

**PART 302-12 USE OF A RELOCATION SERVICES COMPANY**

**Subpart A – Employee’s Use of a Relocation Services Company**

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**Subpart A – Employee’s Use of a Relocation Services Company**

**302-12.50(a) What third party relocation services does NOAA offer?**

NOAA offers authorized transferees an optional **home sale program** that consists of the following three phases: 1) Buyer Value Option (BVO) which begins on the first day of the transferee’s listing agreement or the authorization date whichever is later, 2) appraised sale program (over 90 days), and the 3) the amended sale program (an outside offer received after you are presented with an appraised value), subject to the FTR and DOC Travel Handbook, Chapter 302-12. NOAA also offers authorized transferees, an optional **home purchase** process provided by the contractor at no additional brokerage fees to NOAA.

**302-12.50(b) How are 3<sup>rd</sup> party relocation services authorized?**

3<sup>rd</sup> party relocation services must be specifically authorized on the travel order and funds obligated based on the appraised value percentage in order for the transferee to be eligible for the program. The voucherless home sale program is a tax protected program that begins with marketing assistance by the contractor on day one of the listing agreement and concludes with closing of the sale of your residence.

**302-12.50(c) What is the Buyer Value Option (BVO) program?**

BVO starts following contact with the contractor to initiate marketing assistance and includes a **mandatory 90 day listing period (based on calendar days)**. You will receive two preferred real estate broker referrals that you should consider and select from to list your home. During this time, the contractor will assist you in marketing your home in order to help you obtain an offer on your home from a bona fide buyer. The contractor may guarantee the bona fide buyer’s offer on your home and you will be paid equity based on the net sale price. You will not need to attend settlement.

**302-12.50(d) What is the amended sale program?**

The amended sale program occurs when a bona fide buyer comes to the table after the contractor orders appraisals. Under the amended sale program, the contractor will assist you with the buyer’s net offer on your home and you will be paid equity based on the net sale price and you will not attend settlement.

**302-12.50(e) How are offers made under the BVO or amended sale program?**

Offers made under the BVO or amended sale program are based on the price negotiated between you and the buyer rather than on appraisals. Once you receive an outside offer and all contingencies are removed, including the completion of all necessary inspections, the contractor may purchase the residence for the amount of the outside offer.

**302-12.50(f) What happens under the home sale program?**

You will:

- 1) Either select one from the contractor's network of brokers or your own real estate agent
- 2) Receive access to objective advice from the contractor on how to market your residence, set a listing price, as well as oversight of marketing activities and negotiation assistance.
- 3) Be eligible for home marketing assistance, home finding assistance, and mortgage counseling at no cost to you or NOAA.
- 4) Not sign or initial the buyer's offer, but will forward the contract to the contractor for signature.
- 5) Receive assistance from the contractor in order to help you obtain an offer on your home from a bona fide buyer.
- 6) Be responsible for any additional costs when the maximum value of the residence exceeds the \$700,000 real estate cap, unless approved by a waiver. If you do not have a waiver, the additional costs will be deducted from your equity.
- 7) Receive 95% of your home's equity once the contract is executed (the home is purchased by contractor), and 100% of the equity once the residence has been vacated. Equity is generally disbursed within 5 business days.
- 8) Not be responsible for mortgage payments, utilities, and maintenance once the contract is mutually executed and the residence is vacated.
- 9) Not attend settlement. The contractor will manage the details of settlement including payment of commissions.
- 10) Not submit a travel voucher for closing costs. The contractor will invoice NOAA in accordance with the contracted fee. Once the invoice is paid, the Relocation Specialist will forward a copy of the invoice to the gaining office.
- 11) Not bear any **tax liability** for this transaction.

**302-12.50(g) What is the appraised sale program?**

The appraised sale program occurs when you cannot find a bona fide buyer to buy your home and after the contractor orders appraisals. Under the appraised sale program, the contractor will buy your home from you based on an appraised value offer.

**302-12.50(h) When are appraisals ordered?**

After listing in the BVO program for 30 days (from the date of listing or home sale authorization date, whichever is later), appraisals are initiated on the 30<sup>th</sup> day.

**302-12.50(i) How are appraisals conducted?**

Appraisals shall be conducted according to the Employee Relocation Council (ERC) appraisal form. The appraiser shall use a marketing time of not less than 120 days. Click on [Appraisal Q&As](#) for more information regarding the appraisal process.

