



HUD CLOSING FAQ's

(revised December 2020)

➤ **Who do I contact about Utility Activation?**

Utility Activation is requested through HUD's Field Service Managers (FSM):

5P Area (DC, DE, MD, PA, VA, WV)

Name: BLM COMPANIES LLC

Phone: 855-333-6743

Email: 5p@BLMCo.com

Utility Activation Request:

<https://blmco.com/utility-activation-tool/>

➤ **Where do I send overdue/outstanding utilities, HOA or tax bills?**

Taxes: finance@RE-Global.com & cc' Admin@RE-Global.com

HOAs: finance@re-global.com & cc' Admin@RE-Global.com

Utilities (5P): 5PUtilityBills@BLMCo.com

➤ **Does HUD sign the Amendatory Clause?**

No, HUD does not sign the FHA Amendatory Clause. HUD is the insurer. In fact, HUD does not sign lender or title company/closing attorney documents.

EXCEPTION: However, HUD will sign the VA Amendatory Clause.

➤ **Who obtains the HOA/POA/Condo Documents?**

The local listing broker (LLB) is required to obtain the documents. HUD will reimburse the cost/fee for ordering HOA/POA/condo documents, if the LLB submits proof of such costs to the BSCA prior to closing. Once approved, the fees will be added to the settlement statement and reimbursed to the LLB.

NOTE: Do not wait until the day of closing **or** after settlement has already taken place to present the invoice/bill/receipt. If the invoice/bill/receipt is submitted after settlement has already taken place, HUD will not reimburse.

➤ **What is HUD's Tax ID#?**

53-0196955

➤ **What is HUD's address?**

5P Area (DC, DE, MD, PA, VA, WV)

US Department of Housing & Urban Development
Pennsylvania State Office
The Wanamaker Building
100 Penn Square, East
Philadelphia, PA 19107 – 3380



➤ **When should the Preliminary HUD-1 Package be uploaded for the closing?**

The preliminary closing package must be uploaded to the Yardi/P260 portal at least five (5) business days prior to the scheduled closing date. Preliminary closing documents are NOT accepted via email.

➤ **Where do I submit Preliminary HUD-1 Package to schedule a closing?**

https://www.hudp260.com/Pages/Resources/hudtraining_mm3_portal.aspx

In the Yardi/P260 portal, the Functions menu, click "Add Attachments":

- Category: Settlement
- Subcategory: Prelim HUD-1

NOTE: Preliminary HUD-1 documents MUST be uploaded as a single .pdf attachment.

NOTE: DO NOT upload documents to any other category or subcategory. Using the wrong category could delay review & approval.

- An email notification of receipt will be sent within **24-48 hours** of document upload
- To avoid errors with closing, partial submissions are not acceptable and will not be reviewed.
- Check the YARDI portal frequently for approvals and/or document corrections

➤ **What documents are included in the Preliminary HUD-1 package for review?**

- HUD-1 Settlement Sheet (lender approved)
- Any bills or fees charged to HUD (such as taxes, utilities, HOA fees, etc.),
- Special Warranty deed & the overnight return label for the deed.

FEES HUD WILL PAY	FEES HUD WILL NOT PAY
• Taxes *	• HOA Attorney/Legal Fees
• Utilities *	• Postage
• HOA *	• Title Fees
• Commissions to the listing/selling agent	• Recording Fees
• Cost to provide condominium documents to purchaser	• Transfer Taxes
• Repair Escrow Inspection Fee of \$200 (if applicable on loan docs) FHA ONLY	• Grantor's Tax
INTENTIONALLY LEFT BLANK	• Wire/Courier/Copy fees
	• Meter Readings Outside or Connection Fees
	• Miscellaneous/Other Costs
	• Attorney "Junk" Fees

NOTE: HUD will not pay any closing fees above the contracted amount on line five (5) of the binding sales contract.

