

[HUD](#) > [Program Offices](#) > [Housing](#) > [Single Family](#) > [REO](#) > [About Buying HUD Homes](#)

Buying HUD Homes

HUD Home Store is the listing site for HUD real estate owned (REO) single-family properties. This site provides the public, brokers, potential owner-occupants, state and local governments and nonprofit organizations a centralized location to search the inventory of HUD properties for sale. In addition, registered real estate brokers and other organizations can place bids on behalf of their clients to purchase a HUD property. **HUD Home Store** also includes many informative user-friendly features providing advice and guidance for consumers on the home buying process. Frequently Asked Questions (FAQs) are available online for:

- ▶ **General Public**
- ▶ **Real Estate Agents**
- ▶ **Members of the Mortgage Industry**
- ▶ **Nonprofit Organizations and Government Entities**

What is a HUD Home?

A HUD home is a 1-to-4 unit residential property acquired by HUD as a result of a foreclosure action on an FHA-insured mortgage. HUD becomes the property owner and offers it for sale to recover the loss on the foreclosure claim.

The following information is provided as an introduction to the process through which HUD homes can be purchased. You can either scroll down the page, or access specific topics through the following topic menu. Additional links provided in the menu to the right provide access to FHA program and policy information for homeowners, homebuyers, and members of the mortgage lending and real estate industry.

TOPICS

- ▶ **Buying a HUD Home**
- ▶ **Home Inspections**
- ▶ **Financing**
- ▶ **FHA Special Discount Sales Programs**
- ▶ **Available HUD Properties**
- ▶ **Additional Information**

Who Can Buy a HUD Home?

Anyone who has the required cash or can qualify for a loan (subject to certain restrictions) may buy a HUD Home. HUD Homes are initially offered to owner-occupant purchasers (people who are buying the home as their primary residence). Following the priority period for owner occupants, unsold properties are available to all buyers, including investors.

[Back to Top](#)

Should I Get a Home Inspection?

HUD does not warrant the condition of its properties and will not pay for the correction of defects or repairs. Since the new owner will be responsible for making needed repairs, HUD strongly urges every potential homebuyer to get an inspection from a licensed **professional home inspector** prior to submitting an offer to purchase.

If you are interested in acquiring a HUD Home that is in need of repair, you may be interested in applying for an **FHA 203(k) Rehabilitation Loan**. When a homebuyer wants to purchase a house in need of repair or modernization, the homebuyer usually has to obtain financing first to purchase the dwelling; additional financing to do the rehabilitation construction; and a permanent mortgage when the work is completed to pay off the interim loans with a permanent mortgage. Often the interim financing (the acquisition and construction loans) involves relatively high interest rates and short amortization periods. FHA's 203(k) Rehabilitation Loan is designed to address this situation. The borrower can get just one mortgage loan, at a long-term fixed (or adjustable) rate, to finance both the acquisition and the rehabilitation of the property.

Related Information

- ▶ **How To Sell HUD Homes**
- ▶ **FHA Homeownership Centers**
- ▶ **FHA National Servicing Center Management and Marketing (M&M) Contractors**
- ▶ **FHA Frequently Asked Questions**
- ▶ **FHA Resource Center**

Additional HUD Information

- ▶ **General Homebuying Information**
- ▶ **Homebuying Assistance Programs in Your State**

[Back to Top](#)

[What About Financing?](#)

HUD does not provide direct financing to buyers of HUD Homes. Buyers must obtain financing through either their own cash reserves or a mortgage lender. If you have the necessary available cash or can qualify for a loan (subject to certain restrictions) you may buy a HUD Home. While HUD does not provide direct

financing for the purchase of a HUD Home, it may be possible for you to qualify for an **FHA-insured mortgage** to finance the purchase.

[Back to Top](#)

[Does FHA Offer Any Special Discount Sales Programs?](#)

FHA REO properties located in designated **Revitalization Areas** are available at a reduced sales price to law enforcement officers, teachers, firefighters, emergency medical technicians, nonprofits and local governments. Read more about these **Good Neighbor Next Door Initiatives**. You can also view maps of REO properties and special programs such as Revitalization Areas with HUD's **Single Family Home Locator**.

[Back to Top](#)

[Where Can I Learn About Available HUD Properties?](#)

Any single family property acquired by HUD FHA will display a sign identifying who is managing the property before it is listed for sale. During this time the property is appraised, title issues are resolved, if necessary, and a determination is made about the property's eligibility for HUD's **discount sales** programs. Property listings are posted on **HUD Home Store**. For more information, contact the **Management and Marketing Contractor** serving your area.

[Back to Top](#)

[Additional Information About HUD Homes and Other FHA Programs](#)

If you have more questions about the sale and purchase of FHA-insured homes, contact the **Field Service Manager or Asset Manager Contractor** that manages the FHA housing portfolio in your community. For more information about FHA and its programs, contact the **FHA Resource Center**.

[Back to Top](#)