Development Instructions, and the DLOS Training Manual. Please use the button shown in this box to open the SFH Employee Portal in a new web browser for quick reference as you complete this lesson.' Below the text in the dialog box is a circular icon with an 'i' inside. At the bottom of the page, there is a 'page x of x' indicator and a 'Click the Next button to continue' prompt. Navigation buttons for 'Back' and 'Next' are also visible.

Image description:

Image filename: TBD

Text on screen: as presented on screen

Animation/Interaction: Dialogue box appears when user clicks "next". The dialogue box displays text and has a link that will open the SFH Employee Portal in a new web browser when clicked.

Notes: Prompt: click the *Next* button to continue

Module 12: Custodial and REO Property

Lesson 1: Module Content

Topic 2: Property Management

Page 5

M12_L01_T02_P01

Audio Text:



Single Family Housing Employee Training

Module 12: Custodial and REO Property/ Lesson 1: Module Content/ Topic 2: Property Management

Module 12: Custodial and REO Property - Menu

Lessons



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Image description:

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Notes:

**Module 12: Custodial and REO
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Lesson 1: Module Content

Topic 2: Property Management

Page 6

M12_L01_T02_P02a

Audio Text: As discussed in the previous topic, there are two types of properties for which the Agency may assume management: custodial and real estate owned (REO). The goal of property management is to protect the Government's interest; consequently, efforts to secure property should begin as soon as the Agency has control. In managing property the Field Office is responsible for on-site management activities and should work closely with CSC during the liquidation process for custodial properties. However, CSC continues to be responsible for the overall financial management.



Property Management

As discussed in the previous topic, there are two types of properties for which the Agency may assume management: custodial and real estate owned (REO). The goal of property management is to protect the Government's interest; consequently, efforts to secure property should begin as soon as the Agency has control. In managing property the Field Office is responsible for on-site management activities and should work closely with CSC during the liquidation process for custodial properties. However, CSC continues to be responsible for the overall financial management.

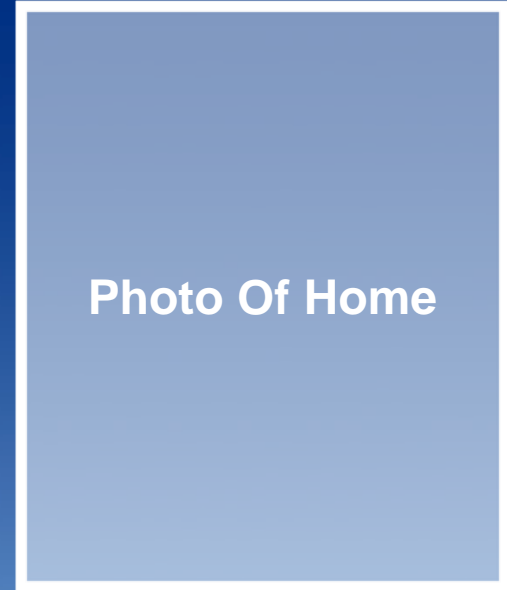


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Text on screen: as presented on screen

Animation/Interaction:

Notes: Prompt: click the *Next* button to continue

Module 12: Custodial and REO Property

Lesson 1: Module Content

Topic 2: Property Management

Page 7

M12_L01_T02_P02b

Audio Text: The role you will play in property management as part of the Agency is outlined in HB-1-3550, Chapter 15, paragraphs 15.1 – 15.2. Take a moment to familiarize yourself with the role the Agency plays in managing property by locating this information now.



Property Management

As discussed in...
two types of pr...
may assume m...
estate owned (...
management is...
interest; conse...
property shoul...
has control. In...
Office is respo...
activities and s...
during the liqui...
properties. How...
responsible for...
management.

Get the Info!

The role you will play in property management as part of the Agency is outlined in HB-1-3550, Chapter 15, paragraphs 15.1 – 15.2. Take a moment to familiarize yourself with the role the Agency plays in managing property by locating this information now.

If you do not already have the SFH Employee Portal open you may access it by clicking on the button shown here.




Image description:

Image filename: TBD

Text on screen: as presented on screen

Animation/Interaction: Dialogue box appears when user clicks “next”. The dialogue box displays text and has a link that will open the SFH Employee Portal in a new web browser when clicked.

Notes: Prompt: click the Next button to continue

Module 12: Custodial and REO Property

Lesson 1: **Module Content**

Topic 3: **Taking Possession**

Page 8

M12_L01_T03_P01

Audio Text:



Single Family Housing Employee Training

Module 12: Custodial and REO Property/ Lesson 1: Module Content/ Topic 3: Taking Possession

Module 12: Custodial and REO Property - Menu

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Module 12: Custodial and REO Property

Lesson 1: Module Content

Topic 3: Taking Possession

Page 9

M12_L01_T03_P02a

Audio Text: Another special situation you may encounter involves different forms of ownership. Three additional forms of ownership discussed in this module include: condominiums, community land trusts, and planned unit developments (PUD). The same basic requirements for loan approval discussed in earlier modules apply to these loans, along with some additional requirements. Click on each of the different forms of ownership below to learn more.



Taking Possession of Property

The agency may take custody of security property when a borrower abandons the security. The determination to take custody of the property requires a significant amount of investigation and documentation. Click on the boxes shown below to learn more about the processes involved in taking custodial possession of a property.

[Taking Custodial Possession](#)

[Acquisition of REO Property](#)



Print



Text

Image description:

Image filename: TBD

Text on screen: as presented on screen

Animation/Interaction: When user clicks on one of the boxes shown on the page a pop-up box appears with more information.

Notes: Prompt after user completes learning activity: click the *Next* button to continue

Module 12: **Custodial and REO Property**

Lesson 1: **Module Content**

Topic 3: **Taking Possession**

Page 10

M12_L01_T03_P02b

Audio Text: The Agency may need to take custody of security property when a borrower becomes incapacitated, dies or has abandoned a security property. When the CSC is unable to contact a borrower, the Field Office will be requested to inspect the property to determine its status and to attempt to contact the borrower. When the Field Office believes that a property may be abandoned, it will report to the CSC. The determination that a property has been abandoned requires significant investigation and documentation.



Taking Possession of Property

The agency may take custody of security property after a determination to take custody of the property is made. Click on the boxes shown to learn more about taking custodial possession of a property.

Taking Custodial Possession

Acquisition of REO Property

Taking Custodial Possession

The Agency may need to take custody of security property when a borrower becomes incapacitated, dies or has abandoned a security property. When the CSC is unable to contact a borrower, the Field Office will be requested to inspect the property to determine its status and to attempt to contact the borrower. When the Field Office believes that a property may be abandoned, it will report to the CSC. The determination that a property has been abandoned requires significant investigation and documentation.

Get the Info! More information on the specific conditions that must be met are located in HB-1-3550, Chapter 15, paragraph 15.3 A.



Image description:

Image filename: TBD

Text on screen: as presented on screen

Animation/Interaction: When user clicks on one of the boxes shown on the page a pop-up box appears with more information.

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Module 12: Custodial and REO Property

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Topic 3: Taking Possession

Page 11

M12_L01_T03_P02c

Audio Text: When the Field Office acquires a property, Field Staff must notify CSC. Field Office Staff should also begin the process of creating a new REO case file to be retained indefinitely.



Taking Possession of Property

The agency may take custody of security property when a borrower abandons the security. The determination to take custody of the property requires a significant amount of investigation and documentation. Click on the boxes shown to learn more about the process of taking custodial possession of a property.

Taking Custodial Possession

Acquisition of REO Property

Acquisition of Property

When the Field Office acquires a property, Field Staff must notify CSC. Field Office Staff should also begin the process of creating a new REO case file to be retained indefinitely.

Get the Info! More information on specific steps to be taken in creating the new REO case file are located in HB-1-3550, Chapter 15, paragraph 15.3 B.



Image description:

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Animation/Interaction: When user clicks on one of the boxes shown on the page a pop-up box appears with more information.

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Module 12: Custodial and REO Property

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Topic 4: Steps After Taking Possession

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M12_L01_T04_P01

Audio Text:



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Text



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Notes:

Module 12: **Custodial and REO Property**

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Topic 4: **Steps After Taking Possession**

Page 13

M12_L01_T04_P02a

Audio Text: After taking possession of a property there are several issues that must be addressed in order to secure and maintain the property in an effort to protect the government's interest. The following circles represent various issues that must be addressed following the Agency's acquisition of an REO property. Click on each circle to learn more.



Steps to Take After Possession

After taking possession of a property there are several issues that must be addressed in order to secure and maintain the property in an effort to protect the government's interest. The following circles represent various issues that must be addressed following the Agency's acquisition of an REO property. Click on each circle to learn more.



Image description:

Image filename: TBD

Text on screen: as presented on screen

Animation/Interaction: Five circles appear on screen as shown. When user clicks on one of the five circles he or she sees a pop-up appear with more information.

Notes: Prompt after user completes click-to-learn activity: click the *Next* button to continue

Module 12: **Custodial and REO Property**

Lesson 1: **Module Content**

Topic 4: **Steps Taken After Possession**

Page 15

M12_L01_T04_P02b

Audio Text: Once an REO property is vacant, Field Office staff must inspect the property to determine what steps need to be taken to further ensure its security and maintain its value.

More information on inspecting and securing property is located in HB-1-3550, Chapter 15, paragraph 15.4.

Single Family Housing Employee Training

Menu | Help | Glossary | Resources | **Exit**

Module 12: Custodial and REO Property/ Lesson 1: Module Content/ Topic 4: Steps Taken After Possession

Steps to Take After Possession

After taking possession of a REO property, Field Office staff must inspect the property to determine what steps need to be taken to further ensure its security and maintain its value. The circles represent various steps taken after possession of REO property. Click on a circle to view more information.

Inspecting and Securing the Property

Once an REO property is vacant, Field Office staff must inspect the property to determine what steps need to be taken to further ensure its security and maintain its value.

Get the Info! More information on inspecting and securing property is located in HB-1-3550, Chapter 15, paragraph 15.4.

Inspecting and Securing the Property

Disposition of Non-Security Property

Environmental Requirements

page x of x Click the *Next* button to continue

◀ Back | Next ▶

Print

Text

Image description:

Image filename: TBD

Text on screen: as presented on screen

Animation/Interaction: Five circles appear on screen as shown. When user clicks on one of the five circles he or she sees a pop-up appear with more information.

