

ROAD HOME PROPERTIES

FREQUENTLY ASKED QUESTIONS

GENERAL QUESTIONS ABOUT AUCTIONS

What is a Road Home property? Road Home properties are those parcels that the Road Home Corporation took title to as part of the Road Home Program. Homeowners elected to sell their property to the Road Home Corp. in exchange for grant funds.

Who is responsible for back taxes and grass liens? All back taxes and liens have been cancelled by Seller.

Is this a Tax Sale? No. Seller is conveying the property to you with warranties and is providing you with an Owner's Policy of Title Insurance.

Is there a reserve price or minimum bid? The bidding will start at \$1000 on all properties and increase from there. However, all bids are subject to seller's approval. Seller will be present at the auction and will work to approve all bids on auction day. Any bids not approved on Auction Day will be answered within 48 hours. Some sales may not be approved

Are any of these properties of historic significance? Yes. ___ properties are eligible for the National Historic Register, per the determination of the State Historic Preservation Office and/ or Historic District Landmark Commission (HDLC) of New Orleans. See "Catalogs" for pictures and details of the historical significance of this property. For a complete list of properties of historic significance, see "Property Auction List" and "Catalogs" for details.

How many properties can I purchase? A limit of five properties can be purchased per developer, entity, or person.

If I live next to an auction property that is vacant land can i keep it as "green space"?

Yes. Adjacent property owners may maintain the property as green space.

Must the properties be renovated/rehabilitated? Yes, Purchasers have one year to demonstrate substantial progress in construction. Properties will be sold "as is". Vacant lots will be sold for new construction. Structures will be sold for rehabilitation. All historic properties are subject to design and demolition review by the appropriate entity (i.e State Historic Preservation Office, Neighborhood Conservation Committee, HDLC, etc). All renovations require a City of New Orleans building permit and must be built to current code. Questions regarding elevation and permitting are to be directed to:

City of New Orleans
Department of Safety & Permits
1300 Perdido Street
Room 7E07
New Orleans, Louisiana 70112
(504) 658-7100

How long do I have to complete my purchase? Sale of the property must be completed within 30 days after all Seller Conditions To Closing of the Agreement are met. American Government Services (AGS) will be handling closings for the Seller of Road Home properties.

What about the closing costs? The Seller will pay all closing costs to convey the property except those costs associated with the Buyer's financing. AGS has updated the title from the prior title policy on each property and will be issuing an Owner's Title Insurance Policy (Title Commitment), which will also be paid for by Seller. Advanced Copies of the Closing Documents can be either picked up by the buyer or delivered to the buyer via e-mail or U.S Mail. Buyers can also request delivery via overnight courier at the buyer's expense. The Title Company will ship the documents via Federal Express at a cost of \$15.00. The buyer will pay a closing document re-draw fee of \$50.00 per transaction to the Title Company at closing if the buyer is unwilling or unable to close by the closing deadline.

What about the closing cost if financing is required? The Purchaser's financing costs and surveys if requested, title insurance premium for Mortgagee Title Policies, Certificates, and recording fees for Mortgage documents, Power of Attorney documents, etc. are paid for by the Purchaser. Financing is not a condition to closing.

Recording fees? Purchaser shall pay \$0 for the recording fees in a cash sale. In the event a purchaser chooses to finance the property, the charge for mortgage recording fees is dependent on the number of pages of the mortgage document.

Certificate fees? Purchaser shall pay \$25 per name for a sale with mortgage.

Title Insurance Policy costs? Rates are regulated and fixed by the Louisiana Department of Insurance and cost is based on the amount of insurance you request. Seller will pay for the Owners Title Policy, Any Mortgagee Title Policy required by your lender (so long as your mortgage is secured by

the property) is paid for by the Buyer and will be issued at a simultaneous issue cost of \$100.00. This assumes that the mortgage amount is equal to or less than the purchase price.

How do I inspect Road Home properties? "Drive-by" inspections.

Any cost to register to bid? No. However, you must bring \$500.00 in certified funds or cash for each property you intend to bid on in order to register to bid. You may make the certified funds payable to yourself and endorse it to American Government Services if you are the successful bidder. This \$500.00 will be a part of the 10% deposit if, and only if, the bidder becomes a winning bidder at the auction. If you are not successful, then you can simply deposit the cashier's check back into your account.

Can I pre-register prior to the Auction day? Yes. You can pre-register on our website www.gilmoreauction.com. Be sure to print a copy of your registration and bring it with you to the auction. You still need to get a bid number at registration but this will save you some time.

How much is the deposit on each property? Ten percent (10%) of the purchase price with a minimum of \$500 per property purchased.

What types of payments are accepted? The first \$500 on each property must be certified funds or cash. The balance of the ten percent (10%) deposit must be a good personal or business check made payable to American Government Services.

Is there a "Buyers Premium" charge? No.

Any covenants to title?

Yes, there are two (2) covenants to title. Building covenants apply in addition to those itemized in the terms and conditions. Please check the property and the records. Buyer agrees to REPAIR, MAINTAIN AND/OR DEVELOP PROPERTY and MAINTAIN FLOOD INSURANCE as follows:

1. Buyer agrees to maintain the Property in accordance with the City of New Orleans Code of Ordinances, including keeping the Property free of conditions characteristic of blight. Maintenance of the Property shall be ongoing beginning on the date of Closing. Buyer agrees to achieve substantial progress toward construction or rehabilitation of the Property as a residence within 365 days after closing. Adjacent property owners may maintain the property as green space. Penalties may apply for violations of these covenants.

2. Buyer agrees to maintain Flood Insurance. What this means is the failure to maintain flood insurance, in the event of a future disaster, purchaser may not be eligible for future federal disaster relief assistance for repair, replacement, or restoration of damage due to flooding on any **structure** built on the vacant lots acquired through the Road Home Program; however, flood insurance is not required on **vacant land**.

See Purchase Agreement/Act of Cash Sale for complete details.

PRE-AUCTION

This is my first auction. What should I do?

First we recommend that you review your finances and determine how much you are able to spend, then check out the values in the neighborhood and inspect the property. Set a range of value or limit and be prepared to bid up to that limit. Arrive early at the auction site to register and get to know the auction staff. Get comfortable and relax. Listen closely to the Auctioneer. Raise your bid card to signal a bid. The Auctioneer will use his rhythmic "chant" to call the bids. Bid assistants will help you bid if you so choose. Don't be bashful or you may miss a great opportunity.

AUCTION DAY

Once I am the high bidder, what do I do?

A clerk will present you with a Bid Confirmation while the auction is still in progress. If this is the only property you are interested in purchasing, the clerk will bring you to the contract room where you will sign the Purchase Agreement and put down 10 percent (10%) or a minimum of \$500 in certified funds or cash. If you wish to continue bidding at the auction, the clerk will have you sign the Bid Confirmation, take the \$500 deposit (certified funds or cash) and give you an initialed receipt. You can continue bidding. Anytime after you have completed your bidding, you may go to the contract room to complete your Purchase Agreement.