



INTERNAL OSFAM CLEARANCE
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-8000

ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

Special Attention of:

All Homeownership Center Directors
All Real Estate Owned (REO) Directors
All REO Branch Chiefs
All Asset Manager Vendors
All Field Service Manager Vendors
All Selling Brokers

Notice: H 2011-xx

Issued: xx
Expires: xx

Cross References:
42 U.S.C. 4852d
24 CFR Part 35, Subpart A
HN 2006-07 (superseded)

Subject: HUD REO Lead Disclosure Requirements and Addendum

This notice supersedes and replaces Housing Notice H 2006-07, dated June 20, 2006. This Housing notice provides guidance in order to ensure that the Asset Manager vendors (AM), Field Service Manager vendors (FSM) and the Selling Brokers participating in the Federal Housing Administration (FHA) Management and Marketing III Program shall be in full compliance with administering the requirements of the HUD Lead Disclosure Rule at 24 CFR Part 35, Subpart A.

The following guidance is provided relative to the applicable disclosure requirement of known lead-based paint (LBP) and/or lead-based paint hazards. Guidance provided becomes effective on or after the effective date of this Notice.

In addition, forms HUD-9545-Y and HUD-9545-Z dated 5/4/2006 are obsolete and replaced by dated version dated 3/1/2011

Lead Disclosure Rule Compliance Procedures for HUD-REO Single Family Properties

HUD, its Vendors and the Selling brokers working with the Department in the management or sale of HUD-real estate owned (REO) single family properties must fully comply with the requirements of the Lead Disclosure Rule (24 CFR part 35, subpart A) with respect to the sale of all properties constructed before 1978.

1. **LBP Addendum** - The appropriate Property Disposition Program Lead-Based Paint Disclosure Addendum to Sales Contract form HUD-s (LBP Addendum) shall be used. If the purchaser is applying for FHA 203(k) financing, the 203(k) Rehabilitation Financing Lead Agreement forms shall be required. The LBP Addendum forms are available online at <http://hud.gov/offices/adm/hudclips/>
 - a. Property Disposition Program Lead-Based Paint Disclosure Addendum to Sales Contract, Seller Has No Pertinent Records, form HUD-9545-Z
 - b. Property Disposition Program Lead-Based Paint Disclosure Addendum to Sales Contract, Seller Has Pertinent Records, form HUD-9545-Y

- c. Property Disposition Program 203(k) Rehabilitation Financing Lead Agreement, form HUD-9548-H
 - d. Property Disposition Program 203(k) Rehabilitation Financing Lead Agreement, form HUD-9548-G
2. **At Listing** – With respect to each property constructed before 1978, HUD’s Vendors (AM Vendor and FSM Vendor) shall perform the following, based on the information contained in the lead related reports or records known to the Vendors:
- a. **Publicizes Information** – The AM Vendor shall complete and sign the appropriate LBP Addendum indicating that the Seller does or does not have reports and records related to lead-based paint or lead-based paint hazards in the subject property, and post the signed LBP Addendum on HUD’s property listing Bid site at <http://hudhomestore.com> at the time the property is listed. The electronic version of the signed LBP Addendum and any supplements shall accurately reflect the information in the paper version of the ink-signed LBP Addendum, and any supplements. The electronic version of the LBP Addendum and any supplements, shall be capable of being printed, save, or otherwise reproduced in the future by the Selling Broker and the Purchaser, if the Purchaser is Purchaser is not represented by a Selling Broker.
 - b. **Include in the Property Condition Report (PCR)** – The FSM Vendor shall include in the PCR for each property constructed before 1978, all available lead information, including as attachments to the LBP Addendum, full copies of all lead-based paint inspection reports, risk assessment reports and/or other records pertaining to lead-based paint and/or lead-based paint hazards. The AM Vendor shall ensure the PCR and all attached reports shall be posted on the property listing Bid site at <http://hudhomestore.com> and listed on the LBP Addendum.
 - c. **Process Subsequently Obtained Information** - No later than one (1) business day after receipt, the AM Vendor shall post on the property listing Bid site at <http://hudhomestore.com> all records or reports related to lead-based paint and/or lead-based paint hazards that are obtained by the AM Vendor subsequent to the initial property listing.
 - d. **Provide Paper Format** - Upon request of the Selling Broker or prospective Purchaser, the AM Vendor shall provide all available reports and records to prospective bidders in paper format.
3. **Before Bid Submission** – Through Selling Broker training and instructions published on the AM Vendor’s website, and the listing bid site at <http://hudhomestore.com>, the AM Vendor shall be required to:
- a. **Consumer Disclosure** - Provide the consumer electronic disclosures to the Selling Broker (or prospective Purchaser if he or she is not represented by a Broker), pursuant to 15 USC 7001(c). Obtain the consumer electronic consents

