CHAPTER 19: CUSTODIAL AND REAL ESTATE OWNED PROPERTY

7 CFR 3555.306

19.1 INTRODUCTION

The Agency holds the servicer accountable for all servicing and property management responsibilities associated with both custodial and REO property. Custodial property is borrower-owned property that is vacant or has been abandoned and is in the possession of the servicer for the purposes of property inspection, preservation and protection. REO is property where the servicer has acquired title, either as a result of foreclosure or conveyance by deed-in-lieu of foreclosure. This chapter outlines the requirements for managing these types of properties.

19.2 PROPERTY MANAGEMENT METHODS AND ACTIVITIES [7 CFR 3555.306 (e) and (f)]

Part of the mission of the SFHGLP program is to ensure that properties are effectively and prudently managed and maintained. The Agency mirrors HUD/FHA's maximum allowable costs for property preservation and maintenance costs. Information regarding their property and preservation cost reimbursements can be found at: http://www.hud.gov/offices/adm/hudclips/letters/mortgagee/files/10-18ml.pdf. Any subsequent release regarding this subject by HUD/FHA is also applicable.

A. Vacant or Abandoned Properties

The servicer may need to take custody of the security property when it has been determined that a security property is vacant or has been abandoned. The servicer must inspect the property within 30 days or less of becoming aware of the possibility the borrower abandoned the property in order to determine and document its condition. When the inspection reveals the property is vacant, the servicer should take the following actions:

- Try to locate the borrower to determine the reason for vacancy.
- Take immediate action to protect the property from vandalism and the elements to the extent the local laws allow such.

Preservation and protection requirements for custodial property are as follows:

- Perform monthly interior and exterior inspections to document the general condition of the property and any actions required to adequately protect and preserve the property. Proper documentation must be maintained by the servicer in each claim review file on the performance of inspections and follow-up activities.

- The property should be secured by changing all exterior locks to prevent unauthorized entry, unless otherwise prohibited by state law.

- Secure windows and doors. Boarding the property should be avoided unless it is necessary to avert vandalism to the property.

- Determine if any emergency repairs are necessary to adequately preserve and protect the property and impact the safety and soundness of the structure. Early detection of problems is critical to minimize loss in the event of acquisition. Emergency repairs exceeding $2,000.00 require Agency concurrence which is not necessary prior to completing the repair. Emergency repairs should be documented with before and after photographs and will be submitted with the loss claim. If the property sustains insurable damage, the servicer is responsible to file a claim under the borrower's insurance policy. If the borrower redeems a property, the cost of any emergency repairs advanced will be the responsibility of the borrower. Loss claim payments are paid when a servicer legally acquires a REO and experiences a loss in the resale.

- Protect plumbing and other operating systems from freeze damage.

- Remove any interior or exterior debris that poses a health, environmental, fire, or safety hazard. Examples include, but are not limited to, highly flammable chemicals, decaying food, dead animals, broken glass or other sharp objects, and large quantities of paint or paint products.

- Mow lawns, maintain shrubs, and perform snow removal.

- Do not post signs or take other actions that might call attention to a vacant property unless boarding the property occurred.

- Maintain receipts and invoices for all costs incurred for preservation and protection of custodial properties. Services associated with preservation and protection of properties must be typical and reasonable.

- Notify the insurance carrier regarding the vacancy to ensure appropriate insurance coverage is maintained.

A mortgage may be current or delinquent when a servicer becomes aware a borrower may have abandoned the security property. When an inspection reveals that the property is vacant or abandoned and liquidation is not already in progress, taking custodial possession should immediately initiate the foreclosure process.

B. Managing REO Property

The goal of the servicer and the Agency is to market and dispose of REO property in a manner that maximizes recovery and minimizes loss. Consequently, efforts to secure and preserve the property should begin once the servicer has possession of the property through a foreclosure sale or deed-in-lieu.

When the property is associated with a HOA, the servicer will communicate with the association to redirect future billings for HOA fees owed to the servicer.