Notes:

Module 12: **Custodial and REO Property**

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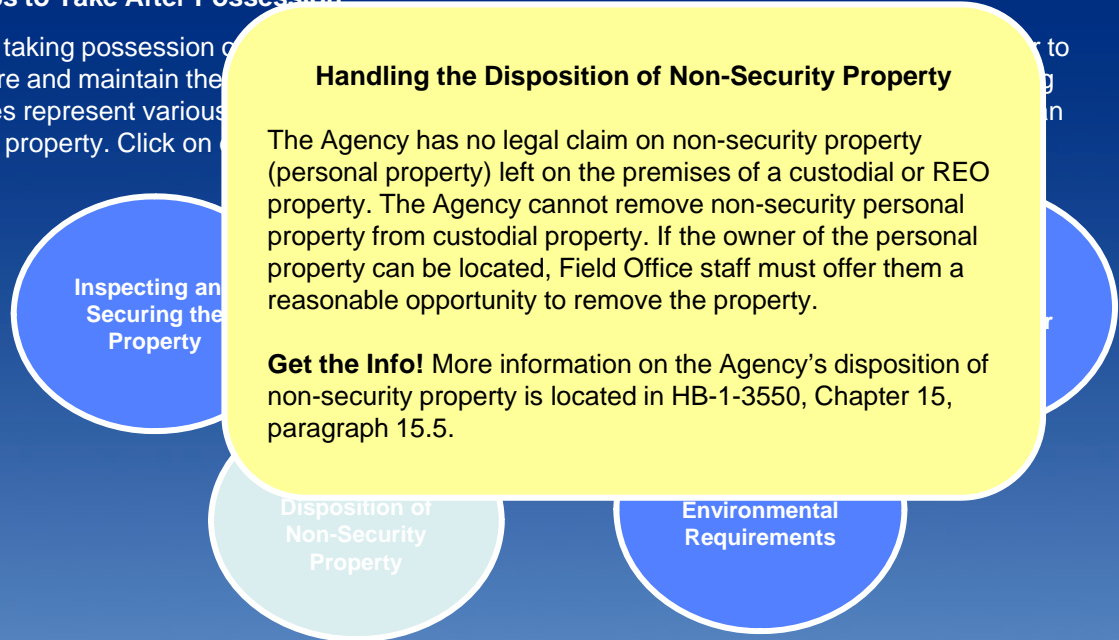
M12_L01_T04_P02c

Audio Text: The Agency has no legal claim on non-security property (personal property) left on the premises of a custodial or REO property. The Agency cannot remove non-security personal property from custodial property. If the owner of the personal property can be located, Field Office staff must offer them a reasonable opportunity to remove the property.
More information on the Agency's disposition of non-security property is located in HB-1-3550, Chapter 15, paragraph 15.5.



Steps to Take After Possession

After taking possession of a property, the Agency must secure and maintain the property. The circles represent various steps taken after possession of REO property. Click on a circle to view more information.



Handling the Disposition of Non-Security Property

The Agency has no legal claim on non-security property (personal property) left on the premises of a custodial or REO property. The Agency cannot remove non-security personal property from custodial property. If the owner of the personal property can be located, Field Office staff must offer them a reasonable opportunity to remove the property.

Get the Info! More information on the Agency's disposition of non-security property is located in HB-1-3550, Chapter 15, paragraph 15.5.



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Notes:

Module 12: **Custodial and REO Property**

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Page 16

M12_L01_T04_P02d

Audio Text: REO property is subject to real estate taxation by State and local jurisdictions. CSC will notify the taxing authority, in writing, when title to real estate is acquired and provide the CSC address to which tax bills should be sent.

More information on taxes and insurance is located in HB-1-3550, Chapter 15, paragraph 15.6.



Steps to Take After Possession

After taking possession of a property there are several issues that must be addressed in order to secure and maintain the property in an effort to protect the government's interest. The following circles represent issues that must be addressed following the Agency's acquisition of an REO property.

Paying Taxes and Insurance

REO property is subject to real estate taxation by State and local jurisdictions. CSC will notify the taxing authority, in writing, when title to real estate is acquired and provide the CSC address to which tax bills should be sent.

Get the Info! More information on taxes and insurance is located in HB-1-3550, Chapter 15, paragraph 15.6.

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Maintaining,
Repairing and
Contracting for
Services

Meeting
Environmental
Requirements



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Text

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Image filename: TBD

Text on screen: as presented on screen

Animation/Interaction: Five circles appear on screen as shown. When user clicks on one of the five circles he or she sees a pop-up appear with more information.

Notes:

Module 12: Custodial and REO Property

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M12_L01_T04_P02e

Audio Text: The Agency must complete the appropriate level of environmental review for proposed management activities involving custodial or REO properties

More information on environmental requirements as they relate to REO properties may be located in the following:

- HB-1-3550, Chapter 15, paragraphs 15.7 and 15.8
- HB-1-3550, Chapter 16, paragraphs 16.12-16.19
- RD AN 4124 (1924-A) "Rural Development Compliance with and Implementation of the Department of Housing and Urban Development Lead-Based Paint (LBP) Rule"



Steps to Take After Possession

After taking possession of a property there are several issues that must be addressed in order to secure and maintain the property in an effort to protect the government's interest. The following circles represent the Agency's acquisition of an REO property.

Meeting Environmental Requirements

The Agency must complete the appropriate level of environmental review for proposed management activities involving custodial or REO properties

Get the Info! More information on environmental requirements as they relate to REO properties may be located in the following sources:

- HB-1-3550, Chapter 15, paragraphs 15.7 and 15.8
- HB-1-3550, Chapter 16, paragraphs 16.12-16.19
- RD AN 4124 (1924-A) "Rural Development Compliance with and Implementation of the Department of Housing and Urban Development Lead-Based Paint (LBP) Rule"

Maintaining, Repairing and Contracting for Services

Meeting Environmental Requirements



Image description:

Image filename: TBD

Text on screen: as presented on screen

Animation/Interaction: Five circles appear on screen as shown. When user clicks on one of the five circles he or she sees a pop-up appear with more information.

Notes:

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Page 18

M12_L01_T04_P02f

Audio Text: Custodial property will be maintained and repaired only as needed to protect the security of the property and to prevent further deterioration. REO property will be cleaned, maintained, and repaired as needed to ensure the safety of potential buyers or contractors. More information on maintaining, repairing and contracting for services on REO properties may be located in the following sources:
•HB-1-3550, Chapter 15, paragraphs 15.9-10,
•RD Instruction 2024-A, Exhibit D



Steps to Take After Possession

After taking possession, the property must be made secure and maintained. The following circles represent the steps to take after possession of REO property. Click on any of the circles to see more information.

Maintaining, Repairing and Contracting for Services

Custodial property will be maintained and repaired only as needed to protect the security of the property and to prevent further deterioration. REO property will be cleaned, maintained, and repaired as needed to ensure the safety of potential buyers or contractors.

Get the Info! More information on maintaining, repairing and contracting for services on REO properties may be located in the following sources:

- HB-1-3550, Chapter 15, paragraphs 15.9-10,
- RD Instruction 2024-A, Exhibit D

Inspection
Security
Property

Handling the
Disposition of
Non-Security
Property

Meeting
Environmental
Requirements

Maintaining,
Repairing and
Contracting for
Services



Image description:

Image filename: TBD

Text on screen: as presented on screen

Animation/Interaction: Five circles appear on screen as shown. When user clicks on one of the five circles he or she sees a pop-up appear with more information.

Notes:

Module 12: Custodial and REO Property

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Topic 4: Steps Taken After Possession



Knowledge Check

True or False. You may remove non-security personal property from custodial property.

- A) True
- B) False

Submit



Print



Text

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M12_L01_T04_P03a

Audio text:

Image description:

Image filename:

Text on screen:

Animation/Interaction: multiple choice question

Notes:

Module 12: **Custodial and REO Property**

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Topic 4: **Steps Taken After Possession**

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M12_L01_T04_P03b

Audio text:.



Single Family Housing Employee Training



Knowledge Check

True or False. You may remove non-security personal property from custodial property.

- A) True
 B) False

Submit

Correct!

This statement is false. The Agency cannot remove non-security personal property from custodial properties, unless it cannot be safely stored, there are hazards that threaten the personal property (such as a leaking roof), or the personal property itself presents a hazard (such as flammables or explosives).

IMPORTANT! If you have not visited the SFH Employee Portal to review the information outlined regarding the topics addressed on this topic please do so at this time!



Print



Text

Image description:

Image filename:

Text on screen:

Animation/Interaction: multiple choice question

Notes: Prompt: click the *Next* button to continue

Module 12: **Custodial and REO Property**

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M12_L01_T04_P03c

Audio text:



Knowledge Check

True or False. You may remove non-security personal property from custodial property.

- A) True
- B) False

Submit

Sorry, that's not correct.

This statement is false. The Agency cannot remove non-security personal property from custodial properties, unless it cannot be safely stored, there are hazards that threaten the personal property (such as a leaking roof), or the personal property itself presents a hazard (such as flammables or explosives).

IMPORTANT! If you have not visited the SFH Employee Portal to review the information outlined regarding the topics addressed on this topic please do so at this time!



Print



Text

Image description:

Image filename:

Text on screen:

Animation/Interaction: multiple choice question

Notes: Prompt: click the Next button to continue

Module 12: Custodial and REO Property

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Topic 5: Disposing of REO Property

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M12_L01_T05_P01

Audio Text:



Single Family Housing Employee Training

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Image description:

Image filename:

Text on screen:

Animation/Interaction: Menu items are hyperlinks. All menu items link to their respective lessons and topics.

Notes:

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Topic 5: **Disposing of REO Property**

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M12_L01_T05_P02a

Audio Text: The Agency will make every effort to sell REO properties quickly and at the best possible price. Whenever possible, preference will be given to selling REO program property to buyers eligible for Direct or Guaranteed SFH programs. Click on each of the boxes shown below to learn more about three issues involved in the sale of REO property.



Disposing of REO Property

The Agency will make every effort to sell REO properties quickly and at the best possible price. Whenever possible, preference will be given to selling REO program property to buyers eligible for Direct or Guaranteed SFH programs. Click on each of the boxes shown below to learn more about three issues involved in the sale of REO property.

Marketing, Advertisement and Sale

Non-Program Loans

Processing and Closing



Print



Text

Image description:

Image filename: TBD

Text on screen: as presented on screen

Animation/Interaction: When user clicks on one of the boxes shown on the page a pop-up box appears with more information.

Notes: Prompt when user completes the learning activity: click the *Next* button to continue

Module 12: **Custodial and REO Property**

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Topic 5: **Disposing of REO Property**

Page 24

M12_L01_T05_P02b

Audio Text: A good marketing plan is the key to reaching the maximum number of potential buyers. The Agency may advertise directly or contract for advertising services.

More information on marketing and advertising REO properties may be located in HB-1-3550, Chapter 16, paragraphs 16.4-16.10.



Disposing of REO Property

The Agency will make every effort to...
Whenever possible, preference will...
Direct or Guaranteed SFH program...
three issues involved in the sale of

Marketing, Advertising and Sale

Non-Program

Processing and Closing

Marketing, Advertising and Sale

A good marketing plan is the key to reaching the maximum number of potential buyers. The Agency may advertise directly or contract for advertising services.

