

## TERMS AND CONDITIONS OF SALE

The sale will be held on the date specified in the auction, starting at 10:00 AM. The sale will be held as an on-line public auction conducted by Bid4Assets. Access to the auction is available at the web address: [www.bid4assets.com/phillyhudpa](http://www.bid4assets.com/phillyhudpa).

The Secretary of Housing and Urban Development (the “Secretary” or “HUD”) will bid **the amount specified in the minimum bid** plus interest, costs and other charges through the sale date. Ten percent (10%) of the highest bid is the deposit required at the sale.

There will be no proration of taxes, rents or other income or liabilities, except that the purchaser will pay, at or before closing, his pro rata share of any real estate taxes that have been paid by the Secretary to the date of the foreclosure sale.

When making their bid, all bidders, except the Secretary, must submit a deposit totaling ten percent (10%) of the Secretary’s bid as set forth in the payment instructions provided by Bid4Assets. Each individual bid need not be accompanied by an additional deposit. The deposit is nonrefundable for the winning bidder. The remainder of the purchase price must be delivered within thirty (30) days of the sale or at such other time as the Secretary may determine for good cause shown, time being of the essence. **This amount, like the bid deposits, must be delivered in the form of a certified or cashier’s check or wire transfer following instructions as provided by Bid4Assets.** If the Secretary is the high bidder, he need not pay the bid amount in cash. The successful bidder will pay all conveyance fees, all real estate and other taxes that are due on or after the delivery date of the remainder of the payment and all other costs associated with the transfer of title. At the conclusion of the sale, the deposits of the unsuccessful bidders will be returned to them.

The Secretary may grant an extension of time within which to deliver the remainder of the payment. All extensions will be for 15-day increments, and a fee will be charged in the amount of \$500.00, paid in advance, for each fifteen (15) day extension requested. **The extension fee shall be paid in the form of a wire transfer to Bid4Assets or certified or cashier’s check made payable to Bid4Assets, as specified in its payment instructions.** If the high bidder closes the sale prior to the expiration of any extension period, the unused portion of the extension fee shall be applied toward the amount due.

If the high bidder is unable to close the sale within the required period, or within any extensions of time granted by the Secretary, the high bidder’s deposit will be forfeited, and the Commissioner may, at the direction of the Foreclosure Commissioner after consultation with the HUD Field Office Representative, offer the Property to the second highest bidder for an amount equal to the highest price offered by that bidder, as further detailed below.

There is no right of redemption, or right of possession based upon a right of redemption, in the mortgagor or others subsequent to a foreclosure completed pursuant to the Act. Therefore, the Foreclosure Commissioner will issue a Deed to the purchaser(s) upon receipt of the entire purchase price in accordance with the terms of the sale as provided herein. HUD does not guarantee that the property will be vacant.

The scheduled foreclosure sale shall be cancelled or adjourned if it is established, by documented written application of the mortgagor to the Foreclosure Commissioner not less than three (3) days before the date of sale, or otherwise, that the default or defaults upon which the foreclosure is based did not exist at the time of service of this Notice of Default and Foreclosure Sale, or all amounts due under the mortgage agreement are tendered to the Foreclosure Commissioner, in the form of a certified or cashier's check payable to the Secretary of HUD, before public auction of the Property is completed.

YOU MUST BE EIGHTEEN (18) YEARS OF AGE OR OLDER TO BID.

All bidders must complete the Bid4Assets online registration process to participate in the auction ("Auction"). All bidders must submit the required deposit in the amount identified above ("Deposit") plus a Thirty-Five Dollar (\$35.00) non-refundable processing fee to Bid4Assets before the start of the Auction. Such single Deposit shall be associated with a particular property auctioned on a particular date ("Auction Date") and shall allow a bidder to bid on only one particular property associated with the Deposit.

All properties are sold "AS IS" with NO expressed or implied warranties or guarantees whatsoever. The Commissioner and Bid4Assets shall not be liable as a result of any cause whatsoever for any loss or damage to the properties sold. In anticipation of participating in the Auction and purchasing a property, the bidder assumes all responsibility for due diligence. It is the responsibility of the bidder to investigate any and all liens, encumbrances and/or mortgages held against the property which may not be satisfied by the post-sale Schedule of Proposed Distribution ("Schedule of Proposed Distribution").

The minimum bid is the minimum dollar amount the Commissioner will accept for the sale to go to a third-party bidder. Bids below the minimum bid will not be accepted.

The highest bidder shall be the purchaser. By the close of business on the date of the auction, the purchaser is responsible for funding a total of 10% of the purchase price for each property purchased **plus a buyer's premium of 1.5% of the total purchase price of each property purchased**. The purchaser shall pay the balance of 90% of the purchase price for each property purchased plus a \$35.00 processing fee by 5:00PM EST on or before the thirtieth (30th) day following the Auction Date. Payments are due as stated above, NO EXTENSIONS AND NO EXCEPTIONS except as set forth above.

Failure to comply with the Conditions of Sale including, but not limited to, the failure to pay the remaining balance by any due date (the 90% balance due date is 30 days after the auction date) and complying with all post-sale instructions required by the Commissioner and Bid4Assets, shall result in a default ("Default") and the down payment shall be forfeited by the bidder.

If a bidder wins multiple properties and does not comply with the conditions of sale for each property he is deemed in Default and all of the consequences of a Default will apply.

The highest bidder shall be responsible for any and all post sale costs that are imposed by law, which are incurred by the Commissioner.

On any auction that results in a third-party sale, the bidder who was directly outbid by the highest bidder will be given the option to register as a second bidder. Registration as a second bidder is for purposes of being able to purchase the property in event of a default by the first bidder. If the second bidder accepts this option, he/she agrees to purchase the property for the same price as the highest bidder. The second bidder shall deposit 10% of the purchase price by 5:00 PM EST on the first (1st) business day following the auction date. The second bidder's 10% will be kept on deposit. In the event of a default by the first bidder, the second bidder shall be informed after the default and be further advised that he/she is liable to pay the remaining 90% balance fifteen (15) calendar days from that date. If the second bidder is non-compliant, he/she will forfeit his/her deposit to HUD. If the highest bidder completes the transaction, the second bidder will get his/her deposit refunded within ten (10) business days.

The Commissioner, in his sole discretion, may cancel the sale after the auction closes for any reason.

If a sale is to be postponed, the Commissioner will attempt to enter any auction day postponements or stays.

All bidding after the minimum bid, as described above, shall be in increments of at least One Thousand Dollars (\$1,000.00).

If the Commissioner's grantee is to be anyone other than the purchaser registered with Bid4Assets, a notarized written assignment of bid must be filed with the Commissioner.

The Commissioner will not acknowledge a deed poll to any individual or entity using an unregistered fictitious name and may, at the discretion of the Commissioner, require proof of identity of the purchaser or the registration of fictitious names. The bid of an unregistered fictitious name shall be forfeited as if the bidder failed to meet the terms of sale.

The Commissioner reserves the right to refuse purchase from bidders who have failed to enter deposits, failed to make settlement or for any other reason at the Commissioner's sole discretion and further reserves the right to deny access to future sales for a period of time as determined by the Commissioner.

**WARNING: All Commissioner Sales are strictly monitored for any and all suspicious and fraudulent activity (Including but not limited to Computer, Identity, Bank, Wire, etc.). If the Commissioner detects any suspicious and/or fraudulent activity during any sale, at the Commissioner's discretion, the bidder's account shall be suspended for whatever action deemed appropriate.**