

BID 12206 RFP - QUESTIONS AND ANSWERS

1. Listing Appointment Presentation: Will a face to face presentation be required for each acquisition? **No, the City of Little Rock shall require a listing contract for each property that the Broker will market for the City of Little Rock.**
2. Will acquisitions be assigned in bulk or daily, weekly, or monthly? **There are currently 12 properties that are ready to be sold, the rest are in various stages of development. The inventory may increase throughout the term of the contract.**
3. Who will pay unpaid liens, past due taxes, assessments, HOA bills, etc. if discovered prior to or even after closing? **The properties to be sold have a clear and marketable title and should be clear of any liens, past due taxes, assessments, or HOA bills.**
4. Will the City maintain the property while it's being marketed and until it is sold? **Yes**
5. Section 2.03 refers to the current title information. Will the City provide the title commitment/policy received at acquisition? **No, the City of Little Rock owns all the properties that will be assigned to the listing agent. The Buyers mortgage lender may require title commitment and title insurance as part of loan agreement and these will likely become part of the closing cost.**
6. Does the City provide any financing for the purchasers? **The City of Little Rock may provide Soft Second Loans and subsidies to qualified Buyers.**
7. Section 2.03 item (i) mentions obtaining mortgage loan information. Do the properties have a current mortgage? **No**
8. Are there low income restrictions that purchasers must be qualified for prior to purchase? **All Buyers must meet the 120% of the low-moderate-medium income (LMMI) levels.**
9. Are the properties vacant, rented, or both based on the property type? If occupied will vendor be responsible for possible eviction? **All units ready to be marketed are vacant.**
10. Will the tenants, if any, keep the properties in showable condition? **Properties are vacant.**
11. Section 2.03 item (t) refers to completed repairs. Will the City supply a list of repairs that they completed to the vendor? **The properties being marketed for sale or either new construction or recently rehabilitated, therefore repairs should be covered under one year builder's warranty.**
12. Section 2.06 discusses buyers and agents. Are buyers allowed to purchase without a broker or agent representing them? **Yes.**
13. Will the standard State Sales contract be used or does the City require a special contract? **The forms to be utilized shall be the same as those provided by the Arkansas Realtors Association standard forms.**

14. Section 2.06 item (j) refers to the closing attorney for the City. Does the closing have to occur with the City's closing attorney or is the buyer free to choose their own closing agent/attorney to perform the actual closing? [The City of Little Rock has several Real Estate Title Companies that it has used to purchase these properties, if the Buyer chooses it can use one of these companies.](#)
15. Section 2.06 item (l) refers to an escrow account for earnest money. Who is responsible for the escrow account? [As with most real estate transactions, the Title Company performing the closing shall be responsible for the escrow account.](#)
16. Section 2.06 item (p) refers to offers placed between Contract and Closing. No offers should be able to be placed at this time as the MLS should reflect that the contract is pending. Correct? [Yes](#)
17. Section 2.06 item (t) refers to termite inspections. Who pays for the inspection and possible termite treatment? [The City of Little Rock has performed termite inspections on all its properties, and these are available to Buyers and Lenders.](#)
18. Sections 2.06 item (u) refers to mold inspections. What determines when an inspection is required and who pays for it? [The properties being marketed for sale or either new construction or recently rehabilitated, therefore mold inspections should not be required.](#)
19. Section 2.08 discusses home inspections. The buyer is not required to have an inspection performed, correct? [This is Buyer or Lenders choice.](#)
20. Section 2.08 item (e) speaks to repairs to the property. Will the City be coordinating, performing, and paying for repairs prior to closing? [The properties being marketed for sale or either new construction or recently rehabilitated, therefore any repairs should be covered under one year builder's warranty. If any repairs are needed the City of Little Rock will coordinate repair with Contractor.](#)
21. Section 2.09 refers to appraisals. If the buyer is using cash to purchase the property and chooses not to obtain an appraisal then it is not required, correct? [If Buyer is using cash to purchase the property then an appraisal shall not be required otherwise it will be up to Lenders requirements.](#)
22. Section 2.09 item (b) gives instructions to provide the appraiser with the comparable sales used in market pricing. Couldn't this be seen as an attempt to influence the appraiser's opinion of value? [The Listing Agent will need to be familiar with the NSP2 area to provide sales if asked by the appraiser to make the appraiser aware of other properties in the area which have been provided with NSP2 subsidies. The NSP2 properties are all being sold below cost and market value.](#)
23. Will the City pay for typical seller's costs including broker commissions? [The City of Little Rock shall pay a flat % commission rate as agreed upon from award of Bid contract, as well as those costs typically included in Seller's closing costs i.e. title insurance, taxes, and termite. No other fees shall be paid.](#)