The servicer is responsible for taking reasonable actions to protect the value of the security during the REO marketing period. Actions must be taken to preserve and protect the property to prohibit degradation and protect against any potential injury or death. The servicer must carefully document all property management activities and decisions in order to ensure full reimbursement of costs at loss claim.

The servicer must make reasonable and prudent efforts to ensure that the condition of the security property is maintained during the REO marketing period. The servicer must ensure proper maintenance of the security property by performing regular interior and exterior assessment inspections and property preservation actions as follows:

- Inspections during REO. Perform monthly interior and exterior inspections once custody of the property through foreclosure or deed-in-lieu has occurred.

- Securing. Secure properties to prevent unauthorized entry and protect against the elements. Secure all windows and doors. It is preferable to replace broken glass unless boarding of the property is to deter vandalism.

- Necessary Repairs. Perform necessary repairs to protect the property with the most cost effective method. For example, roof damage can result in property deterioration resulting from moisture accumulation and mold growth; repairs, such as patching and replacing loose shingles should be made immediately. Tarping can be used as a temporary repair measure until more permanent repairs are made. Document any repairs made to the REO properties with before and after photographs of the damage and any subsequent repair work. Necessary repairs in excess of $2,000.00 require Agency concurrence.

- Suggested Repairs to Improve Marketability. Repairs to improve marketability must be submitted for prior approval using servicer's property disposition plan as outlined in Section 19.4 of this Chapter.

- Debris Removal. Servicers will maintain complete documentation on the amount and type of debris removed. Examples of debris other than household debris would include health and safety items, tires, appliances, cars, trucks, boats, batteries, etc. Documentation regarding who performed the debris removal service, the amount of debris by cubic yards disposed of and/or dumpster service engaged must be maintained for a future loss claim review. Photographs supporting unusually high debris removal expenses further assist in supporting a servicer's cost reimbursement request.

- Winterization. Plumbing and heating systems must be drained in a manner sufficient to prevent freeze and/or damage as required by weather conditions in the area.

- Utilities. Utilities should be turned off unless required to protect the property and/or obtain maximum exposure during the marketing period. Electric service should not be turned off when necessary to support efforts to prevent flooding or reduce growth of mold and mildew.

- Yard Maintenance. Yard maintenance activities such as grass cuts, shrub trimming and snow removal are required for REO property. Servicers must comply with local code and ordinances regarding yard maintenance.

    - Grass Cuts. Initial and subsequent lawn maintenance includes lawn mowing, weeding, edge-trimming, sweeping of all paved areas (e.g., sidewalks, driveways, patios), and removal of all lawn clippings, related cuttings, and incidental debris/litter (e.g., newspapers. flyers, bottles). Lawn maintenance should not be ordered if HOA dues cover this service.

    - Initial Grass Cut. Upon notice of a vacancy, an initial grass cut should be performed. An initial grass cut is defined as the first cut for each calendar year prior to termination of the loan or loss payment. Initial grass cuts outside of the time frames provided must be justified.

State(s)	Timeframe
Alabama, Arizona, California, Florida, Georgia, Guam, Hawaii, Louisiana, Mississippi, Nevada, New Mexico, Puerto Rico, South Carolina, Virgin Islands, and Texas	All year
Alaska	June 1 to September 30
All other	April 1 and October 31

    - Grass Re-Cuts. After the initial cut, grass should be typically re-cut twice a month during the periods listed above for initial cuts in each area. Depending on the level of rainfall in the area, one cut per month may be sufficient, while in other areas, more frequent lawn cuts may be needed.

    - Shrub Trimming. Overgrown shrubs or tree branches that pose a hazard or obstruct doorways, public walks, and driveways shall be trimmed or removed.

- <u>Snow Removal</u>. The servicer should maintain a safe and accessible property throughout the winter season. Snow should be removed from the entry, walkway, porch, and driveway following a minimum three-inch accumulation. Servicers must comply with local codes and ordinances regarding the removal of snow and ice.