NOTE: *HUD will not pay taxes, utilities or HOAs without a copy of the bill to support the expense. All tax, utility and HOA bills must include the start and end date, base fees/dues, frequency (annual, semi-annual, quarterly or monthly), penalties, interest or late fees with a breakdown for each line item. HOA bills must show the monthly running balance breakdown on statement. HUD does not pay any escrowed bills.



➤ **Whom creates the Deed?**

The title company creates the deed & submits with the preliminary closing package for review and signatures. Deeds must include a return overnight label (*FedEx preferred*).

➤ **How long are Deeds good after signature by the asset manager?**

Deeds are only good for five (5) business days from the date they are signed by HUD. If the closing is rescheduled and the deed expires; the closing agent must notify RE-Global.

- A new preliminary closing package including the new deed and overnight return label are required
- The expired deed must be returned to RE Global

➤ **Where do I submit the Final Post Closing Package?**

https://www.hudp260.com/Pages/Resources/hudtraining_mm3_portal.aspx

In the Yardi/P260 portal, the Functions menu, click "Add Attachments":

- Category: Settlement
- Subcategory: FINAL HUD-1

NOTE: Must be uploaded to the Yardi/P260 portal within two (2) business days of the closing

NOTE: Post closing documents **MUST** be uploaded as a single .pdf attachment

➤ **What documents must be included in the Final Post Closing Package?**

*The Post Closing Checklist (*provided by RE Global with Preliminary HUD-1 approval*)

*Fully Executed HUD-1 Settlement Sheet

*Wire Confirmation of Closing due 24 hours after settlement

*Disbursement Log/Ledger

*Copy of All Check/Invoices/Bills Paid on Final HUD-1 Settlement Sheet

*Copy of Tax Bill

*Recorded Deed or Deed Receipt with Copy of Executed Deed

NOTE: Include FHA case number and Property address on the wire transaction and disbursement ledger

➤ **What can be considered as a deed receipt?**

*Copy of Actual Recorded Deed

*Recording Office Receipt (The receipt must indicate deed has been received for recording w/copy of signed deed.)

*Copy of Check (Payable to Recording Office) w/Copy of Executed Deed

*Copy of Mailing Label (Label must indicate deed was mailed to recording office w/copy of executed deed.)

*Disbursement Log (Log must list check payment to recording office w/copy of the executed deed.)

➤ **Where do I submit Post Closing Compliance Related Issues (ex. HOA, unpaid post-closing bills)?**

Submit all compliance related issues via email to:

1. Closings@re-global.com & cc' Admin@re-global.com

NOTE: DO NOT submit preliminary HUD-1 via email

➤ **If I miss the wiring deadline on the day of closing, can I wire the next day?**

Yes, you have one (1) business day from the date of closing to wire funds and disburse the transaction.

NOTE: Both the case number & property address MUST be listed on the wire.



- **Does HUD give the buyer's keys to the property after settlement?**
No. Buyers are responsible for changing the locks following settlement funding.
- **What is a BSCA number?**
It is the Buyer Select Closing Agent/Attorney's account ID with HUD. It usually includes six (6) letters & four (4) numbers, i.e. AMERIC0001.
- **What is the link to access HUD's Yardi/P260 portal?**
https://www.hudp260.com/Pages/Resources/hudtraining_mm3_portal.aspx
- **What can I do if I don't have access to HUD's Yardi/P260 system or require activation/reactivation?**
To: VM@RE-Global.com
Subject Line: Super User Reactivation Request – Closing Pending

Requirements:

- State license that allows corporation to practice in the state where the contracted asset is located.
- E&O insurance must reflect \$1 million in claim and aggregate and have a minimum of sixty (60) days remaining on policy at presentation.
- Company Name:
- Primary Contact Name:
- Address:
- Business Phone Number:
- Email Address:
- HUD Case Number:

Reactivation requests are processed within forty-eight (48) hours following the receipt of the required documents. Reactivation requests are approved at the discretion of HUD.

- **How can I contact the Yardi/P260 Helpdesk?**
(805) 699-2053



PRE-CLOSING INSTRUCTIONS

Estimated HUD-1

A pre-closing package is required for each closing transaction. The package is due from Residential Enhancements, Inc., d/b/a RE Global Inc. no later than five (5) business days prior to closing in comply with HUD requirements.