Get the Info! More information on marketing and advertising REO properties may be located in HB-1-3550, Chapter 16, paragraphs 16.4-16.10.



Image description:

Image filename: TBD

Text on screen: as presented on screen

Animation/Interaction: When user clicks on one of the boxes shown on the page a pop-up box appears with more information.

Notes:

Module 12: **Custodial and REO Property**

Lesson 1: **Module Content**

Topic 5: **Disposing of REO Property**

Page 25

M12_L01_T05_P02c

Audio Text: A non-program loan is an extension of credit to a borrower that may not qualify for program credit or a property that does not qualify as program property. When the Agency has REO property to dispose of and financing is available, credit may be extended on non-program terms in order to facilitate the sale of the property. More information on issuing non-program loans to dispose of REO properties may be located in the following sources:
•HB-1-3550, Chapter 11
•RD Instruction 440.1, Exhibit B



Disposing of REO Property

The Agency will make every effort to sell REO property. Whenever possible, preference will be given to Direct or Guaranteed SFH program properties. There are three issues involved in the sale of REO property:

Marketing, Advertising

Non-Program Loans

Processing and Closing

Non-Program Loans

A non-program loan is an extension of credit to a borrower that may not qualify for program credit or a property that does not qualify as program property. When the Agency has REO property to dispose of and financing is available, credit may be extended on non-program terms in order to facilitate the sale of the property.

Get the Info! More information on issuing non-program loans to dispose of REO properties may be located in the following sources:

- HB-1-3550, Chapter 11
- RD Instruction 440.1, Exhibit B



Image description:

Image filename: TBD

Text on screen: as presented on screen

Animation/Interaction: When user clicks on one of the boxes shown on the page a pop-up box appears with more information.

Notes:

Module 12: **Custodial and REO Property**

Lesson 1: **Module Content**

Topic 5: **Disposing of REO Property**

Page 26

M12_L01_T05_P02d

Audio Text: If the Agency is closing the sale with program financing, the sale is closed in accordance with program closing instructions. The Agency will convey the title to the property using *Form RD 1955-49, Quit Claim Deed*.

More information on issuing non-program loans to dispose of REO properties may be located in HB-1-3550, Chapter 16, Section 5, paragraphs 16.20-29.



Disposing of REO Property

The Agency will make every effort to sell REO properties quickly and at the best possible price. Whenever possible, preference will be given to selling REO program property to buyers eligible for Direct or Guaranteed SFH program financing. There are three issues involved in the sale of REO properties:

Marketing, Advertising

Non-Program Loans

Processing and Closing

Processing and Closing

If the Agency is closing the sale with program financing, the sale is closed in accordance with program closing instructions. The Agency will convey the title to the property using *Form RD 1955-49, Quit Claim Deed*.

Get the Info! More information on issuing non-program loans to dispose of REO properties may be located in HB-1-3550, Chapter 16, Section 5, paragraphs 16.20-29.



Image description:

Image filename: TBD

Text on screen: as presented on screen

Animation/Interaction: When user clicks on one of the boxes shown on the page a pop-up box appears with more information.

Notes:

Module 12: Custodial and REO Property

Lesson 1: Module Content

Topic 5: Disposing of REO Property

Page 27

M12_L01_T05_P02e

Audio Text: More information on the sale of REO property may be located in HB-1-3550, Chapter 16. An overview of sales methods, pricing, financing, warranty and contracting for sales services may be found in HB-1-3550, Chapter 16, paragraphs 16.1 and 16.2.



Single Family Housing Employee Training

Module 12: Custodial and REO Property/ Lesson 1: Module Content/ Topic 5: Disposing of REO Property



Get the Info!

Disposing of REO Property

The Agency will...
Whenever poss...
Direct or Guar...
three issues inv...

More information on the sale of REO property may be located in HB-1-3550, Chapter 16. An overview of sales methods, pricing, financing, warranty and contracting for sales services may be found in HB-1-3550, Chapter 16, paragraphs 16.1 and 16.2.

If you don't already have the SFH Employee Portal open in a different browser please use the button provided to open the portal and find the appropriate chapter in the Handbook at this time.



Ma

Processing and Closing



Image description:

Image filename: TBD

Text on screen: as presented on screen

Animation/Interaction: Dialogue box appears when user clicks "next". The dialogue box displays text and has a link that will open the SFH Employee Portal in a new web browser when clicked.

Notes: Prompt : click the Next button to continue

Module 12: Custodial and REO Property

Lesson 1: Module Content

Topic 5: Disposing of REO Property



Knowledge Check

True or False. The preferred method for obtaining broker services is to enter into an exclusive contract with a single broker.

- A) True
- B) False

Submit



Print



Text

Page 28

M12_L01_T05_P03a

Audio text:

Image description:

Image filename:

Text on screen:

Animation/Interaction: multiple choice question

Notes:

Module 12: **Custodial and REO Property**

Lesson 1: **Module Content**

Topic 5: **Disposing of REO Property**

Page 29

M12_L01_T05_P03b

Audio text:.



Knowledge Check

True or False. The preferred method for obtaining broker services is to enter into an exclusive contract with a single broker.

- A) True
- B) False

Submit

Correct!

This statement is true. Agency personnel may sell REO property when staffing and workload permit, but sales are normally handled through the services of real estate brokers. The preferred method for obtaining broker services is to enter into an exclusive contract with a single broker. However, the Field Office also may enter into open listing agreements that permit any licensed real estate broker to provide sales services.

IMPORTANT! If you have not visited the SFH Employee Portal to review the information outlined regarding the topics addressed on this topic please do so at this time!



Image description:

Image filename:

Text on screen:

Animation/Interaction: multiple choice question

Notes: Prompt: click the Next button to continue

Module 12: **Custodial and REO Property**

Lesson 1: **Module Content**

Topic 5: **Disposing of REO Property**

Page 30

M12_L01_T05_P03c

Audio text:



Single Family Housing Employee Training

Module 12: Custodial and REO Property/ Lesson 1: Module Content/ Topic 5: Disposing of REO Property



Knowledge Check

True or False. The preferred method for obtaining broker services is to enter into an exclusive contract with a single broker.

- A) True
- B) False

Submit

Sorry, that's not correct.

This statement is true. Agency personnel may sell REO property when staffing and workload permit, but sales are normally handled through the services of real estate brokers. The preferred method for obtaining broker services is to enter into an exclusive contract with a single broker. However, the Field Office also may enter into open listing agreements that permit any licensed real estate broker to provide sales services.

IMPORTANT! If you have not visited the SFH Employee Portal to review the information outlined regarding the topics addressed on this topic please do so at this time!

page x of x Click the *Next* button to continue

◀ Back | Next ▶



Image description:

Image filename:

Text on screen:

Animation/Interaction: multiple choice question

Notes: Prompt: click the *Next* button to continue

Module 12: Custodial and REO Property

Lesson 1: Module Content

Topic 6: Review and Tools

Page 31

M12_L01_T02_P01

Audio Text:



Single Family Housing Employee Training

Module 12: Custodial and REO Property/ Lesson 1: Module Content/ Topic 6: Review and Tools

Module 12: Custodial and REO Property - Menu

Lessons



[Lesson 1: Overview of Custodial and REO Property](#)



[Lesson 2: Navigating Resources for Custodial and REO Property](#)



[Lesson 3: Offline Learning Activities for Custodial and REO Property](#)



[Lesson 4: Checking Your Knowledge About Custodial and REO Property](#)

Topics

[Topic 1: Overview of Module](#)

[Topic 2: Property Management](#)

[Topic 3: Taking Possession](#)

[Topic 4: Steps After Taking Possession](#)

[Topic 5: Disposing of REO Property](#)

[Topic 6: Review and Tools](#)



Print



Text



Image description:

Image filename:

Text on screen:

Animation/Interaction: Menu items are hyperlinks. All menu items link to their respective lessons and topics.

Notes:

**Module 12: Custodial and REO
Property**

Lesson 1: Module Content

Topic 6: Review

Page 32

M12_L01_T06_P02

Audio Text: Two resources you will find helpful as you manage REO property include:

- REO Property Checklist
- DLOS Training Manual, Chapter 17, Foreclosure/REO

Both documents are found in the RD Intranet web site

<http://teamrd.usda.gov/>, click on Discussion Groups & document libraries, then RHS Document Library, CSC Information and Training Manual.



Helpful Tools and Resources

Two resources you will find helpful as you manage REO property include:

- REO Property Checklist
- DLOS Training Manual, Chapter 17, Foreclosure/REO

Both documents are found in the RD Intranet web site <http://teamrd.usda.gov/>, click on Discussion Groups & document libraries, then RHS Document Library, CSC Information and Training Manual.

**Collage of Photos
from the First
Lesson**



Image description:

Image filename: TBD

Text on screen: as presented on screen

Animation/Interaction:

Notes: Prompt: click the *Next* button to continue

Module 12: Custodial and REO Property

Lesson 1: Module Content

Topic 6: Review

Page 33

M12_L01_T06_P03

Audio Text: Congratulations! You have completed Lesson One.

Four key topics regarding REO and Custodial Property were addressed:

- 1) Overview of Property Management
- 2) Steps in Taking Custodial Possession
- 3) Steps After Taking Custodial Possession
- 4) Steps In Disposing of REO Property

After completing this section of the module you should be able to locate information regarding custodial and REO property. As well, you should be familiar with the various steps and issues involved in managing and selling REO property.

At this time it may be helpful to schedule a meeting with your supervisor to discuss any questions you have about the topics addressed in this portion of the course.



Review

Congratulations! You have completed Lesson One. Four key topics regarding REO and Custodial Property were addressed:

- 1) Overview of Property Management
- 2) Steps in Taking Custodial and REO Possession
- 3) Steps After Taking Possession
- 4) Steps In Disposing of REO Property

After completing this section of the module you should be able to locate information regarding custodial and REO property. As well, you should be familiar with the various steps and issues involved in managing and selling REO property.

At this time it may be helpful to schedule a meeting with your supervisor to discuss any questions you have about the topics addressed in this portion of the course.



Image description:	Image filename: TBD
Text on screen: as presented on screen	
Animation/Interaction:	
Notes: Prompt: click the <i>Next</i> button to continue	

Module 12: Custodial and REO Property

Lesson 2: Navigating Resources

Page 34

M12_L02_T01_P01

Audio text:



Single Family Housing Employee Training

Module 12: Custodial and REO Property/ Lesson 2: Navigating Resources

Module 12: Custodial and REO Property - Menu

Lessons



[Lesson 1: Overview of Custodial and REO Property](#)



[Lesson 2: Navigating Resources for Custodial and REO Property](#)



[Lesson 3: Offline Learning Activities for Custodial and REO Property](#)



[Lesson 4: Checking Your Knowledge About Custodial and REO Property](#)

Topics

[Navigating Resources Activity](#)



Image description:

Image filename:

Text on screen:

Animation/Interaction: Menu items are hyperlinks. All menu items link to their respective lessons and topics.

