

Earnest Money Guidelines



HUD Case #: _____

The following are instructions for collecting and submitting the earnest money. The payee and submission of the earnest money will vary based on HOC Area. Please read the instructions carefully to avoid mistakes that may lead to cancellation of the bid award.

Amount to be submitted with each awarded bid:

- Owner Occupant and Investors - Purchase price of \$50,000 and under - \$500
- Owner Occupant and Investors - Purchase price of \$50,001 to \$249,999 - \$1,000**
- Owner Occupant and Investors – Purchase price of \$250,000 and over - \$2,000

Owner Occupant and Investors - Bids submitted on vacant lots require 50% of the list price
 GNND Bidders - 1% of the list price, but no less than \$500 and no more than \$2,000

Upon notification of bid award, the following guidelines must be followed:

- Original earnest money forwarded to the Listing Broker (must be at their office within 2 business days)
- The original sales contract package with a **copy** of the certified earnest money sent overnight to SAGE ACQUISITIONS

Once SAGE ACQUISITIONS executes the sales contract, the listing broker will deliver the earnest money to the selected closing agent within 2 business days.

EARNEST MONEY PAYEE - QUICK REFERENCE CHART

<u>HUD REGION</u>	<u>EARNEST MONEY PAYEE REQUIREMENTS</u>	<u>CERTIFIED FUNDS</u>
Atlanta & Philadelphia HOC	The earnest money must be made payable to the closing company selected by the buyer.	Cashier's Check or Money Order
Denver HOC	The earnest money payee must show both the Closing Company and the name of the buyer separated by the word "OR". Example: Pay to the order of "ABC Closing Company OR Buyer Name".	Cashier's Check or Money Order

_____ (**Agent's Initials**) I certify that I have read the earnest money guidelines for the specific area in which I am submitting this offer and have accurately advised the buyer on the payee and amount of the earnest money. I further certify that I have read and understand the Forfeiture and Extension Policy Addendum and have explained the guidelines to my buyer.

_____ (**Buyer's Initials**) I authorize the listing agent to hold the earnest money from the time of bid award until contract execution. I acknowledge this holding period may exceed three days, due to contract processing time. I further certify that I have read and understand the Forfeiture and Extension Policy attached to my contract package.