

CHANGE TO PROGRAM

- Appointment of new Director

STATE-OWNED PROPERTY

The Oregon Department of Veterans' Affairs (*ODVA*) offers properties for sale that have been obtained through foreclosure, deed, or mobile home repossession.

ODVA provides a periodic list, called Property Management Listing (*PML*) of state-owned properties available for sale on sealed bid. Contact ODVA to be placed on the PML mailing list.

If the property is listed with a broker, contact a real-estate agent of your choice to see the property and submit an offer to purchase.

GENERAL INFORMATION

PLEASE read the following conditions of sale for a state-owned property:

Properties are sold subject to easements and restrictions of record.

If you have any questions regarding the legal use of the property, it is your responsibility to check with the city or county planning department to verify approved uses.

Properties are sold "**AS IS**". No warranty or guarantee (*expressed or implied*) is given as to the condition of the property, existence of water rights, or its legal use.

ODVA does **NOT** warrant or guarantee that appliances work, that properties are structurally sound, or the conditions of heating, plumbing, electrical or water systems. ODVA does **NOT** require that the properties meet current weatherization requirements.

- ◆ ODVA discloses all deficiencies which are known. Some deficiencies may not be known, therefore are not listed.
- ◆ The buyer will be required to sign a Property Acceptance Statement, Form 894-M, at closing.

YOU SHOULD JUDGE THE CONDITION OF THE PROPERTY. IF YOU QUESTION THE CONDITION, IT IS YOUR RESPONSIBILITY TO SEEK PROFESSIONAL ADVICE.

ODVA recommends that the buyer contact a local building inspector **BEFORE** using any wood stove, fireplace insert, or zero-clearance fireplace.

ODVA reserves the right to accept or reject any offer.

The State of Oregon may retain the mineral and/or geothermal rights to the property.

Title insurance will **NOT** be furnished by ODVA on state-owned properties. The buyer may purchase title insurance at the buyer's expense.

The offer to buy a property **CANNOT** contain any limiting conditions other than those stated by ODVA.

Certain properties are subject to an outstanding right of redemption.

- ◆ If you have questions regarding the existence of a right of redemption, please contact ODVA.
- ◆ If you have legal questions regarding the right of redemption, you are encouraged to seek professional legal counsel.

VETERAN'S PREFERENCE

An applicant must meet the following requirements to be an eligible veteran under the State Veterans' Loan Program:

- ◆ A veteran who has served honorably on active duty, in the Armed Forces of the United States, for not less than 210 consecutive days, or earlier release for service-connected disability;
- ◆ Honorable discharge or separation to reserve;
- ◆ Oregon resident when submitting the application.

NOTE: Eligibility expires 30 years after separation from active duty.

A veteran who is eligible for a loan under the State Veterans' Loan Program may claim bid preference during the sealed-bid process **ONLY** as follows:

- ◆ Complete Veterans' Home Loan Eligibility, Form 409-M.
- ◆ Submit a copy of your military separation documents, DD Form 214.
- ◆ **MUST** enter a telephone number on Purchase Agreement, Form 557-M, where you can be reached on the day of bid opening **or** you **must** call the Salem ODVA Office by 5 p.m. on bid opening day. (*Failure to make contact with ODVA on bid opening day may cause forfeiture of your veteran's bid preference.*)

ONLY the veteran submitting the **HIGHEST** veteran's bid will have the opportunity to match the highest nonveteran's bid that is higher than the veteran's bid.

REQUIREMENTS TO BUY

Must be of legal age and qualified to make the monthly payments.

Do **NOT** have to be a resident of Oregon, **UNLESS** using veteran's preference.

Do **NOT** have to occupy property as a principal residence, unless requesting work equity or the lower down payment.

Can purchase more than one property if qualified by ODVA standards to make the payments.

Can have an ODVA loan and more than one state-owned property.

Does **NOT** affect a qualified veteran's entitlement to a future ODVA home loan.

Must include all required documents listed in the application package.

SEALED BID PROCESS

The property will be offered for purchase on a sealed bid basis for a minimum of 15 days.

Anyone (*VETERAN or NONVETERAN*) of legal age can submit a sealed-bid offer.

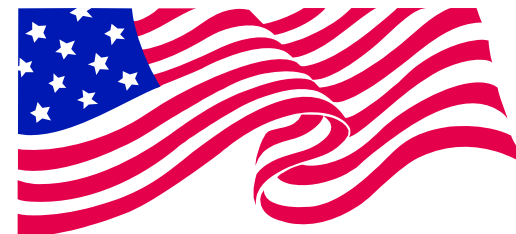
The bid must be at or above the specified **MINIMUM** price or it will be rejected.

The bid must be submitted to the Salem ODVA office before 5 p.m. of the bid-closing date.

The bid must be submitted in a sealed envelope with the word **BID** and the property address on the outside of the envelope.

The bid must include all items listed in the application package on the **ORIGINAL** ODVA forms with **ALL DOCUMENTS SIGNED**.

The property will be sold to the applicant submitting the highest acceptable bid, **EXCEPT**, if an eligible veteran claims bid preference (*see 'VETERAN'S PREFERENCE'*).



EARNEST MONEY

Earnest money is a minimum of \$700 on each property submitted as follows:

- ◆ If a sealed bid or a nonbroker-assisted offer, must be a cashier's check, money order, or **CERTIFIED** personal check.
- ◆ If assisted by a real estate agent, must be deposited with the broker.
- ◆ If assisted by a real estate agent on a sealed bid, ODVA will **NOT** pay a commission and the earnest money **MUST** accompany the bid. The earnest money **CANNOT** be deposited with the broker.

If ODVA accepts an offer for processing, a minimum of \$200 of the earnest money deposit is nonrefundable.

If ODVA approves the sale and you fail to perform as per the terms of the purchase:

- ◆ ODVA will keep the earnest money deposit as compensation for expenses incurred.
- ◆ Any agreement will be declared void.

DOWN PAYMENT

The down payment may be paid in any of the following manners:

- ◆ Cash at the time of closing, or
- ◆ Completion of work equity improvements to property, or
- ◆ Part cash and completion of work equity improvements.

The minimum down payment is determined by whether or not the property will be used as your primary residence, the type of property, and the accepted purchase price as follows:

PROPERTY WILL BE PRIMARY RESIDENCE

- 5% Residential homes with an asking price which is less than \$80,000.
- 10% Residential homes with an asking price of \$80,000 or more, farms, and mobile homes with land.
- 20% Houseboats or manufactured dwellings without land.

ODVA will require that you pay the additional cash down payment required for non-owner-occupied property:

- ◆ If you do **NOT** occupy the property within 60 days after closing, or
- ◆ If you do **NOT** continuously occupy the property as your principal primary residence for a period of at least 365 days.

➤ PROPERTY WILL NOT BE PRIMARY RESIDENCE

- 15% Residential homes with an asking price which is less than \$80,000.
- 20% Residential homes with an asking price of \$80,000 or more, farms, mobile homes with land, and bare land.
- 30% Houseboats or mobile homes without land.

➤ UNIQUE OR UNUSUAL PROPERTY

Will be as listed on the property description sheet.

WORK EQUITY IMPROVEMENTS

Work equity improvements will be approved ONLY if you will be using the property for your primary residence.

The interest rate will be 8% until the improvements are completed, inspected, and approved by ODVA.

The interest rate will then be lowered to 7% effective the date ODVA issues the completion letter.

If you do **NOT** occupy the property as required (*see DOWN PAYMENT section*), you will be required to pay the full cash down payment. No allowance will be made for any completed improvements.

The value added to the property by the completed improvements must be \$500 or more.

Approved work equity credit cannot exceed the minimum down payment.

If you do **NOT** complete the improvements on time, ODVA will require that you pay the full cash down payment and no allowance will be made for any completed improvements.

INTEREST RATE

The interest rates on these properties are fixed and will not change, unless transferred to anyone other than the surviving spouse, unremarried former spouse, surviving child, or surviving stepchild of the owner.

TAXES

ODVA pays your property taxes in time to earn any discount and adds the amount paid to your ending balance.

Included in your payment will be an estimated amount sufficient to pay these property taxes in advance.

INCOME AND CREDIT

You must meet certain requirements regarding credit and income, if your offer is accepted.

- ◆ You must have a history of satisfactory credit. (*A credit investigation will be completed by a private credit-reporting agency.*)
- ◆ The credit report fee must be submitted with the offer (*both Sealed Bid and Best Offer*) for each applicant, unless the co-applicant is the spouse of the applicant.
- ◆ The fee **MUST** be in the form of a cashier's check, money order, or certified check.
- ◆ Cash sales **DO NOT** require a credit report fee.
- ◆ You must have enough income to make the payments and take care of your other debts and expenses based on ODVA underwriting guidelines.

TERM OF CONTRACT

Properties which are financed through an ODVA Contract of Sale or Security Agreement have a maximum term as follows:

PURCHASE PRICE	MAXIMUM TERM
\$63,000 and over	30 years
35,000 - 62,999.....	25 years
15,000 - 34,999.....	15 years
10,000 - 14,999.....	10 years
Under 10,000	Cash out only

ODVA will issue a Bargain and Sale deed, as noted in the contract (*subject to exceptions of record*), and/or a Certificate of Title, when the contract is paid in full.

LOAN CANCELLATION LIFE INSURANCE (LCLI)

LCLI is available through ODVA for buyers of state-owned property.

You must be less than age 65 when applying.

HAZARD INSURANCE

You will be required to keep the property insured against fire, flood (*if applicable*), and other hazards in an amount satisfactory to the Director of ODVA.

YOU MUST SHOW PROOF OF INSURANCE AT TIME OF CLOSING FOR A MINIMUM OF 1 YEAR.

CLOSING INFORMATION

The sale will be closed by an agent licensed to close escrows. At the time of closing, you must pay the following:

- ◆ An ODVA service fee of 1.125% of the contract balance with a minimum of \$250.
- ◆ Recording costs and/or filing fees.
- ◆ Any prorated taxes, prepaid expenses, prorated irrigation/water assessments, or personal property taxes, as applicable.
- ◆ One-half of the escrow fee.
- ◆ Manufactured dwelling or floating home title transfer fee, if applicable.

If you desire further detailed information, please contact the Oregon Department of Veterans' Affairs, in Salem, at the numbers listed below.

The Oregon Department of Veterans' Affairs (*ODVA*) intends to comply with the Americans with Disabilities Act (*The ADA*), PL101-336. The ADA provides that no qualified person with a disability shall be kept from participation in (*or be denied a benefit of*) the services, programs, or activities of ODVA because of that disability. For additional information or how to file a complaint, please contact ODVA's ADA coordinator.

ADA Coordinator 503-373-2380

IMPORTANT NOTICE

This information is based on applicable federal and state laws, administrative rules, and policies and procedures of ODVA. **The conditions and requirements described are current at the time of printing, but subject to change.** If such change should take place after the pamphlet is printed the statements in the pamphlet are not binding on ODVA.

OREGON DEPARTMENT OF

VETERANS' AFFAIRS

700 Summer Street NE
Salem, Oregon 97301-1285

Telephone 1-800-633-6826
(*in Oregon only*)

or

503-373-2000
503-373-2217 (*TTY only*)

This information is also available in alternate formats, upon request.

STATE-OWNED PROPERTIES INFORMATION



JIM WILLIS
DIRECTOR