Notes:

Module 12: **Custodial and REO Property**

Lesson 2: **Navigating Resources**

Page 35

M12_L02_T01_P02a

Audio text: Match each of the topics shown with the category in the SFH Employee Portal where you can find the information related to the topic. To match a topic with a resource left-click on the topic and drag it to the resource you believe contains the information. Some topics may be associated with more than one resource.



Single Family Housing Employee Training

Module 12: Custodial and REO Property / Lesson 2: Navigating Resources

Menu

Help

Glossary

Resources

Exit



Navigating Resources

Match each of the topics shown with the category in the SFH Employee Portal where you can find the information related to the topic. To match a topic with a resource left-click on the topic and drag it to the resource you believe contains the information. Some topics may be associated with more than one resource.

Overview of Property Management

Steps Involved in Taking Possession

Steps Involved After Taking Possession

Meeting Environmental Requirements

Maintenance, Repairs and Contracting for Services

Disposing of REO Property

REO Property Checklist



External Links



Handbook 1-3550



DL0S Manual



Regulations



Ag Learn



Forms



Print



Text

page x of x Click the *Next* button to continue

◀ Back | Next ▶

Image description:

Image filename:

Text on screen: as shown

Animation/Interaction: The boxes shown in the right hand column are moveable objects on the page. To move a box a user clicks (using the left mouse button) and holds the button while they drag the object in the right hand column over the top of one of the six objects in the right hand column. If the match is correct then a prompt appears to let the user know they answered appropriately. If the match is incorrect a prompt appears to let the user know they should "try again." If they are correct the object reappears in the right hand column with a "check mark" next to it showing completion of the task. If they are incorrect the object reappears in the left hand column without a "check mark" next to it indicating that this task is yet to be completed.

Notes: Prompt after the entire activity is completed: click the *Next* button to continue

Module 12: *Custodial and REO Property*

Lesson 2: *Navigating Resources*

Page 36

M12_L02_T01_P02b

Audio text:

Image description:

Image filename:

Text on screen: as shown

Animation/Interaction: The arrow shown references a “correct” match for this particular object. When the correct match occurs the user views a pop-up box indicating the correct match. The object should return to the left-hand column with a check mark indicating completion. The checkmark now remains associated with this object for the rest of the activity so that the learner has knowledge of his or her progress in completing the activity.

Notes:

Module 12: **Custodial and REO Property**

Lesson 2: **Navigating Resources**

Page 37

M12_L02_T01_P02c

Audio text:



Single Family Housing Employee Training

Module 12: Custodial and REO Property / Lesson 2: Navigating Resources



Navigating Resources

Match each of the topics shown with the category in the SFH Employee Portal where you can find the information related to the topic. To match a topic with a resource left-click on the topic and drag it to the resource you believe contains the information. Some topics may be associated with more than one resource.

- Overview of Property Management
- Steps Involved in Taking Possession
- Steps Involved After Taking Possession
- Try Again!**
- Match this topic with a different resource. This is not the best place to find the information for which you are looking.
- REO Property Checklist

- External Links
- Handbook 1-3550
- DLOS Manual
- Regulations
- Ag Learn
- Forms

Image description:

Image filename:

Text on screen: as shown

Animation/Interaction: The arrow shown references an incorrect match for this particular object. When any of these matches occur the user should view a pop-up dialogue box that says, "Try Again" as shown on this screen. The object should return to the left-hand column with a check mark indicating the task is not yet complete.

Notes:

Module 12: *Custodial and REO Property*

Lesson 2: *Navigating Resources*

Page 38

M12_L02_T01_P02d

Audio text:

Single Family Housing Employee Training
Module 12: Custodial and REO Property / Lesson 2: Navigating Resources

Navigating Resources

Match each of the topics shown with the category in the SFH Employee Portal where you can find the information related to the topic. To match a topic with a resource left-click on the topic and drag it to the resource you believe contains the information. Some topics may be associated with more than one resource.

Overview of Property Management

Steps Involved in Taking Possession

Steps Involved After Taking Possession

Meeting Environmental Requirements

Maintenance, Repairs and Contracting for Services

External Links

Handbook 1-3550

DLOS Manual

Regulations

Ag Learn

Forms

Correct!

Procedures Taking Custodial Possession are found in HB-1-3550, Chapter 15, paragraph 15.3 A & B.

page x of x Click the Next button to continue

Menu Help Glossary Resources Exit

Print Text

Back Next

Image description:

Image filename:

Text on screen: as shown

Animation/Interaction: The arrow shown references a “correct” match for this particular object. When the correct match occurs the user views a pop-up box indicating the correct match. The object should return to the left-hand column with a check mark indicating completion. The checkmark now remains associated with this object for the rest of the activity so that the learner has knowledge of his or her progress in completing the activity.

Notes:

Module 12: **Custodial and REO Property**

Lesson 2: **Navigating Resources**

Page 39

M12_L02_T01_P02e

Audio text:



Single Family Housing Employee Training

Module 12: Custodial and REO Property / Lesson 2: Navigating Resources



Navigating Resources

Match each of the topics shown with the category in the SFH Employee Portal where you can find the information related to the topic. To match a topic with a resource left-click on the topic and drag it to the resource you believe contains the information. Some topics may be associated with more than one resource.

Overview of Property Management

Steps Involved in Taking Possession

Steps Involved After Taking Possession

Try Again!

Match this topic with a different resource. This is not the best place to find the information for which you are looking.

REO Property Checklist

External Links

Handbook 1-3550

DL0S Manual

Regulations

Ag Learn

Forms

Image description:

Image filename:

Text on screen: as shown

Animation/Interaction: The arrow shown references an incorrect match for this particular object. When any of these matches occur the user should view a pop-up dialogue box that says, "Try Again" as shown on this screen. The object should return to the left-hand column with a check mark indicating the task is not yet complete.

Notes:

Module 12: **Custodial and REO Property**

Lesson 2: **Navigating Resources**

Page 40

M12_L02_T01_P02f

Audio text:

The screenshot shows a training interface with a dark blue background. At the top, there is a navigation bar with 'Menu', 'Help', 'Glossary', 'Resources', and 'Exit' links. The main title is 'Single Family Housing Employee Training' with the subtitle 'Module 12: Custodial and REO Property / Lesson 2: Navigating Resources'. On the left, a vertical list of topics is shown, each with a checkmark icon: 'Steps Involved in Taking Possession', 'Steps Involved After Taking Possession', 'Meeting Environmental Requirements', 'Maintenance, Repairs and Contracting for Services', 'Disposing of REO Property', and 'REO Property Checklist'. A green pop-up box with the text 'Correct!' is positioned over the 'Steps Involved After Taking Possession' item, with a white arrow pointing from the item to the pop-up. On the right, a vertical list of resource boxes is shown: 'External Links', 'Handbook 1-3550', 'DL0S Manual', 'Regulations', 'Ag Learn', and 'Forms'. At the bottom, there are 'Back' and 'Next' navigation buttons and a page indicator 'page x of x Click the Next button to continue'.

Image description:

Image filename:

Text on screen: as shown

Animation/Interaction: The arrow shown references a “correct” match for this particular object. When the correct match occurs the user views a pop-up box indicating the correct match. The object should return to the left-hand column with a check mark indicating completion. The checkmark now remains associated with this object for the rest of the activity so that the learner has knowledge of his or her progress in completing the activity.

Notes:

Module 12: *Custodial and REO Property*

Lesson 2: *Navigating Resources*

Page 41

M12_L02_T01_P02g

Audio text:



Single Family Housing Employee Training

Module 12: Custodial and REO Property / Lesson 2: Navigating Resources



Navigating Resources

Match this topic to the information in the SFH Employee Portal where you can find the information related to the topic. Click on the topic and drag it to the resource you believe contains the information. You can match more than one resource.

Try Again!

Match this topic with a different resource. This is not the best place to find the information for which you are looking.

Steps Involved in Taking Possession

Steps Involved After Taking Possession

Meeting Environmental Requirements

Maintenance, Repairs and Contracting for Services

Disposing of REO Property

REO Property Checklist

Match this topic to the information in the SFH Employee Portal where you can find the information related to the topic. Click on the topic and drag it to the resource you believe contains the information. You can match more than one resource.



Image description:

Image filename:

Text on screen: as shown

Animation/Interaction: The arrow shown references an incorrect match for this particular object. When any of these matches occur the user should view a pop-up dialogue box that says, "Try Again" as shown on this screen. The object should return to the left-hand column with a check mark indicating the task is not yet complete.

Notes:

Module 12: *Custodial and REO Property*

Lesson 2: *Navigating Resources*

Page 42

M12_L02_T01_P02h

Audio text:

The screenshot shows a training interface with a dark blue background. At the top, there is a navigation bar with 'Menu', 'Help', 'Glossary', 'Resources', and 'Exit' links. The main title is 'Single Family Housing Employee Training' with a subtitle 'Module 12: Custodial and REO Property / Lesson 2: Navigating Resources'. A 'Correct!' message box is open, displaying text about environmental requirements for REO properties. Below this, a list of resources is shown, with 'Handbook 1-3550' and 'Regulations' circled in red. A white arrow points from the 'Regulations' resource to the 'Correct!' message box. On the left, a vertical list of tasks includes 'Steps Involved After Taking Possession', 'Meeting Environmental Requirements', 'Maintenance, Repairs and Contracting for Services', 'Disposing of REO Property', and 'REO Property Checklist'. The first two tasks have checkmarks. At the bottom, there are 'Back' and 'Next' buttons and a page indicator 'page x of x'.

Image description:

Image filename:

Text on screen: as shown

Animation/Interaction: The arrows shown reference "correct" matches for this particular object. When one of the correct matches occurs the user views a pop-up box indicating the correct match. At this time the other correct matches are highlighted with a red circle as shown. The object should also return to the left-hand column with a check mark indicating completion. The checkmark now remains associated with this object for the rest of the activity so that the learner has knowledge of his or her progress in completing the activity.

Notes:

Module 12: *Custodial and REO Property*

Lesson 2: *Navigating Resources*

Page 43

M12_L02_T01_P02i

Audio text:

Single Family Housing Employee Training
Module 12: Custodial and REO Property / Lesson 2: Navigating Resources

Navigating Resources

Match this topic with a different resource. This is not the best place to find the information for which you are looking.

Try Again!

Steps Involved in Taking Possession

Steps Involved After Taking Possession

Meeting Environmental Requirements

Maintenance, Repairs and Contracting for Services

Disposing of REO Property

REO Property Checklist

External Links

Handbook 1-3550

DL0S Manual

Regulations

Ag Learn

Forms

page x of x Click the Next button to continue

Back | Next

Image description:

Image filename:

Text on screen: as shown

Animation/Interaction: The arrow shown references an incorrect match for this particular object. When any of these matches occur the user should view a pop-up dialogue box that says, "Try Again" as shown on this screen. The object should return to the left-hand column with a check mark indicating the task is not yet complete.