24. Section 2.10 item (m) speaks to title insurance. If the buyer does not obtain title insurance then this is not required, correct? Will the City pay for the title commitment on behalf of the buyer? **The Buyer will be required to obtain Title Insurance as with any standard closing. The Buyer will obtain a traditional mortgage loan, and Title Insurance will be required in all likelihood by Lender. The City of Little Rock may share in paying closing costs on a case by case basis.**
25. Section 2.10 item (s) states that the City is to receive a net proceeds check at the closing. Will a representative of the City attend the closing? Will the vendor be paid at the closing? **The City of Little Rock shall receive a net proceeds check at the closing, as stated before these transactions will be treated as any other standard closing. A representative of the City shall attend the closing. The Brokers agreed upon commission will be paid at the time of closing.**
26. Approx. how many properties will be for sale? **There are currently 12 properties that are ready to be marketed, the rest are in various stages of development. The inventory may increase throughout the term of the contract.**
27. What stage of rehab/construction are the majority of the properties? **There are currently 12 properties that are ready to be marketed, the rest are in various stages of development.**
28. Will the listing firm be eligible to receive the selling side of the commission in the event buyer is also represented by listing firm? **Yes, the listing firm will be able to receive the selling side of the commission.**
29. Section 2.01 h) & m) Research the property's ownership and deed type/Verify the legal names of the owners in the county records.
- Are the properties owned by the City of Little Rock? **The majority of the Properties will be owned by City of Little Rock, however there may be additional properties added to inventory that are owned by Better Community Development, Habitat for Humanity, and Metropolitan Housing Alliance.**
30. Section 2.03 i) j) k) Obtain and verify current mortgage loan information, including account numbers.
- Is this a reference to the purchase-money loans for the buyers – from lenders other than the City? **No, the City of Little Rock owns the properties, and there are no mortgages on them.**
 - Will the NSP be funding any purchase-money for buyers? **Buyers will need to obtain traditional mortgage loans, the City of Little Rock can provide Soft Second Loans, and subsidizes to qualified Buyers.**
 - Will assumable loans be allowed? **No**
31. Section 2.03 t) Prepare a list of completed repairs and maintenance items.
- Are all the properties to be assigned to the selected consultant products of the grant funds – and thus, have had repairs completed? **Yes**
 - Will it be possible to obtain documentation of the work completed on each property? **Yes**
32. Section 2.04 e) Provide the City with signed copies of the Listing Agreement and MLS document
- Will the City require a City-specific Listing Agreement or may we use our own form? **The City of Little Rock requires all forms utilized be the same as those provided by the Arkansas Realtors Association standard forms.**

33. Section 4.02 Firm Price

- a. Pricing must be a percentage of the sales price – does this include all costs incurred for each property? **No, the commission is based entirely upon sale price.**
- b. Are all the properties fully rehabbed and habitable? **Yes**
- c. Will emergency repair costs be reimbursed to the consultant by the City if they cause the bid price to be exceeded? **The City of Little Rock shall do all emergency repairs.**
- d. Should the percentage price include costs of utilities, lawn care, snow removal, and regular maintenance? **The City of Little Rock shall provide lawn care maintenance, snow removal, and any needed regular maintenance. The City of Little Rock will also pay all utility bills.**

34. Is a list of properties currently in this program available for review? Or, is historical data available?

No

35. Is there an estimate of the number of properties to be included in this RFP? **No**

36. Are all the properties to be included already purchased and rehabbed? Will the inventory increase throughout the term of the contract? **Yes, all properties to be included have been purchased, but are in various stages of development. The inventory may increase throughout the term of the contract.**