(or electronic confirmation of consent) from the Selling Broker (or prospective Purchaser if he or she is not represented by a Broker), pursuant to 15 USC 7001(c). Direct the selling broker to download the LBP Addendum and all available lead records and reports from the property listing Bid site at <http://hudhomestore.com> and deliver paper (or hard) copies of them to the potential Purchaser for review. The purchaser's signature line on the LBP Addendum shall be left blank pending acceptance of the bid.

- b. Environmental Protection Agency (EPA)-Approved Pamphlet - Direct the Selling Broker to provide potential Purchasers with a copy of the EPA-approved pamphlet "Protect Your Family from Lead in Your Home." The pamphlet can be downloaded from the HUD web site in English or Spanish, at the following address: www.hud.gov/offices/lead/healthyhomes/lead.cfm. A black-and-white camera-ready copy of the pamphlet ready for printing can be obtained from the National Lead Information Center by calling 1-800-424-LEAD (5323), or via the Internet at www.epa.gov/lead/pubs/leadinfo.htm
- c. Access to Lead Disclosure Rule - Notify selling brokers that they can obtain additional information on the Lead Disclosure Rule from the National Lead Information Center (sponsored by HUD, EPA and the Centers for Disease Control and Prevention) by calling 1-800-424-LEAD (5323) or www.epa.gov/lead/pubs/nlic.htm. Questions can be submitted by e-mail, and documents can be ordered at this site. Other information on the Lead Disclosure Rule is available from HUD's website, www.hud.gov/offices/lead

4. Following Bid Acceptance – After the AM Vendor accepts a bid, the AM Vendor shall:

- a. Ensure Signatures on LBP Addendum - Ensure that the Selling Broker obtains the Purchaser's signature and date on the LBP Addendum and returns the LBP Addendum to HUD along with the sales contract. The date the contract is accepted by HUD will be the commencement date of the fifteen (15) day lead contingency period.
- b. Subsequently Obtained Information - Deliver to the Selling Broker by overnight delivery any and all additional lead reports or information on the subject property that become available and were not posted on the website for retrieval prior to bid submission as well as a supplemental Lead-Based Paint Disclosure Addendum (supplemental Addendum), acknowledging receipt of any additional lead related documents.
- c. Additional Information- If applicable ensures that the Selling Broker delivers the additional reports and information to the Purchaser and obtains the Purchaser's signature on the supplemental Addendum and returns it to HUD.
- d. Process when the Selling Broker does not represent the Purchaser –In the case of a sale where a Selling Broker does not represent the Purchaser, the Vendor shall complete the appropriate LBP Addendum, entering "N/A" on the lines for

Selling Broker's signature. The Vendor shall sign on behalf of HUD and deliver the LBP Addendum to the Purchaser along with full copies of all lead related records and reports and a copy of the EPA-approved pamphlet "Protect Your Family from Lead in Your Home." The date the contract is accepted by HUD shall be the commencement date for the fifteen (15)-calendar day contingency period.

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