Notes:

Module 12: *Custodial and REO Property*

Lesson 2: *Navigating Resources*

Page 44

M12_L02_T01_P02h

Audio text:

Correct!

Procedures for performing maintenance and repairs, as well as contracting for services may be located in HB-1-3550, Chapter 15, paragraphs 15.9-15.10 and RD Instruction 2024-A, Exhibit D.

Steps Involved in Taking Possession

Steps Involved After Taking Possession

Meeting Environmental Requirements

Maintenance, Repairs and Contracting for Services

Disposing of REO Property

REO Property Checklist

External Links

Handbook 1-3550

DL0S Manual

Regulations

Ag Learn

Forms

page x of x Click the Next button to continue

Back Next

Image description:

Image filename:

Text on screen: as shown

Animation/Interaction: The arrow shown references a “correct” match for this particular object. When the correct match occurs the user views a pop-up box indicating the correct match. The object should return to the left-hand column with a check mark indicating completion. The checkmark now remains associated with this object for the rest of the activity so that the learner has knowledge of his or her progress in completing the activity.

Notes:

Module 12: *Custodial and REO Property*

Lesson 2: *Navigating Resources*

Page 45

M12_L02_T01_P02i

Audio text:

Menu | Help | Glossary | Resources | Exit

Single Family Housing Employee Training

Module 12: Custodial and REO Property / Lesson 2: Navigating Resources

Navigating Resources

Match e... to the to... informa... the SFH Employee Portal where you can find the information related on the topic and drag it to the resource you believe contains the e than one resource.

Try Again!

Match this topic with a different resource. This is not the best place to find the information for which you are looking.

- Steps Involved in Taking Possession
- Steps Involved After Taking Possession
- Meeting Environmental Requirements
- Maintenance, Repairs and Contracting for Services
- Disposing of REO Property
- REO Property Checklist

- External Links
- Handbook 1-3550
- DLOS Manual
- Regulations
- Ag Learn
- Forms

page x of x Click the Next button to continue

◀ Back | Next ▶

Image description:

Image filename:

Text on screen: as shown

Animation/Interaction: The arrow shown references an incorrect match for this particular object. When any of these matches occur the user should view a pop-up dialogue box that says, "Try Again" as shown on this screen. The object should return to the left-hand column with a check mark indicating the task is not yet complete.

Notes:

Module 12: **Custodial and REO Property**

Lesson 2: **Navigating Resources**

Page 46

M12_L02_T01_P02j

Audio text:

Single Family Housing Employee Training
Module 12: Custodial and REO Property / Lesson 2: Navigating Resources

Menu | Help | Glossary | Resources | **Exit**

page x of x Click the *Next* button to continue

Navigation Resources

Correct!

Procedures involved in the disposal of REO property may be located in HB-1-3550, Chapter 16, paragraphs 16.1 – 16.10. Information about using a non-program loan to dispose of property may be located in HB-1-3550, Chapter 11.

Steps Involved in Taking Possession

Steps Involved After Taking Possession

Meeting Environmental Requirements

Maintenance, Repairs and Contracting for Services

Disposing of REO Property

REO Property Checklist

External Links

Handbook 1-3550

DLOS Manual

Regulations

Ag Learn

Forms

Back | Next

Image description:

Image filename:

Text on screen: as shown

Animation/Interaction: The arrow shown references a “correct” match for this particular object. When the correct match occurs the user views a pop-up box indicating the correct match. The object should return to the left-hand column with a check mark indicating completion. The checkmark now remains associated with this object for the rest of the activity so that the learner has knowledge of his or her progress in completing the activity.

Notes:

Module 12: **Custodial and REO Property**

Lesson 2: **Navigating Resources**

Page 47

M12_L02_T01_P02k

Audio text:

Single Family Housing Employee Training
Module 12: Custodial and REO Property / Lesson 2: Navigating Resources

Navigating Resources

Match each of the topics shown with the category in the SFH Employee Portal where you can find the information related to the topic. Click on the topic and drag it to the resource you believe contains the information. You can match a topic to more than one resource.

Try Again!
Match this topic with a different resource. This is not the best place to find the information for which you are looking.

Steps Involved in Taking Possession

Steps Involved After Taking Possession

Meeting Environmental Requirements

Maintenance, Repairs and Contracting for Services

Disposing of REO Property

REO Property Checklist

External Links

Handbook 1-3550

DL0S Manual

Regulations

Ag Learn

Forms

page x of x Click the Next button to continue

Back | Next

Image description:

Image filename:

Text on screen: as shown

Animation/Interaction: The arrow shown references an incorrect match for this particular object. When any of these matches occur the user should view a pop-up dialogue box that says, "Try Again" as shown on this screen. The object should return to the left-hand column with a check mark indicating the task is not yet complete.

Notes:

Module 12: **Custodial and REO Property**

Lesson 2: **Navigating Resources**

Page 48

M12_L02_T01_P02L

Audio text:

Image description:

Image filename:

Text on screen: as shown

Animation/Interaction: The arrow shown references a “correct” match for this particular object. When the correct match occurs the user views a pop-up box indicating the correct match. The object should return to the left-hand column with a check mark indicating completion. The checkmark now remains associated with this object for the rest of the activity so that the learner has knowledge of his or her progress in completing the activity.

Notes:

Module 12: *Custodial and REO Property*

Lesson 2: *Navigating Resources*

Page 49

M12_L02_T01_P02m

Audio text:

Single Family Housing Employee Training
Module 12: Custodial and REO Property / Lesson 2: Navigating Resources

Menu | Help | Glossary | Resources | **Exit**

Navigating Resources

Match each topic to the resource that contains the information.

Try Again!
Match this topic with a different resource. This is not the best place to find the information for which you are looking.

Steps Involved in Taking Possession

Steps Involved After Taking Possession

Meeting Environmental Requirements

Maintenance, Repairs and Contracting for Services

Disposing of REO Property

REO Property Checklist

External Links

Handbook 1-3550

DLOS Manual

Regulations

Ag Learn

Forms

page x of x Click the Next button to continue

Back | Next

Print
Text

Image description:

Image filename:

Text on screen: as shown

Animation/Interaction: The arrow shown references an incorrect match for this particular object. When any of these matches occur the user should view a pop-up dialogue box that says, "Try Again" as shown on this screen. The object should return to the left-hand column with a check mark indicating the task is not yet complete.

Notes:

Module 12: **Custodial and REO Property**

Lesson 2: **Navigating Resources**

Page 50

M12_L02_T01_P02n

Audio text:

Menu | Help | Glossary | Resources | Exit

Single Family Housing Employee Training

Module 12: Custodial and REO Property / Lesson 2: Navigating Resources

Navigating Resources

Match each of the topics shown with the category in the SFH Employee Portal where you can find the information related to the topic. To match a topic with a resource left-click on the topic and drag it to the resource you believe contains the information. Some topics may be associated with more than one resource.

Get the Info!

A reference summarizing the location of information for key topics addressed in this Module can be downloaded by clicking on the “print” icon shown below. Print or save the reference pages to use in the future.

Additionally, you are encouraged to spend a few moments locating information related to the topics in the SFH Employee Portal. If a browser with the portal is not open you may do so by clicking on the information button shown below.

Printable Reference Open Portal

page x of x Click the Next button to continue

Image description:

Image filename:

Text on screen:

Animation/Interaction: After last “object” shown in the left hand column is matched with the correct object(s) in the right hand column an information box appears on screen. The dialogue box contains two links. The first link is to a PDF document which the user may download and print. The other button provides a link to the SFH Employee Portal. When the user clicks on this link it opens the portal in a new web-browser on their screen.

Notes: Prompt: click the Next button to continue

The Printable Reference document is titled: **Module 12: Custodial and REO Property Reference**

Module 12: Custodial and REO Property

Lesson 3: Learning Activities

Topic 1: Practice Scenario

Page 51

M12_L03_T01_P01

Audio text:



Single Family Housing Employee Training

Module 12: Custodial and REO Property/ Lesson 3: Offline Activities/ Activity 1: Practice Scenario

Module 12: Custodial and REO Property - Menu

Lessons



[Lesson 1: Overview of Custodial and REO Property](#)



[Lesson 2: Navigating Resources for Custodial and REO Property](#)



[Lesson 3: Offline Learning Activities for Custodial and REO Property](#)



[Lesson 4: Checking Your Knowledge About Custodial and REO Property](#)

Topics

[Activity 1: Practice Scenario](#)

[Activity 2: Suggested On-the-Job Learning Tasks](#)



Print



Text

Image description:

Image filename:

Text on screen:

Animation/Interaction: Menu items are hyperlinks. All menu items link to their respective lessons and topics.

Notes:

Module 12: Custodial and REO Property

Lesson 3: Learning Activities

Topic 1: Practice Scenario

Page 52

M12_L03_T01_P02

Audio text : Mr. John Smith, a borrower you worked with last year, is delinquent on his payments. You decide to make a field visit to the property. Upon arrival to the property, you discover that the electricity has been discontinued and only a few items are left in the home. You must now determine if the property is indeed abandoned and, if so, explain how to proceed with taking possession and preparing to sell the property. You may download the entire scenario along with questions to answer using the link provided below.



Suggested Learning Activity #1 – Practice Scenario

Mr. John Smith, a borrower you worked with last year, is delinquent on his payments. You decide to make a field visit to the property. Upon arrival to the property, you discover that the electricity has been discontinued and only a few items are left in the home. You must now determine if the property is indeed abandoned and, if so, explain how to proceed with taking possession and preparing to sell the property. You may download the entire scenario along with questions to answer using the link provided below.

Download Learning Activity #1

You may click on the icon below to download the first learning activity for this module.



Image description:

Image filename:

Text on screen: As shown

Animation/Interaction: The dialogue box shown (with the green header) is presented on the screen with a button that allows the student to download a file containing instructions for the learning activity described on the screen.

Notes: Prompt: click the *Next* button to continue
The learning activity file is titled: Module_12_Learning_Activity_1

Module 12: Custodial and REO Property

Lesson 3: Learning Activities

Topic 2: On-the-Job Learning Tasks

Page 53

M12_L03_T02_P01

Audio text:



Module 12: Custodial and REO Property - Menu

Lessons



[Lesson 1: Overview of Custodial and REO Property](#)



[Lesson 2: Navigating Resources for Custodial and REO Property](#)



[Lesson 3: Offline Learning Activities for Custodial and REO Property](#)



[Lesson 4: Checking Your Knowledge About Custodial and REO Property](#)

Topics

[Activity 1: Practice scenario](#)

[Activity 2: Suggested On-the-Job Learning Tasks](#)



Image description:

Image filename:

Text on screen:

Animation/Interaction: Menu items are hyperlinks. All menu items link to their respective lessons and topics.