Pre-closing packages must include the following documents:

NOTE: Pre-closing documents must be uploaded as a single .pdf document

- HUD – 1 and signature affidavits
- FHA case number must appear on the HUD – 1. This is generally input in field #8 along with the new FHA case number or in the “Seller Name” field.
- The address for the seller must read: Secretary of Housing & Urban Development (Appropriate Address for HOC - Example: Philadelphia Homeownership Center, 100 Penn Square East Philadelphia, PA 19107-3380)
- Deed
- Supporting documentation of any charges show to HUD on the Settlement Statement (all past due bills Utility/HOA's etc.)
- Include recent tax documentation from the county
- Lender documents (insurance binder invoices, fee contributing to Seller – paid closing cost itemization (from the ratified Sales Contract; Line 5) itemizing all the costs to be paid by seller, with an adding machine tape to verify total amount or separate breakdown list
- Copies of Extension Fee payment if applicable
- Seller's affidavit (if applicable)
- Your contact information in order for the AM Contractor to forward the original Grant Deed or Special Warranty Deed with correct legal description.

Closing costs automatically paid by HUD:

- Proration of property taxes and any special assessments such as Homeowner's Association (HOA) fees and utility bills
- HUD does not pay the Condo/HOA Transfer Fee
- Cost to provide condominium documents to purchaser
- Repair Escrow Inspection Fee of \$200 (if applicable on loan docs) – FHA ONLY
- HUD does not pay overnight fees; Overnight Return Mailing Label for original signed deed sent to AM Contractor
- HUD does not pay recording fees, including the grant deed

Note: HUD Notice: H 09-17 identifies allowable closing costs paid in connection with the sale of HUD-owned Single-Family Properties in which are reasonable and customary (statement is on line 5 of purchase contract)

Residential Enhancements, Inc. d/b/a RE Global will review the preliminary HUD-1 or Closing Disclosure and all revised HUD-1's / Closing Disclosures received from the Closing Agent. Residential Enhancements, Inc. d/b/a RE Global and the Buyer Select Closing Company are responsible for ensuring that the HUD-1 is complete and accurate. Residential Enhancements, Inc. d/b/a RE Global will communicate with the Buyer Select Closing Company until the HUD-1/ Closing Disclosure is final and is the only entity that can approve the HUD-1/ Closing Disclosure.

Residential Enhancements, Inc. d/b/a RE Global is prohibited from executing deeds more than five days prior to the actual date of closing. Residential Enhancements, Inc. d/b/a RE Global will electronically approve and return the HUD-1/ Closing Disclosures and overnight the original signed deed back to the Buyer Select Closing Company.

Note: The Buyer Select Closing Company must upload the entire pre-closing package to the YARDI/P260 portal at least five (5) business days prior to closing.



POST-CLOSING INSTRUCTIONS

FINAL HUD-1

The Contractor shall perform all necessary post-closing activities, including, but not limited to, those below to ensure HUD is able to accurately and timely reconcile the closing. The Contractor shall retain copies to verify completion of each task in the Closing Agent file for the property.

BUYER SELECT CLOSING COMPANY TASKS:

- **Verification of Closing:** On the same day that the closing takes place, the Buyer Select Closing Company is to notify Residential Enhancements, Inc. d/b/a RE Global Inc. that the closing took place.
- **Wire Proceeds:** NLT one banking day after the closing, the Buyer Select Closing Company shall wire the net sales proceeds to the U.S. Treasury via FEDWIRE using the information contained on the SAMS-1103, Request to Transfer Funds.
- **Deliver the Deed for Recordation:** Not later than one day after the closing has taken place, the Buyer Select Closing Company shall: Deliver the deed for legal recordation in the correct county and provide written notification to AM, Taxing Authority and HOA

A post-closing package is required for each closing transaction. The post-closing package must be uploaded to the YARDI/P260 portal no later than two (2) business days after closing has occurred.

POST-CLOSING PACKAGES MUST INCLUDE THE FOLLOWING DOCUMENTS:

NOTE: Post-closing documents must be uploaded as a single .pdf document

- The Original HUD-1 and all signed Settlements
- Evidence Deed Was Delivered for Recordation or A Recorded Copy
- Mortgage Note, If Applicable
- Deed of Trust or Mortgage, If Applicable
- A Copy of Bank Fully Executed Transfer of Proceeds Wire Confirmation including Property case number and address
- A Copy of All Applicable Invoices or Receipts of Disbursements
- Copy of Disbursement Log Accounting for All Incoming and Outgoing Funds Related to Transaction

NOTE: It is critical that the FHA case number is included with the wire transaction, so the funds can be correctly applied.

GOOD NEIGHBOR NEXT DOOR (GNND) TRANSACTIONS REQUIRE THE FOLLOWING ADDITIONAL DOCUMENTS:

- Original Note
- Copy of Mortgage with Evidence That It Was Delivered for Recording
- Copy of Recorded Mortgage (When Available)



POST-CLOSING CHECKLIST

Must include with Post Closing Package (PCP)

POST CLOSING RESPONSIBILITIES - CLOSING NOTIFICATION

- The same day closing occurs, the Buyer Select Closing Agent (BSCA) must update the “actual closing date” field in the YARDI P260 portal.
- No later than one (1) business day after closing, deliver the deed for legal recordation, in the appropriate county, and provide written verification to the taxing authority and HOA.

POST CLOSING RESPONSIBILITIES - WIRE TRANSFER

- Wire must be submitted no later than one (1) banking day after closing.
- The Buyer Select Closing Agent (BSCA) shall wire the net proceeds to the U.S. Treasury via FEDWIRE using the HUD form (SAMS-1103); see wire instructions.
- It is imperative the property address and the HUD case number (as shown on the sales contract) be included on the wire transfer. **Failure to include case number and address will delay the funds being matched with appropriate case number/property.**

POST CLOSING RESPONSIBILITIES - FINAL CLOSING PACKAGE

- No later than two (2) business days after closing has occurred, a final post-closing package must be uploaded in the YARDI P260 portal.
- Upload under (category) **SETTLEMENT** and (subcategory) **FINAL HUD-1**.
- **MUST INCLUDE THE FOLLOWING:**
 - Final HUD-1 and All Signed Settlements
 - Evidence for Deed Delivery for Recordation or Recorded Copy of Deed
 - Copy of Bank Transfer of Proceeds (Fully Executed & Wire Confirmation)
 - Copy of All Applicable Invoices or Disbursement Receipts
 - Copy of Disbursement Log Accounting for All Incoming and Outgoing Funds Related to the Transaction

Page Break



POST-CLOSING CHECKLIST

Must include with Post Closing Package (PCP)

Case Number: _____

Closing Agent: _____

Closing Agent Email: _____

Please acknowledge, by initialing next to the documents below, that you have included the requested items in the PCP. These items should be uploaded in the order listed below into the P260 system. If access to Yardi is unavailable, please contact RE-Global 844-247-5397 for assistance. **ALL HUD approved Closing Agents must maintain active access to Yardi/P260 Portal.**

CLOSING AGENT ✓.	RE GLOBAL ✓.	REQUIREMENT
		Final HUD1 (signed by CA, RE Global & Buyer) and all signed settlements
		A copy of the recorded deed or evidence the deed was delivered for recordation along with an executed copy.
		Wire confirmation - MUST contain a confirmation number, Property case number and address. (Wire request form is NOT acceptable)
		All invoices and/or receipts that pertain to the HUD1 (including tax bill)
		Copy of the disbursement log accounting for all incoming and outgoing funds related to the transaction.
		Original note ***GNND files only***
		Copy of the Mortgage ***GNND files only***

Please upload the complete/final HUD package within two (2) business days of closing. Failure to do so CAN RESULT in suspension or cancellation of BSCA's TITLE ID.