- <u>Securing In-Ground Pools</u>. Comply with all local ordinances pertaining to swimming pools. In-ground pools must be secured, but not drained. Pools must be covered with material in such a way to prevent an individual from accidently falling into the pool.

- <u>Securing Above-Ground Pools</u>. Properties with an above-ground pool in good condition should be treated as an in-ground pool. Above ground pools in poor condition or that cannot be secured should be removed.

- <u>Maintenance of Pools</u>. Servicers must perform monthly maintenance and chemical treatment of operational pools. Servicers must comply with city, county and other local ordinances regarding maintenance of non-operational swimming pools.

- <u>Liability Insurance – Pools</u>. The Agency will not reimburse servicers for the cost of insurance against potential liability arising from swimming pools. It remains the servicer's decision on whether to purchase such insurance.

- <u>Receipts for Property and Preservation Expenses</u>. Maintain an accurate audit trail of all expenses incurred during liquidation and REO. Document any repairs made to the custodial or REO properties with before and after photographs of the damage and the subsequent repair work.

- <u>Maintain Property Insurance</u>. Take all actions required in the mortgage clause of all applicable property insurance policies in order to preserve the coverage and its maximum benefits during liquidation. File a claim with the applicable insurance company, if the property sustained damages. Hazard insurance coverage must be provided on all REO through a blanket or individual dwelling policy. The maximum deductible for hazard insurance as an REO is $3,000.00. Flood insurance policies are required for REO when located in a SFHA. The maximum recommended deductible for flood insurance coverage as an REO is $3,000.00.

19.3 ENVIRONMENTAL HAZARDS [7 CFR 3555.306(e)]

If environmental issues affect the property's value at the time of liquidation, the servicer must document when and how the hazard developed. If the environmental hazard was caused by activities that took place after the loan guarantee was issued, or by factors that could not reasonably have been detected with appropriate due diligence, the Agency will allow for costs from any resulting loss in the loss claim calculation. However, if the servicer failed to conduct appropriate due diligence at loan origination, the loss claim will be denied or reduced by the decrease in market value attributable to the environmental hazard.

If it appears that it would be cost effective to determine the lien valueless because of an environmental hazard, the servicer should submit documentation to support this request to the Agency for concurrence. Documentation to support this decision must remain a part of the loan file.

19.4 PROPERTY DISPOSITION [7 CFR 3555.306(f)]

Servicers should approach REO disposition of rural housing in the same manner as it would for its portfolio of conventional and other government loans. Effective management and sale of acquired properties should minimize costs and maximize recovery. The servicer can negotiate a "cash for keys" option with the former borrower for a maximum of up to $2,500. The property must be left in broom swept condition with all personal property removed prior before the borrower can be eligible to receive "cash for keys."

A. Property Disposition Plan

When a servicer takes legal possession of a property by foreclosure or deed-in-lieu, within thirty days of acquisition, the servicer must submit a Property Disposition Plan (PDP) to the Agency. Servicers who have been authorized to electronically submit a PDP will upload documentation to USDA LINC. The Guaranteed Rural Housing Servicing Contact Information is located at the USDA LINC Training and Resource Library (https://usdalinc.sc.egov.usda.gov/RHShome.do) or in Appendix 4 of this Handbook.

Non-Automated servicers should submit a PDP in the format of Attachment 19-A to this chapter or similar format as long as it contains all the elements noted below. Additional pages can be added to complete the plan as necessary. PDPs and any supporting documentation will be submitted to CSC by email at guarantee.svc@stl.usda.gov or by fax at (314)457-4463 or (314) 457-4473.

Automated delivery of the PDP is the preferred method for USDA and will be required in the future. Servicers that have not been authorized to submit documentation electronically should reach out to the CSC at (866) 550-5887 or guarantee.svc@stl.usda.gov to request such authorization.

1. Contents of a PDP

The plan, at a minimum, should address the following items and any additional information that could have an impact on the amount of the loss claim payment. Three types of value will be required to support the disposition plan – 1) market value, as is; 2) liquidation value, as is; and 3) market value, as-repaired. The purpose and use of the three values are expanded upon in Paragraph 19.4 C of this Chapter. Supporting PDP documentation should be retained in the servicer's permanent file. As part of the Agency's on-going monitoring efforts, servicers are required to produce supporting documentation of PDPs and loss claims.