Notes:

Module 12: Custodial and REO Property

Lesson 3: Learning Activities

Topic 2: On-the-Job Learning Tasks

Page 54

M12_L03_T02_P02

Audio text: Put the information you know into action! This activity encourages you to complete several short, on-the-job learning tasks. Each task will introduce you to a different aspect of managing Custodial and REO Property as outlined in this module. A list of the activities and an organizer to assist in reflecting on the activities is provided.



Suggested Learning Activity #2 – Suggested On-the-Job Learning Tasks

Put the information you know into action! This activity encourages you to complete several short, on-the-job learning tasks. Each task will introduce you to a different aspect of managing Custodial and REO Property as outlined in this module. A list of the activities and an organizer to assist in reflecting on the activities is provided.

Download Learning Activity #2

You may click on the icon below to download the second learning activity for this module.



Print



Text

Image description:

Image filename:

Text on screen: As shown

Animation/Interaction: The box (with the green header) provides a button that allows the student to download a file containing instructions for the learning activity described on the screen.

Notes: Prompt: click the *Next* button to continue
The learning activity file is titled: Module_12_Learning_Activity_2

Module 12: Custodial and REO Property

Lesson 4: Knowledge Check

Topic 1: Knowledge Check ?s

Page 55

M12_L04_T01_P01

Audio text:



Single Family Housing Employee Training

Module 12: Custodial and REO Property - Menu

Lessons



[Lesson 1: Overview of Custodial and REO Property](#)



[Lesson 2: Navigating Resources for Custodial and REO Property](#)



[Lesson 3: Offline Learning Activities for Custodial and REO Property](#)



[Lesson 4: Checking Your Knowledge About Custodial and REO Property](#)

Topics

[Topic 1: Knowledge Check Questions](#)

[Topic 2: Case Study – Selling an REO Property](#)



Image description:

Image filename:

Text on screen:

Animation/Interaction: Menu items are hyperlinks. All menu items link to their respective lessons and topics.

Notes:

**Module 12: Custodial and REO
Property**

Lesson 4: Knowledge Check

Topic 1: Knowledge Check ?s

Page 56

M12_L04_T01_P02a

Audio text: This lesson allows you to preview questions similar to those that will be on the formal assessment for this module. Completing the questions presented here is excellent practice for the exam. If there are questions you do not know it may be helpful to revisit another portion of the Module 12 and review the information prior to beginning the assessment for this module. Good Luck!



Knowledge Check

True or False. If the utilities are turned off in an REO property you should have them reinstated before the inspection.

- A) True
- B) False

Submit



Print



Text

Image description:	Image filename:
Text on screen:	
Animation/Interaction: multiple choice question	
Notes:	

**Module 12: Custodial and REO
Property**

Lesson 4: Knowledge Check

Topic 1: Knowledge Check ?s

Page 57

M12_L04_T01_P02b

Audio text:



Single Family Housing Employee Training



Knowledge Check

True or False. If the utilities are turned off in an REO property you should have them reinstated before the inspection.

- A) True
- B) False

Submit

Correct!

This statement is false. Only after an inspection determines utility systems are in safe operable condition should the utility companies be contacted to maintain or reinstate utility service.



Print



Text

Image description:

Image filename:

Text on screen:

Animation/Interaction: multiple choice question

Notes: Prompt: click the *Next* button to continue

Module 12: **Custodial and REO Property**

Lesson 4: **Knowledge Check**

Topic 1: **Knowledge Check ?s**

Page 58

M12_L04_T01_P02c

Audio text:



Knowledge Check

True or False. If the utilities are turned off in an REO property you should have them reinstated before the inspection.

- A) True
- B) False

Submit

Sorry, that's not correct.

This statement is false. Only after an inspection determines utility systems are in safe operable condition should the utility companies be contacted to maintain or reinstate utility service.



Image description:

Image filename:

Text on screen:

Animation/Interaction: multiple choice question

Notes: Prompt: click the *Next* button to continue

**Module 12: Custodial and REO
Property**

Lesson 4: Knowledge Check

Topic 1: Knowledge Check ?s

Page 59

M12_L04_T01_P03a

Audio text:



Single Family Housing Employee Training



Knowledge Check

The Agency conveys property to a buyer using _____ with the State Director's signature.

- A) Handbook Letter 10 (3550) , Status of Offer to Buy Single Family Housing REO Property
- B) Form RD 1955-49, Quitclaim Deed
- C) Form 1955-46, Invitation, Bid, and Acceptance, Sale of Real Property of the United States
- D) Form 1955-43, Notice of Real Property for Sale

Submit



Print



Text

Image description:

Image filename:

Text on screen:

Animation/Interaction: multiple choice question

Notes:

Module 12: *Custodial and REO Property*

Lesson 4: *Knowledge Check*

Topic 1: *Knowledge Check ?s*

Page 60

M12_L04_T01_P03b

Audio text:



Single Family Housing Employee Training

Module 12: Custodial and REO Property/ Lesson 4: Knowledge Check/ Topic 1: Knowledge Check Questions



Knowledge Check

The Agency conveys property to a buyer using _____ with the State Director's signature.

- A) Handbook Letter 10 (3550) , Status of Offer to Buy Single Family Housing REO Property
- B) Form RD 1955-49, Quitclaim Deed
- C) Form 1955-46, Invitation, Bid, and Acceptance, Sale of Real Property of the United States
- D) Form 1955-43, Notice of Real Property for Sale

Submit

Correct!

The Agency conveys the property to the buyer by *Form RD 1955-49, Quitclaim Deed* or other form of non-warranty deed approved by OGC. The State Director signs the conveyance instrument, a copy of which is retained in the REO property case file. The buyer is responsible for recording the instrument.



Print



Text

Image description:

Image filename:

Text on screen:

Animation/Interaction: multiple choice question

Notes: Prompt: click the *Next* button to continue

Module 12: **Custodial and REO Property**

Lesson 4: **Knowledge Check**

Topic 1: **Knowledge Check ?s**

Page 61

M12_L04_T01_P03c

Audio text:



Single Family Housing Employee Training



Knowledge Check

The Agency conveys property to a buyer using _____ with the State Director's signature.

- A) Handbook Letter 10 (3550) , Status of Offer to Buy Single Family Housing REO Property
- B) Form RD 1955-49, Quitclaim Deed
- C) Form 1955-46, Invitation, Bid, and Acceptance, Sale of Real Property of the United States
- D) Form 1955-43, Notice of Real Property for Sale

Submit

Sorry, that's not correct.

The Agency conveys the property to the buyer by *Form RD 1955-49, Quitclaim Deed* or other form of non-warranty deed approved by OGC. The State Director signs the conveyance instrument, a copy of which is retained in the REO property case file. The buyer is responsible for recording the instrument.



Image description:

Image filename:

Text on screen:

Animation/Interaction: multiple choice question

Notes: Prompt: click the *Next* button to continue

**Module 12: Custodial and REO
Property**

Lesson 4: Knowledge Check

Topic 1: Knowledge Check ?s

Page 62

M12_L04_T01_P04a

Audio text:



Single Family Housing Employee Training



Knowledge Check

Each offer should be _____ when received.

- A) filed properly
- B) acted upon
- C) evaluated thoroughly
- D) date stamped

Submit



Print



Text

Image description:

Image filename:

Text on screen:

Animation/Interaction: multiple choice question

Notes:

Module 12: **Custodial and REO Property**

Lesson 4: **Knowledge Check**

Topic 1: **Knowledge Check ?s**

Page 63

M12_L04_T01_P04b

Audio text:



Single Family Housing Employee Training



Knowledge Check

Each offer should be _____ when received.

- A) filed properly
- B) acted upon
- C) evaluated thoroughly
- D) date stamped

Submit

Correct!

Each offer must be date stamped when it is received.



Print



Text

Image description:

Image filename:

Text on screen:

Animation/Interaction: multiple choice question

Notes: Prompt: click the *Next* button to continue

Module 12: **Custodial and REO Property**

Lesson 4: **Knowledge Check**

Topic 1: **Knowledge Check ?s**

Page 64

M12_L04_T01_P04c

Audio text:



Single Family Housing Employee Training



Knowledge Check

Each offer should be _____ when received.

- A) filed properly
- B) acted upon
- C) evaluated thoroughly
- D) date stamped

Submit

Sorry, that's not correct.

Each offer must be date stamped when it is received.



Print



Text

Image description:

Image filename:

Text on screen:

Animation/Interaction: multiple choice question

Notes: Prompt: click the *Next* button to continue

**Module 12: Custodial and REO
Property**

Lesson 4: Knowledge Check

Topic 1: Knowledge Check ?s

Page 65

M12_L04_T01_P05a

Audio text:



Single Family Housing Employee Training

Module 12: Custodial and REO Property/ Lesson 4: Knowledge Check/ Topic 1: Knowledge Check Questions



Knowledge Check

True or False. You should collect money from the buyer when you sell REO property and place it in the safe at your field office.

- A) True
- B) False

Submit



Print



Text

Image description:

Image filename:

Text on screen:

Animation/Interaction: multiple choice question

Notes:

Module 12: **Custodial and REO Property**

Lesson 4: **Knowledge Check**

Topic 1: **Knowledge Check ?s**

Page 66

M12_L04_T01_P05b

Audio text:



Single Family Housing Employee Training



Knowledge Check

True or False. You should collect money from the buyer when you sell REO property and place it in the safe at your field office.

A) True

B) False

Submit

Correct!

This statement is false. The notice of sale must specify any earnest money requirements. No earnest money will be collected when Agency staff conduct the sale. In broker assisted sales, an earnest money deposit in an amount that is customary for the market, is required when the sales contract is signed. Earnest money is held by real estate brokers and is applied to the purchaser's closing costs.



Print



Text

Image description:

Image filename:

Text on screen:

Animation/Interaction: multiple choice question

Notes: Prompt: click the *Next* button to continue

Module 12: **Custodial and REO Property**

Lesson 4: **Knowledge Check**

Topic 1: **Knowledge Check ?s**

Page 67

M12_L04_T01_P05c

Audio text:



Single Family Housing Employee Training



Knowledge Check

True or False. You should collect money from the buyer when you sell REO property and place it in the safe at your field office.

- A) True
 B) False

Submit

Sorry, that's not correct.

This statement is false. The notice of sale must specify any earnest money requirements. No earnest money will be collected when Agency staff conduct the sale. In broker assisted sales, an earnest money deposit in an amount that is customary for the market, is required when the sales contract is signed. Earnest money is held by real estate brokers and is applied to the purchaser's closing costs.



