

Return of Earnest Money

The following provisions are applicable in all instances except those where HUD is unable or unwilling to close the sale, in which case the entire amount will be returned.

Investor Purchasers:

- Uninsured Sales: 100% of the deposit will be forfeited to HUD for failure to close, regardless of the reason.
- Insured Sales:
 - 50% of the deposit will be forfeited to HUD for failure to close if the purchaser is determined by HUD to be an unacceptable buyer.
 - 100% of the deposit will be forfeited to HUD if the sale fails to close for any other reason.

- Owner-occupant Purchasers:

Return 100% of the deposit when:

- There has been a death in the immediate family (purchaser, spouse or children living in the same household).
- There has been a recent serious illness in the immediate family that has resulted in significant medical expenses or substantial loss of income, thus adversely, affecting the purchaser's financial ability to close the sale.
- There has been a loss of job by one of the primary breadwinners, or a substantial loss of income through no fault of the purchaser.
- For an FHA insured sale, HUD (or a D.E. underwriter) determines that the purchaser is not an acceptable borrower. For an uninsured sale, the purchaser was pre-approved for mortgage financing in an appropriate amount by a recognized lender and, despite good faith efforts, is unable to obtain mortgage financing. "Pre-approved" means a commitment has been obtained from a recognized mortgage lender for mortgage financing in a specified dollar amount sufficient to purchase the property.
- There is other equally good cause, as determined by HUD, in keeping with the spirit and intent of the above policy.

Return 50% of the deposit when:

For an uninsured sale, despite good faith efforts by the purchaser, there is an inability to obtain a mortgage loan from a recognized mortgage lender.

Forfeit 100% of the deposit when:

- No documentation is submitted.
- Documentation fails to provide an acceptable cause for the buyer's failure to close.
- Documentation is not provided within a reasonable time following contract cancellation.

-Vacant Lot Sales:

The purchaser is considered to be an investor and instructions pertaining to investors will apply.