Borrower Information:

- Borrower's name
- Borrower Identification Number (unique Agency assigned account number in GLS)
- Date of the plan.

Servicer Information:

- Servicer and Holder's name and tax identification number(s).
- Contact person's name, telephone number, fax number, and e-mail address.

Loan and Property Information:

- Servicer's loan number.
- Property street address including county.
- Date of foreclosure sale.
- Marketable title date, taking into account any redemption period or completed eviction.

Property Value Summary:

- Appraiser's name, company name and telephone number.
- Foreclosure date.
- Appraised Market Value, as-is and date.
- Appraised Liquidation Value, as-is and date.
- Appraised Market Value, as-repaired and date.
- List of repairs and estimated cost of repairs.
- Attach a copy of the URAR and any appraisal reviews to the PDP.

Listing Summary:

- If an asset management company is involved, provide: the company name, the name of the contact person or asset manager, and telephone number. **NOTE:** asset manager costs are not a reimbursable expense in the loss claim.
- Real estate agent's name, telephone, and fax number.
- Local listing agency name, city and state.
- Proposed marketing strategy, including techniques to be used such as: an exclusive broker, open, or multiple listings; if the property will be sold "as-is" or "as improved"; the proposed advertising methodology (e.g. open house, broker tour, and any media or publicity frequency, including signs); and any financing or seller concessions that will be offered. The Agency encourages the use of websites such as Auction.com for maximum exposure of the REO.
- Any anticipated marketing expenses, including proposed advertising, real estate commissions, seller concessions, and any contributions to closing costs. Seller concessions cannot exceed 6%.

- A statement of listing price and dates of market discounts.
- Any other information related to the sale that might impact the amount of loss.

Costs incurred by the servicer's in-house staff are not reimbursable. The Agency will review the servicer's approach to property disposition during the monitoring process. A servicer may risk loss claim reduction or denial for failure to act prudently on REO property disposition.

2. Agency Concurrence of the PDP

Non-delegated servicers must submit the PDP for Agency concurrence. The PDP may be implemented within five (5) business days from the date of receipt by the Agency, unless the Agency as provided alternative recommendations.

The Agency may provide a written waiver of the need for its concurrence on a case-by-case basis, if the servicer demonstrates that it no longer needs the oversight. The Agency also reserves the right to revoke such a waiver, upon notice to the servicer, with appeal rights, based on the servicer's portfolio performance. If a waiver is obtained by the servicer, the servicer must maintain its disposition plan for the property and make it available to Agency upon request.

3. Loss Administration – Recording the PDP in GLS

Authorized Agency staff will capture information provided by non-automated servicers and populate GLS at the Add/Update Property Disposition Summary Information page. Refer to the User Documentation Guide: Loss Claim Administration found at the following link under the Training and Resource Library link: https://usdalinc.sc.egov.usda.gov/USDALincTrainingResourceLib.do.

4. Revising the PDP

The most crucial and effective marketing period is the initial 90 days. The PDP may be revised after the initial marketing period of 90 days. The servicer may include a new appraisal if needed and revisions to the PDP should address the needs to sell the property in a reasonable time period and in a manner that maximizes recovery and minimizes the loss claim payment. The cost of an updated appraisal is an eligible holding cost.

Revisions to the initial PDP will require update and concurrence from the Agency. The Agency will consider recommendations from the servicer to market and sell the property that are reasonable. Servicers who have been delegated authority to implement PDP plans are not required to obtain Agency concurrence for revised PDP plans, however, documentation to support revised PDP plans should be submitted with the loss claim.

B. Appraisal

To determine the property's value, the servicer must arrange for an appraisal. Appraiser/client confidentiality under USPAP Ethics Rules does not permit the appraiser to discuss the appraisal with anyone other than the client, without the client's permission. It is recommended, but not required, that USDA/RD be identified as <u>both a client and an intended user</u> with the servicer in the appraisal report obtained.

