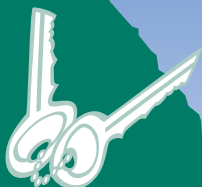




FannieMae

# *Keys To Buying A California Home*

*Owned Or Managed  
By Fannie Mae*



*Fannie Mae developed this brochure for home buyers interested in purchasing California properties owned or managed by Fannie Mae. This brochure will help you understand the processes, costs, and risks involved. If, after reading this brochure, you have additional questions, contact the real estate sales professional of your choice or the one who has listed the property you are interested in purchasing.*

At Fannie Mae, we are in the American Dream business. Our Mission is to tear down barriers, lower costs, and increase the opportunities for homeownership and affordable rental housing for all Americans. Because having a safe place to call home strengthens families, communities, and our nation as a whole.

**Q** *How is buying a home owned or managed by Fannie Mae different?*

**A** Usually, when you buy a home, you deal with a seller who lives in the home. However, Fannie Mae and other corporate sellers have not occupied the homes they are selling. They are transitional owners only, having acquired these properties through foreclosure, or deed in lieu of foreclosure, or forfeiture.

When buying a corporate-owned home, it is important to know the condition of the property, the cost of any needed repairs, and steps in the loan qualification and closing processes before you enter into a purchase and sales agreement.

**Q** *Has Fannie Mae fixed everything in the house?*

**A** Probably not. Even if the house has fresh paint, brand new carpet, perhaps even a new roof or siding, that doesn't mean everything in the house is new – or even works.

Fannie Mae sometimes makes repairs to properties to increase their marketability. Additionally, there may be certain safety conditions that require repairs. But Fannie Mae sells each property in an “as is” condition. This means that you, as the buyer, accept the property in its condition at the close of escrow. Fannie Mae is not responsible for fixing any problems after the close of escrow.

Fannie Mae does not warrant or guarantee any work that may have been done on the property – whether made as part of its efforts to sell the home or pursuant to conditions in the purchase contract. You may wish to buy a home warranty at your own expense.

You should certainly hire a qualified professional to inspect the condition of the property whether it has been repaired or not. Hiring a home inspector is a good practice, no matter what type of home you buy.

**Q** *What can you tell me about this house?*

**A** Sellers of properties acquired through foreclosure, deed in lieu of foreclosure, or forfeiture are exempt from completing a transfer disclosure statement. That's because these sellers never lived in the house, and don't necessarily know of any hazards present. However, if Fannie Mae has knowledge of any hazards on properties we own or market, we disclose this information through our listing agents. Again, we encourage you to make your own home inspection of the property before you buy.

**Q** *What type of sales contract does Fannie Mae use?*

**A** Usually, when you buy a California home, you write an offer to purchase. Then, once your offer is accepted, you open escrow through a second set of documents called escrow documents.

In order to increase the efficiency of the sales process, Fannie Mae uses a combined real estate purchase contract/escrow instructions document for California properties. If there is anything in the document you don't understand, or aren't comfortable with, you may want to contact a real estate attorney, the real estate sales professional who has listed the property, or any real estate professional of your choice to review these documents with you.

**Q** *Do I have to use Fannie Mae's selected title and escrow companies?*

**A** No. The use of Fannie Mae selected title and escrow companies is not required. You, as a buyer, may designate use of the title or escrow company of your choice, subject to the terms of the contract.

**Q** *Will Fannie Mae accept an offer contingent on the sale of my house?*

**A** No. Fannie Mae will not accept offers contingent on the sale of your current home. Other types of contingencies will be considered on a case-by-case basis.

**Q** *Why does Fannie Mae require a lender's prequalification statement before negotiating a home purchase offer?*

**A** Fannie Mae wants to be sure that you, as a prospective buyer, will be able to complete the sales transaction, including obtaining financing when needed. Prequalification allows you to see how much house you can afford, and how much of a mortgage you may be able to qualify for, before you actually make an offer on a home. That also helps you focus on homes in a price range you can afford.

What's involved when you, and your co-purchaser if there is one, get prequalified? First, the lender will verify if you have sufficient funds for the down payment and closing costs by checking your bank statements. Second, the lender will judge your ability to make house payments by reviewing your credit report. And third, the lender will verify your income through your most recent pay stubs.

Remember, a loan prequalification doesn't mean your loan is approved. You must apply for a loan separately, after you are prequalified and your offer to buy the home is accepted.

Fannie Mae may require that a Fannie Mae-approved lender provide your prequalification statement. However, you may apply for and obtain your mortgage from any lender – it need not be the lender who provided your prequalification statement.

**Q** *Does Fannie Mae provide special financing on its houses?*

**A** Sometimes. REO (Real Estate Owned) financing may be available on certain Fannie Mae-owned properties through lenders designated by Fannie Mae. The listing agent is able to provide information regarding the availability of financing on any particular property.

**Q** *Can I buy a house directly from Fannie Mae without going through real estate agents?*

**A** No. Fannie Mae depends on the expertise of local real estate sales professionals and accepts offers only through our real estate listing agents. You may work with any real estate sales professional you like to submit an offer to the real estate agent who has listed the property.

**Q** *What happens if Fannie Mae gets more than one offer?*

**A** Each interested party may be requested to submit their “best” offer in writing through the listing agent no later than a certain specified date and time. Fannie Mae may accept or provide a counteroffer to the offer that Fannie Mae determines to be in its best interest. Fannie Mae is not obligated to accept any offer submitted.

**Q** *How can I learn more about California properties for sale?*

**A** Fannie Mae-owned and managed homes are listed in the local Multiple Listing Service (MLS), if available, and are accessible to any real estate broker. In addition, you can find the list of properties for sale on Fannie Mae’s web site at [www.fanniemae.com](http://www.fanniemae.com). There, you can search for Fannie Mae-owned and managed properties by city, state, and price range. The web site lets you view the properties available – in California and nationwide. Information includes street addresses and contact information for the real estate broker.

**If you have additional questions or concerns, or if you would like a list of properties currently available in California, call 1-800-7FANNIE (1-800-732-6643) or visit us online at [www.fanniemae.com](http://www.fanniemae.com).**