Image description:

Image filename:

Text on screen:

Animation/Interaction: multiple choice question

Notes: Prompt: click the Next button to continue

**Module 12: Custodial and REO
Property**

Lesson 4: Knowledge Check

Topic 1: Knowledge Check ?s

Page 68

M12_L04_T01_P06a

Audio text:



Single Family Housing Employee Training



Knowledge Check

Which form is used to offer REO property for sale?

- A) Form RD 1955-43, Notice of Real Property for Sale (Single Family Housing)
- B) Form 1955-45, Standard Sales Contract, Sale of Real Property by the United States
- C) Handbook Letter 10(3550), 'Status of Offer to Buy Single Family Housing REO Property
- D) Form RD 1955-46, Invitation Bid and Acceptance-Sale of Real Property by the United States

Submit



Image description:

Image filename:

Text on screen:

Animation/Interaction: multiple choice question

Notes:

Module 12: **Custodial and REO Property**

Lesson 4: **Knowledge Check**

Topic 1: **Knowledge Check ?s**

Page 69

M12_L04_T01_P06b

Audio text:



Single Family Housing Employee Training



Knowledge Check

Which form is used to offer REO property for sale?

- A) Form RD 1955-43, Notice of Real Property for Sale (Single Family Housing)
- B) Form 1955-45, Standard Sales Contract, Sale of Real Property by the United States
- C) Handbook Letter 10(3550), 'Status of Offer to Buy Single Family Housing REO Property
- D) Form RD 1955-46, Invitation Bid and Acceptance-Sale of Real Property by the United States

Submit

Correct!

REO property is offered for regular sale using *Form RD 1955-43, Notice of Real Property for Sale (Single Family Housing)*.



Print



Text

Image description:

Image filename:

Text on screen:

Animation/Interaction: multiple choice question

Notes: Prompt: click the *Next* button to continue

Module 12: *Custodial and REO Property*

Lesson 4: *Knowledge Check*

Topic 1: *Knowledge Check ?s*

Page 70

M12_L04_T01_P06c

Audio text:



Single Family Housing Employee Training



Knowledge Check

Which form is used to offer REO property for sale?

- A) Form RD 1955-43, Notice of Real Property for Sale (Single Family Housing)
- B) Form 1955-45, Standard Sales Contract, Sale of Real Property by the United States
- C) Handbook Letter 10(3550), 'Status of Offer to Buy Single Family Housing REO Property
- D) Form RD 1955-46, Ir

Sorry, that's not correct.

REO property is offered for regular sale using *Form RD 1955-43, Notice of Real Property for Sale (Single Family Housing)*.

Submit



Print



Text

Image description:

Image filename:

Text on screen:

Animation/Interaction: multiple choice question

Notes: Prompt: click the *Next* button to continue

Module 12: Custodial and REO Property

Lesson 4: Knowledge Check

Topic 2: Case Study

Page 71

M12_L04_T02_P01

Audio text:



Single Family Housing Employee Training

Module 12: Custodial and REO Property/ Lesson 4: Knowledge Check/ Topic 2: Case Study

Module 12: Custodial and REO Property - Menu

Lessons



[Lesson 1: Overview of Custodial and REO Property](#)



[Lesson 2: Navigating Resources for Custodial and REO Property](#)



[Lesson 3: Offline Learning Activities for Custodial and REO Property](#)



[Lesson 4: Checking Your Knowledge About Custodial and REO Property](#)

Topics

[Topic 1: Knowledge Check Questions](#)

[Topic 2: Case Study – Selling an REO Property](#)



Print



Text



Image description:

Image filename:

Text on screen:

Animation/Interaction: Menu items are hyperlinks. All menu items link to their respective lessons and topics.

Notes:

Module 12: **Custodial and REO Property**

Lesson 4: **Knowledge Check**

Topic 2: **Case Study**

Page 72

M11_L04_T02_P02a

Audio text: You will need to link to the Employee Portal to access resources. *If you do not have a browser open to the portal you may do so at this time by using the button provided in this box.*

The screenshot shows a training interface with a dark blue background. At the top left is the 'Rural Development' logo. The main title is 'Single Family Housing Employee Training' with a subtitle 'Module 12: Custodial and REO Property, Lesson 4: Knowledge Check/ Topic 2: Case Study'. Navigation links for 'Menu', 'Help', 'Glossary', 'Resources', and 'Exit' are at the top right. A circular profile picture is in the upper right. The main heading is 'Resources and Information Available to You'. The content area is titled 'Case Study – Selling REO Property' and contains text about REO property and a 'Get the Info!' dialog box. The dialog box has a purple header and a grey body with an information icon and text: 'You will need to link to the Employee Portal to access resources. If you do not have a browser open to the portal you may do so at this time by using the button provided in this box.' To the right of the dialog is a white box titled 'Review the Non-Program Offer'. Below that is a laptop icon with a box on its screen that says 'Identify Resources on Employee Portal'. At the bottom left, it says 'page x of x Click the Next button to continue'. At the bottom right, there are 'Back' and 'Next' navigation buttons. On the far right, there are 'Print' and 'Text' icons.

Image description:

Image filename:

Text on screen: as presented

Animation/Interaction: Dialogue box appears on screen first. Audio narrates text in dialogue box. A link to the SFH Employee Portal is provided in the box. When the user click on this link the portal opens in a new web-browser.

Notes: Prompt: click the *Next* button to continue

Module 12: Custodial and REO Property

Lesson 4: Knowledge Check

Topic 2: Case Study

Page 73

M11_L04_T02_P02b

Audio text: There is an REO property located in your field office servicing area that has been listed with several Real Estate Brokers for over 65 days. The State Office has advised you that non-program Credit Sale Authority is available and you have notified your listing agents. Within 24 hours you were presented with a non-program offer requesting credit. The applicants have several questions about non-program loans. You must answer their questions using the resources you have available.

You may access information and resources to help you solve this problem by clicking on each of the resources shown on this page. Once you have answered each of the questions click "Next" to submit your answers on the following screens.



Single Family Housing Employee Training

Module 12: Custodial and REO Property, Lesson 4: Knowledge Check/ Topic 2: Case Study



Resources and Information Available to You

Case Study – Selling REO Property

There is an REO property located in your field office servicing area that has been listed with several Real Estate Brokers for over 65 days. The State Office has advised you that non-program Credit Sale Authority is available and you have notified your listing agents. Within 24 hours you were presented with a non-program offer requesting credit. The applicants have several questions about non-program loans. You must answer their questions using the resources you have available.

You may access information and resources to help you solve this problem by clicking on each of the resources shown on this page. Once you have answered each of the questions click "Next" to submit your answers on the following screens.

Questions From the Applicant

Review the Non-Program Offer

Current Non-Program Interest Rate

Identify Resources on Employee Portal



Image description:

Image filename:

Text on screen: as presented

Animation/Interaction: Four resources are presented on the screen. When the user clicks on one of the resources a pop-up appears with additional information.

Notes: Prompt after user clicks on each of the resources: click the *Next* button to continue

Module 12: **Custodial and REO Property**

Lesson 4: **Knowledge Check**

Topic 2: **Case Study**

Page 74

M11_L04_T02_P02c

Audio text: Questions from the Applicant

1. How much of a down payment will I be required to pay?
2. What rates and terms will Rural Development offer me?
3. What are the PITI and TD ratios that will be used to evaluate repayment ability for us as non-program applicants?



Single Family Housing Employee Training

Module 12: Custodial and REO Property, Lesson 4: Knowledge Check/ Topic 2: Case Study



Resources and Information Available to You

Case Study

Questions from the Applicant

1. How much of a down payment will I be required to pay?
2. What rates and terms will Rural Development offer me?
3. What are the PITI and TD ratios that will be used to evaluate repayment ability for us as non-program applicants?

There is a pop-up window with several questions from the State Of Credit Services. We were previously requesting questions about non-program loans. You must answer their questions using the resources you have available.

You may access information and resources to help you solve this problem by clicking on each of the resources shown on this page. Once you have answered each of the questions click "Next" to submit your answers on the following screens.

Questions From Applicant

Review the Non-Program Offer

Current Non-Program Interest Rate

Identify Resources on Employee Portal



Image description:

Image filename:

Text on screen: as presented

Animation/Interaction: Four resources are presented on the screen. When the user clicks on one of the resources a pop-up appears with additional information.

Notes:

Module 12: **Custodial and REO Property**

Lesson 4: **Knowledge Check**

Topic 2: **Case Study**

Page 75

M11_L04_T02_P02d

Audio text: The offer is for the full listing price of \$62,000, from a family planning to live in the property.



Single Family Housing Employee Training

Module 12: Custodial and REO Property, Lesson 4: Knowledge Check/ Topic 2: Case Study



Resources and Information

Case Study – Selling REO Property

There is an REO property located in an office servicing area that has been listed by several Real Estate Brokers for several months. The State Office has advised you that a Credit Sale Authority is available and has notified your listing agents. Within a few days you were presented with a non-program offer requesting credit. The applicants have several questions about non-program loans. You must answer their questions using the resources you have available.

You may access information and resources to help you solve this problem by clicking on each of the resources shown on this page. Once you have answered each of the questions click "Next" to submit your answers on the following screens.

Non-Program Offer
The offer is for the full listing price of \$62,000, from a family planning to live in the property.

View the non-program offer

Current Non-Program Interest Rate

Identify Resources on Employee Portal



Image description:

Image filename:

Text on screen: as presented

Animation/Interaction: Four resources are presented on the screen. When the user clicks on one of the resources a pop-up appears with additional information.

Notes:

Module 12: **Custodial and REO Property**

Lesson 4: **Knowledge Check**

Topic 2: **Case Study**

Page 76

M11_L04_T02_P02e

Audio text: The non-program interest rate at the time the offer was received is 7.250%.

The screenshot shows a training interface with a dark blue background. At the top left is the 'Rural Development' logo. The main title is 'Single Family Housing Employee Training' with a subtitle 'Module 12: Custodial and REO Property, Lesson 4: Knowledge Check/ Topic 2: Case Study'. Navigation links for 'Menu', 'Help', 'Glossary', 'Resources', and 'Exit' are at the top right. A circular profile picture is in the top right corner. The main heading is 'Resources and Information Available to You'. The content area is titled 'Case Study – Selling REO Property' and contains text about a REO property and a non-program offer. A blue callout box highlights the 'Current Non-Program Interest Rate' as 7.250%. Other callouts include 'Questions From the Applicant', 'Review the Non-Program Offer', and 'Identify Resources on Employee Portal'. A laptop icon is at the bottom right. Navigation buttons for 'Back' and 'Next' are at the bottom. A footer indicates 'page x of x' and 'Click the Next button to continue'.

Image description:

Image filename:

Text on screen: as presented

Animation/Interaction: Four resources are presented on the screen. When the user clicks on one of the resources a pop-up appears with additional information.