**302-12.50(j) When are inspections ordered under the appraised sale program?**

Along with the appraisals (30 days from the list date or home sale authorization date, whichever is later), the contractor will order any property inspections needed to assess the properties condition and serviceability. Examples might include a Major Component Assessment, well and/or septic inspection, roof and siding inspection and termite inspection. These inspections will generally be ordered at the same time appraisals are ordered. The only exception to the timing of the inspections would be any inspections we may need to assess the properties eligibility for the program. In these cases, inspections would be ordered at the time the property enters the homesale program.

**302-12.50(k) When will I receive an appraised offer on my home?**

Under the appraised sale program, you **may** receive an appraised offer based on the average of two or three appraisals around the 60th day of marketing (contractor has 30 business days from the date the appraisals are initiated to make you an offer). Note: This program **does not guarantee you a buyout on your home** since certain conditions, i.e., market conditions, appraisal issues, property conditions etc, may preclude the contractor from making you a buyout offer on your home.

**302-12.50(l) When can I accept the appraised offer?**

The appraised value offer will be ready around the 60<sup>th</sup> day of your marketing the home. Once given, it will be valid for 60 days. You must continue to market your home for an additional 30 days (90 days total) from when the offer is made before you can accept the appraised offer. If you have not brought a bona fide buyer to the table by the 90<sup>th</sup> day of marketing your home, you may accept or reject the appraised offer by the contractor (again, as long as you have marketed your home for a total of 90 days). If you reject the contractor's appraised offer, you are no longer eligible for the program and you will continue listing the residence on your own.

**302-12.50(m) What options do I have on the 90<sup>th</sup> day of marketing when I am eligible to accept the appraised sale offer ?**

You may either,

- 1) **Accept the offer made by the contractor.** The contractor will purchase your residence based on appraised value as determined by the independent appraisals. The contractor will invoice NOAA in accordance with the contracted fee. Once the invoice is paid, the RSC will forward a copy of the invoice to the gaining office.
  - i. You may request an equity loan up to 75% of the estimated equity from your residence, based on the appraised sale offer, for the purpose of purchasing a residence at the new official duty station. The equity advance may be secured by a second deed of trust or other security which the contractor deems satisfactory. The equity advance shall be deducted from your equity upon the contractor's acquisition of the property. The contractor's cost of money or any other administrative charges will not be charged to you or to the Government if you accept the contractor's offer.
- 2) **Accept an outside offer by a bona fide buyer during the 60 day offer period.** The contractor may amend the appraised sale offer to reflect the value of the offer from the outside buyer. Please note that under the amended sale program, you must review all outside offers with the contractor and you cannot sign any sales agreement or accept any money from the outside buyer.

- 3) **Or reject the contractor's appraised offer** or at any time withdraw from the program. You are no longer eligible to reenter the program and you will continue listing the residence on your own and will be reimbursed under the direct reimbursement method. It is important to note that you will not be reimbursed for any charges (inspection fees, appraisal fees, etc.) that duplicate fees paid to the contractor. Once you've rejected the offer and have been withdrawn from the program, you will be obligated to repay any amounts advanced to you. Otherwise, the contractor shall use normal legal recourse against you. The Government shall not accept responsibility for repayment of the amount advanced and the contractor shall have no legal recourse against the Government if you fail to pay the amounts advanced.
- i. If you sign a sales contract or accept money from an outside buyer, you are automatically out of the program.

**302-12.50(n) What does the home purchase program consist of?**

Under the home purchase program you will have the potential ability to quickly purchase a residence at the new official duty station through one of the contractor's mortgage providers. You will receive mortgage counseling and mortgage pre-approval within 48 hours of contacting the contractor and you will have early access to demographic information on every town, school, and neighborhood at your new official duty station.

**302-12.50(o) What happens under the home purchase program?**

You will:

- 1) Be provided with individual counseling to familiarize you with the program. The contractor will analyze your financial position to determine which mortgage will best meet your needs.
- 2) Work with the contractor, who will complete the loan application by telephone for you.
- 3) Review and sign the loan application and return it in the prepaid return envelope back to the contractor. Prior to closing, you will receive information from the contractor outlining reimbursable closing costs according to the FTR. You are responsible for bringing the remaining funds to closing.

- 4) Not pay the reimbursable closing costs or file a travel voucher since the reimbursable closing costs are charged directly to NOAA, and not charged to you at settlement. The contractor will forward an itemized invoice and a signed copy of the HUD-1 form (settlement statement) to the appropriate RSC for payment. Once the invoice is paid, the RSC will forward a copy of the HUD-1 form and itemized invoice to the gaining office.
- 5) Pay for any non-reimbursable expenses that were advanced to you.
- 6) Bear a **tax liability** for this transaction. Please be aware that all home purchase reimbursements are considered taxable income for which you will receive a Relocation Income Tax Allowance (RITA).