State law may prohibit access to the property for an internal inspection if the property is occupied by the borrower.

- Obtain a URAR with all values as requested:
  - Market Value As-Is
  - Liquidation Value As-Is
  - Market Value As-Repaired, along with a list of repairs and estimated costs.
- The appraiser must provide support for each value and the analysis for each value must be presented in a summarized format. The different values required may require the use of different comparable sales for each. Provide a thorough explanation to any value approach (sales comparison, cost, and income) not considered in the opinion of value determined.
- The definition of "Liquidation Value" can be found in Section 20.3 C of Chapter 20. The contracted appraiser must perform a complete physical inspection of the interior and exterior of the subject property. This duty can be performed with another person, but cannot be delegated to another person.
- The contracted appraiser must perform, at a minimum, an exterior inspection of all of the comparable sales used. This duty can be performed with another person, but cannot be delegated to another person.
- Provide interior photographs of the core rooms of the subject property.
- Comparable sales considered in the opinion of value require an original photograph. Multiple Listing Service (MLS) photographs are unacceptable.
- Develop one opinion of value "as repaired" subject to repairs or alterations. Repairs or alterations must be detailed in the report defining a category of recommended repairs to meet health and safety hazards (emergency maintenance necessary to secure the property) and a category of recommended repairs for marketing the property. Include a general estimate for each repair item. Include photographs of recommended repairs.
- Include Form 1004MC, "Market Condition Analysis."
- Appraisal independence standards must be met. The individual selected must not have a direct or indirect interest, financial or otherwise in the property transaction.
- The individual selected must be competent to perform the assignment. Consideration must be given to the individual's qualifications, experience and education background.

- The servicer or the servicer's agent must directly engage the appraiser and is financially responsible for payment to the appraiser. The servicer's appraisal regulations must address appraisal independence.
- Include an itemization of the cost of any planned capital improvements, including the expected amount of property value added.

When the property value or condition changes due to: deterioration; significant damage or vandalism the servicer must obtain a new appraised value. The need for a new appraisal should be established as quickly as possible so that the property is offered at its true value.

Fannie Mae Form 1004D/Freddie Mac Form 442, "Appraisal Update and/or Completion Report" may be utilized by servicers to report the completion of a repair and/or satisfaction of requirements and conditions noted in the original appraisal report.

C. List Price

The Agency expects a Servicer to list and sell REO, given prevailing market conditions, in a manner that maximizes recovery and minimizes the loss claim payment. The initial list price will be based on the market value of the property and may include a discount as further discussed in this Paragraph. All properties must be exposed to the market for a <u>minimum marketing period of ten days</u> before any offers can be accepted. Servicers are encouraged to use auction services in conjunction with traditional REO marketing strategies. Any fees related to using auction services shall be assumed by the purchaser.

- **Market Value.** The value used for the initial list price will be based on either market value as-is or market value as-repaired. When repairs are needed or recommended as discussed in Section 19.2 B of this Chapter the list price will be based on "Market Value As-Repaired". When no repairs are required or suggested then the list price will be based on "Market Value As-Is".

- **Marketing Discounts.** The initial list price may be discounted by 20% of the market value, as determined by the appraisal. The REO list price will continue to be discounted 5% of the market value each 30 days. This discount will allow an aggressive marketing strategy that should result in a sale of the REO in the initial 90 day marketing period.

  - Every 30 days the respective current list price can be discounted a maximum of 5% of the initial market value.

- **Acceptable Offers.** The servicer can accept offers that meet or exceed the current list price. The servicer may also consider forthcoming discounts which could be applied within the next 30 days. As an example;

Market Value (MV)-	$200,000	
Initial List Price-	$160,000	(20% of $200,000 MV = $40,000)
List Price at 30 days-	$150,000	(5% of $200,000 MV = $10,000)
Offer Received at 50 days-	$147,000	

To determine if the offer of $147,000 received at 50 days could be accepted by the Servicer the next discount to be offered (at 60 days). The discount calculation would be as follows;

Discount Price at 60 days-	$140,000	(5% of $200,000 MV = $10,000)

The $147,000 offer received at 50 days could be accepted by the Servicer since it either meets or exceeds both the forthcoming discount within the next 30 days.

If the offer at 50 days was $139,000 it would not be acceptable.

If the property received an immediate offer of $155,000 during the initial offering at $160,000 the Servicer could accept the offer if the property has been exposed to the market for the minimum ten days since the offer meets or exceeds the forthcoming list price at 30 days of $150,000.

D. Permissible Marketing Period

The initial marketing period of 90 days from settlement dated is considered to be the most critical of the overall permissible marketing period. Servicers must make every attempt to aggressively sell the property in the initial 90 day marketing period remaining responsible to maximizing the return, while reducing the loss payment to the Agency. The Agency recognizes more time may be needed to sell properties impacted by market down-turn, properties affected by redemption rights, or located on American Indian Restricted land. Eviction proceedings should be initiated on unlawfully occupied properties within 30 calendar days of the foreclosure sale, redemption period, or other prevailing State law affecting acquisition of title. The maximum permissible sales periods established for these situations are as follows.

- **States without Redemption Rights**. The Agency allows a sale period of nine months from the foreclosure sale date.

- **States with Redemption Rights.** The Agency allows a sale period of nine months from the expiration of any redemption rights.

- **American Indian Restricted Land.** The Agency allows a sale period of 12 months from the foreclosure sale date or 12 months from the end of the redemption period, whichever is later.

The Agency expects servicers to undertake aggressive marketing and sales efforts to dispose of REO properties within the required time frames. Servicers will be assertive by listing the REO with market discounts as soon as possible following the settlement date of the REO. Therefore, the Agency will reimburse the servicer for additional interest from the settlement date to the date the claim is paid, but no more than 90 days from the settlement date. If the REO sells by the end of the permissible marketing period, the Agency will reimburse the servicer customary and reasonable costs associated with holding and disposing of the REO.

If the REO remains unsold at the end of the permissible marketing period, a liquidation value appraisal will be ordered. An acquisition and management resale factor which estimates holding and disposition costs will be applied to the value to determine the amount of loss payment.

Failure to comply with the established marketing timelines could result in reduction or denial of the claim. Additional interest accrued beyond the initial permissible marketing period of 90 days will be the responsibility of the servicer.

Servicers may request a loss payment, based upon liquidation value, any time during the permissible marketing period.

E. Exceeding the Permissible Sales Period

The servicer may encounter special circumstances in which additional time is needed to sell the property. The Agency can grant an extension to the allowable marketing period in the following two situations.

Eviction. When a separate legal action is necessary to gain possession following foreclosure, an automatic extension to the allowable sale period of 60 days will be allowed. This extension will be provided if the mortgagee begins first public legal action to initiate the eviction or possessory action within 30 calendar days of foreclosure completion. Additional time beyond the additional 60 days may be granted when allowed by state law or for contested evictions. When the loss claim is submitted, the servicer must include documentation, such as a sheriff’s report, verifying the date that the eviction proceedings took place.

Sale. The servicer must request the extension in writing prior to the expiration of the allowable sale period and include a copy of the executed sales agreement. The servicer must provide information about the circumstances that warrant the extension, and estimate when the eviction or sale is expected to be completed.

The Agency must document in the loan file the servicer's request and the Agency's response. The Agency will determine the length of the extension based on the amount of time the servicer anticipates will be needed to get through the eviction or sale process. An extension to the marketing period may be granted by the Agency with supportive documentation. However the Agency will reimburse additional interest for up to 90 days from settlement date to the date the claim is paid, but not more than 90 days from the settlement date.

If the property remains unsold at the end of the maximum permissible sales/marketing period, a new liquidation value appraisal following the appraisal guidelines found above in Section 19.4 B of this Chapter will be followed. The servicer should order the liquidation appraisal 15 days prior to the end of the permissible marketing period. The servicer should submit a loss claim request within 30 calendar days of the marketing period ending, which includes the appraisal report. Refer to Chapter 20 for information on loss claim processing.

If a sale is scheduled to close within a reasonable timeframe after the permissible marketing period expires, the servicer may delay ordering the liquidation value appraisal to allow the sale to close. If the servicer has a fully negotiated and accepted contract prior to market expiration that will close after market expiration, the servicer may request a one-time 30 day extension of the marketing period upon providing RD with the sales contract. If the sale falls through, the servicer will proceed with ordering the liquidation value appraisal within 15 days of notification. Supporting documentation (signed sales contract, documentation showing the sale was not consummated) should be retained in the servicer's file and submitted with the loss claim.

F. Obtaining an Appraisal for a Loss Claim on Unsold REO

For REO properties that remain unsold at the expiration of the permissible sales/marketing period, the servicer will obtain a third party liquidation value appraisal. The liquidation value will be utilized for loss claim calculation as it takes into consideration market pressures on a distressed property. The definition of a liquidation value appraisal and general procedures the Agency follows when using a liquidation value appraisal report to calculate a loss claim is outlined in Chapter 20 of this Handbook.

G. Reporting

Monthly default and quarterly loan status reporting through EDI must be maintained during the life of the loan and during the REO marketing period.

ATTACHMENT 19-A

Property Disposition Plan Worksheet

Part A. Borrower Information

Borrower:	**Borrower SSN:**	**Plan Date:**

Part B. Servicer Information

Servicer/Holder Name:	**Prepared by:**		
Tax ID Number:	**Telephone Number:**	**Fax Telephone Number:**	**E-mail:**

Part C. Loan and Property Information

Servicer Loan Number:	**USDA Borrower ID: (Unique USDA Borrower ID - Not SSN)**	
Street Address:		
City:	**State:**	**Zip Code:**
REO Date:	**Eviction Completed Date (if applicable):**	**County:**

Part D. Property Value Summary

Appraisal Date:	**Market Value "As Is" Value:** $	**Market Value "As Repaired" Value:** $	**Estimated Cost of Repairs:** $
Liquidation Value: $	**Appraiser:**	**Appraisal Company Name:**	**Telephone Number:**
			Foreclosure Date:

List Planned Repair(s) and Amount(s) from Market Value, As-Repaired Appraisal, including any emergency maintenance, if applicable. Place a check or "X" to denote (E) for emergency maintenance or (M) for marketing repairs recommended:		
		$ (E) or (M)
		$ (E) or (M)
		$ (E) or (M)
		$ (E) or (M)
		$ (E) or (M)
		$ (E) or (M)

Part E. Listing Summary

Asset Management Company Name:	**Contact Name:**	**Asset Manager's Telephone No.:**
Real Estate Agent:	**Agent's Phone No.:**	**Agent's Fax No.:**
Local Listing Agency Name:	**Listing Agency City and State:**	

Marketing Strategy (Check or X):	Suggested List Price (apply market discount):	Scheduled List Price Reduction(s):	MLS Listing (Check or X):
As-Is Market Value **As-Repaired Market Value**	**$**	**$ Date:** **$ Date:** **$ Date:** **$ Date:**	**Yes** **No**

Advertising Methodology: (provide proposed detail)

	Suggested Sales Commission: **% or $**	**Seller Concessions, if applicable:** **%**

Estimated 90-day REO Expenses Anticipated:		**Additional Comments:** **Explain any "other" expenses noted:**
Initial Cleaning	**$**	
Securing	**$**	
Utilities	**$**	
Lawn Service	**$**	
Winterization	**$**	
Other (Explain)	**$**	
Total	**$**	

This plan should be reviewed and approved by the Agency within **five (5) business days** from the date of receipt. **The plan may be implemented** unless Agency provides alternative recommendations. Resubmit plan for concurrence to indicate changes in marketing strategy during the marketing period.

Authorized Servicer's Signature	Print or Type Name	Date
Agency Approval Official	Print or Type Name	Date