Notes:

Module 12: Custodial and REO Property

Lesson 4: Knowledge Check

Topic 2: Case Study

Page 77

M11_L04_T02_P02f

Audio text: You asked your supervisor to indicate helpful resources regarding the sale of REO property through non-program loans. Your supervisor suggested you look in HB-1-3550, Chapter 16 and Chapter 11.



Single Family Housing Employee Training

Module 12: Custodial and REO Property, Lesson 4: Knowledge Check/ Topic 2: Case Study



Resources and Information Available to You

Case Study – Selling REO Property

There is an REO property located in your field office servicing area that has been listed with several Real Estate Brokers for over 65 days. The State Office has advised you that non-program Credit Sale Authority is available and you have notified your listing agents. Within 24 hours you were presented with a non-program offer requesting credit. The applicants have several questions about non-program loans. You can answer their questions using the resources that are available.

You may access information and resources that you solve this problem by clicking on the resources shown on this page. Once you have answered each of the questions click on the Next button to submit your answers on the following screens.

Questions From the Applicant

Review the Non-Program Offer

Resources on SFH Employee Portal
You asked your supervisor to indicate helpful resources regarding the sale of REO property through non-program loans. Your supervisor suggested you look in HB-1-3550, Chapter 16 and Chapter 11.

Identify Resources on Employee Portal



Image description:

Image filename:

Text on screen: as presented

Animation/Interaction: Four resources are presented on the screen. When the user clicks on one of the resources a pop-up appears with additional information.

Notes: Prompt: click the Next button to continue

**Module 12: Custodial and REO
Property**

Lesson 4: Knowledge Check

Topic 2: Case Study



Knowledge Check

How much of a down-payment will the non-program buyer be required to pay?

- A) 5% of \$62,000 = \$3100
- B) 4% of \$62,000 = \$2480
- C) 3% of \$62,000 = \$1860
- D) 2% of \$62,000 = \$1240

Submit



Print



Text

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M12_L04_T02_P03a

Audio text:

Image description:

Image filename:

Text on screen:

Animation/Interaction: multiple choice question

Notes:

Module 12: **Custodial and REO Property**

Lesson 4: **Knowledge Check**

Topic 2: **Case Study**

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M12_L04_T02_P03b

Audio text:



Single Family Housing Employee Training

Module 12: Custodial and REO Property/ Lesson 4: Knowledge Check/ Topic 2: Case Study



Knowledge Check

How much of a down-payment will the non-program buyer be required to pay?

- A) 5% of \$62,000 = \$3100
- B) 4% of \$62,000 = \$2480
- C) 3% of \$62,000 = \$1860
- D) 2% of \$62,000 = \$1240



Correct!

Non-program borrowers who intend to occupy the property must contribute 2 percent of the purchase price. In this case it is \$1240 given the offer of \$62,000. (HB-1-3550, Chapter 11, paragraph 11.6 A)

Image description:

Image filename:

Text on screen:

Animation/Interaction: multiple choice question

Notes: Prompt: click the *Next* button to continue

Module 12: **Custodial and REO Property**

Lesson 4: **Knowledge Check**

Topic 2: **Case Study**

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M12_L04_T02_P03c

Audio text:



Single Family Housing Employee Training

Module 12: Custodial and REO Property/ Lesson 4: Knowledge Check/ Topic 2: Case Study



Knowledge Check

How much of a down-payment will the non-program buyer be required to pay?

- A) 5% of \$62,000 = \$3100
- B) 4% of \$62,000 = \$2480
- C) 3% of \$62,000 = \$1860
- D) 2% of \$62,000 = \$1240

Submit

Sorry, that's not correct.

Non-program borrowers who intend to occupy the property must contribute 2 percent of the purchase price. In this case it is \$1240 given the offer of \$62,000. (HB-1-3550, Chapter 11, paragraph 11.6 A)



Print



Text

Image description:

Image filename:

Text on screen:

Animation/Interaction: multiple choice question

Notes: Prompt: click the *Next* button to continue



Knowledge Check

What rates and terms will Rural Development offer this applicant?

- A) Interest rate in effect at time of loan approval and 30 year term
- B) Interest rate in effect at time of loan application and 10 year term
- C) Interest rate in effect at time of loan approval and 10 year term
- D) Interest rate in effect at time of loan application and 30 year term

Submit



Print



Text

Image description:

Image filename:

Text on screen:

Animation/Interaction: multiple choice question

Notes:

Module 12: **Custodial and REO Property**

Lesson 4: **Knowledge Check**

Topic 2: **Case Study**

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M12_L04_T02_P04b

Audio text:



Single Family Housing Employee Training

Module 12: Custodial and REO Property/ Lesson 4: Knowledge Check/ Topic 2: Case Study



Knowledge Check

What rates and terms will Rural Development offer this applicant?

- A) Interest rate in effect at time of loan approval and 30 year term
- B) Interest rate in effect at time of loan application and 10 year term
- C) Interest rate in effect at time of loan approval and 10 year term
- D) Interest rate in effect at time of loan application and 30 year term

Submit

Correct!

The interest rate charged for non-program loans is the non-program rate in effect at the time of loan approval. Non-program rates can be found in Exhibit B of RD Instruction 440.1. For non-program applicants who intend to personally occupy the property, the maximum loan term is 30 years. (HB-1-3550, Chapter 11, paragraph 11.6 C & D)



Print



Text

Image description:

Image filename:

Text on screen:

Animation/Interaction: multiple choice question

Notes: Prompt: click the *Next* button to continue

Module 12: *Custodial and REO Property*

Lesson 4: *Knowledge Check*

Topic 2: *Case Study*

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M12_L04_T02_P04c

Audio text:



Single Family Housing Employee Training

Module 12: Custodial and REO Property/ Lesson 4: Knowledge Check/ Topic 2: Case Study



Knowledge Check

What rates and terms will Rural Development offer this applicant?

- A) Interest rate in effect at time of loan approval and 30 year term
- B) Interest rate in effect at time of loan application and 10 year term
- C) Interest rate in effect at time of loan approval and 10 year term
- D) Interest rate in effect at time of loan application and 30 year term

Submit

Sorry, that's not correct.

The interest rate charged for non-program loans is the non-program rate in effect at the time of loan approval. Non-program rates can be found in Exhibit B of RD Instruction 440.1. For non-program applicants who intend to personally occupy the property, the maximum loan term is 30 years. (HB-1-3550, Chapter 11, paragraph 11.6 C & D)



Print



Text

Image description:

Image filename:

Text on screen:

Animation/Interaction: multiple choice question

Notes: Prompt: click the Next button to continue

**Module 12: Custodial and REO
Property**

Lesson 4: Knowledge Check

Topic 2: Case Study



Knowledge Check

What are the PITI & TD ratios used to show the repayment ability of non-program applicants?

- A) PITI may not exceed 30% and TD may not exceed 45%
- B) PITI may not exceed 41% and TD may not exceed 33%
- C) PITI may not exceed 33% and TD may not exceed 41%
- D) PITI may not exceed 28% and TD may not exceed 40%

Submit



Print



Text

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M12_L04_T02_P05a

Audio text:

Image description:	Image filename:
Text on screen:	
Animation/Interaction: multiple choice question	
Notes:	

Module 12: **Custodial and REO Property**

Lesson 4: **Knowledge Check**

Topic 2: **Case Study**

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M12_L04_T02_P05b

Audio text:



Single Family Housing Employee Training

Module 12: Custodial and REO Property/ Lesson 4: Knowledge Check/ Topic 2: Case Study



Knowledge Check

What are the PITI & TD ratios used to show the repayment ability of non-program applicants?

- A) PITI may not exceed 30% and TD may not exceed 45%
- B) PITI may not exceed 41% and TD may not exceed 33%
- C) PITI may not exceed 33% and TD may not exceed 41%
- D) PITI may not exceed 28% and TD may not exceed 40%

Submit

Correct!

For non-program applicants who intend to personally occupy the property, the PITI ratio must not exceed 33 percent of repayment income, and the TD ratio must not exceed 41 percent. (HB-1-3550, Chapter 11, paragraph 11.6 E)



Print



Text

Image description:

Image filename:

Text on screen:

Animation/Interaction: multiple choice question

Notes: Prompt: click the *Next* button to continue

Module 12: **Custodial and REO Property**

Lesson 4: **Knowledge Check**

Topic 2: **Case Study**

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M12_L04_T01_P05c

Audio text:



Single Family Housing Employee Training

Module 12: Custodial and REO Property/ Lesson 4: Knowledge Check/ Topic 2: Case Study



Knowledge Check

What are the PITI & TD ratios used to show the repayment ability of non-program applicants?

- A) PITI may not exceed 30% and TD may not exceed 45%
- B) PITI may not exceed 41% and TD may not exceed 33%
- C) PITI may not exceed 33% and TD may not exceed 41%
- D) PITI may not exceed 33% and TD may not exceed 41%

Submit

Sorry, that's not correct.

For non-program applicants who intend to personally occupy the property, the PITI ratio must not exceed 33 percent of repayment income, and the TD ratio must not exceed 41 percent. (HB-1-3550, Chapter 11, paragraph 11.6 E)



Print



Text

Image description:

Image filename:

Text on screen:

Animation/Interaction: multiple choice question

Notes: Prompt: click the *Next* button to continue

Module 12: Custodial and REO Property

Lesson 4: Knowledge Check and Case Study

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M12_L04_T02_P6

Audio text: Congratulations!

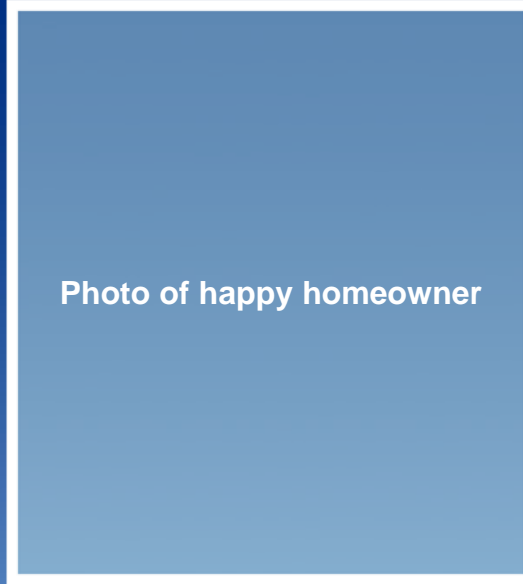
You have completed Module 12: Custodial and REO Property.

You are now more familiar with the processing requirements for condominium ownership, community land trusts, planned unit developments and manufactured homes.

The next module will address Servicing of SFH Direct Loans.



Module Review



Congratulations! You have completed Module 12: Custodial and REO Property.

You are now more familiar with the processing requirements for condominium ownership, community land trusts, planned unit developments and manufactured homes.

The next module will address Servicing of SFH Direct Loans.



Print



Text

Image description:

Image filename: TBD

Text on screen: as shown

Animation/Interaction:

Notes: