

HUD's Dollar Homes initiative helps **local governments** to foster housing opportunities for low to moderate income families and address specific community needs by offering them the opportunity to purchase qualified HUD-owned homes for \$1 each.

Dollar Homes are single-family homes that are acquired by the Federal Housing Administration (which is part of HUD) as a result of foreclosure actions. Single-family properties are made available through the program whenever FHA is unable to sell the homes for six months.

By selling vacant homes for \$1 after six months on the market, HUD makes it possible for communities to fix up the homes and put them to good use at a considerable savings. The newly occupied homes can then act as catalysts for neighborhood revitalization, attracting new residents and businesses to an area.

Local governments can partner with local nonprofit homeownership organizations or tap into existing local programs to resell the homes to low- and moderate-income residents of the community.

Purpose and Eligibility Summary

Properties which have been offered to the public for sale for six or more months and are not presently under a sales contract will be removed from the market and offered exclusively to local governments for a period of ten days at a sales price of \$1.00 plus closing cost. The property must have been offered to the public for at least 180 days to be eligible. Days on which the property is held off market as a result of a pending sale or other reason do not count toward the 180 day total. To be eligible to participate in this new sales program, local governments must:

- Identify the intended disposition strategy and clear public purpose goals and objectives it will pursue with properties purchased through this program;
- Affirm that all profits/proceeds of sales of HUD homes will go to support local housing/community development initiatives;
- Identify what specific programs or uses these profits/proceeds will support; and
- Agree to provide HUD's Homeownership Center (HOC) Program Support Staff Director with an annual report on all properties purchased under this program. The report must include information on the ultimate property purchaser, the amount of profit realized on the final sale and where the profit was put back into local housing/community development.

As part of its disposition strategy, the local government may indicate that it intends to purchase the property and convey it to a nonprofit organization for rehabilitation and resale to first time homebuyers, low to moderate income buyers or some other public purpose objective. This is an acceptable approach, however, local governments should be reminded that all information pertaining to the purchase and subsequent resale must be included in the annual report provided to HUD's Program Support Staff Director. Failure of the local governments to comply with any of the above requirements may result in their removal from participation in this program.

Nonprofit organizations and entities such as housing authorities are not permitted to directly purchase properties under this sales program. They are, however, encouraged to partner with local governments in reaching the disposition goals and strategies for these homes.

Program and Procedure

Properties will be made available to local governments on a weekly basis with new properties being added as they reach six months of market exposure. Local governments should check this site each week to see what properties have become available in their jurisdiction. LOCAL GOVERNMENTS ARE ONLY ELIGIBLE TO PURCHASE HOMES WITHIN THEIR JURISDICTIONAL LIMITS. The listed properties will remain available exclusively for purchase by local governments for 10 calendar days.

To purchase an eligible home, the local government must execute and deliver the form [HUD-9548 Sales Contract](#) with the required special addendum to:

How to Participate in Good Neighbor Next Door

Check the [listings for your state](#). Follow the instructions to submit your interest in purchasing a specific home. If more than one person submits on a single home a selection will be made by random lottery. You must meet the [requirements](#) for a law enforcement officer, teacher, firefighter or emergency medical technician and comply with HUD's regulations for the program.

HUD requires that you sign a [second mortgage and note](#) for the discount amount. No interest or payments are required on this "silent second" provided that you fulfill the [three-year occupancy requirement](#).

The number of properties available is limited and the list of available properties changes weekly.

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Law enforcement officers, pre-Kindergarten through 12th grade teachers and firefighters/emergency medical technicians can contribute to community revitalization while becoming homeowners through HUD's Good Neighbor Next Door Sales Program. HUD offers a substantial incentive in the form of a discount of 50% from the list price of the home. In return you must commit to live in the property for 36 months as your sole residence.

How the Program Works

Eligible Single Family homes located in [revitalization areas](#) are listed exclusively for sales through the Good Neighbor Next Door Sales program. Properties are available for purchase through the program for five days.

Good Neighbor Program

In an effort to expand its partnership with local governments in helping to foster housing opportunities for low to moderate income families and address specific community needs, HUD is introducing its Good Neighbor Program. This program facilitates the sale of aged HUD inventory of single family homes to local governments for ONE DOLLAR (\$1.00).

TO LEARN MORE ABOUT THE \$1 HOME SALE PROGRAM, click on the link below:

<http://www.hud.gov/offices/hsg/sfh/reo/goodn/dhmabout.cfm>