

HUD Local Listing Broker Open Application Notice

California

Thank you for your interest in working more closely with PEMCO, Ltd.,
KEY Solutions Management and the HUD Sales Process in California.

While it will not be possible to subcontract all applicants for the available,
limited number of LLB positions, we wish each of you the best of luck in the
application process and continued success in your HUD Home Sales.

~ The LLB Management Team

Application Instructions

We will be accepting applications for California HUD-PEMCO Local Listing Brokers beginning July 15, 2008. The solicitation will close promptly at the close of business August 15, 2008. Please download and print this entire document for application package requirements, position description and other important information.

Submit only one application per brokerage. Do not fax or e-mail applications. Application Packages should be mailed, with a delivery receipt, to:

KEY Solutions Management
5332 Greenland Road
Suite #102
Atlanta, GA 30342

Application Package Requirements:

- **LLB Application** (pages 7 & 8 of this document)
 - Must be signed by the primary broker of the brokerage applying for LLB Position
- **IRS Form W-9** (available for printing on the "Contractors" tab of PEMCO's website, www.HUDPEMCO.com)
 - Completed by the primary broker of the brokerage applying for LLB Position
- **Copy of valid CA broker's license**
- **Copy of valid CA business license**
- **Proof of General Liability Insurance**
 - Coverage must be current and brokerage insured to at least \$1,000,000
- **Brokerage and/or Agent Resume**
 - Provide a resume which identifies why you are qualified to be a HUD LLB
- **Letter of Intent**
 - Provide a letter which explains why you want to be a HUD LLB
 - It is at your discretion what to include in this letter, the only requirement is that it be no longer than one (1) page typed.
- **Sales and Marketing Plan**
 - Provide a Plan outlining how you/your brokerage will, *at a minimum*:
 - Promote a positive image of HUD and its' properties
 - Market the HUD Listings
 - Market to homebuyers and promote owner-occupant sales
 - If selected for a position as an LLB, this Sales and Marketing Plan will become a part of your contract. Please keep this in mind as you outline your objectives.
- **Other**
 - You may include other pertinent information in your package as you deem necessary, however it is not a requirement for your application.

>> Incomplete or late packages will not be considered <<

LLB / LLB Application FAQ's

Q Who is KEY Solutions Management, LLC?

A. KEY Solutions Management is subcontracted by PEMCO, Ltd. in California and Georgia to manage each state's LLB Management, Agent Training, Marketing, and Community Outreach Events in regard to the state's HUD Home Sales Process.

Q What is a Local Listing Broker?

A. A Local Listing Broker (LLB) is a broker, along with his/her respective agents, subcontracted under KEY Solutions to list HUD Properties on behalf of PEMCO, Ltd. on the MLS and provide wide-market exposure of HUD Homes, while serving as a resource of information about HUD and its properties to local buyers, real estate agents, KEY Solutions and PEMCO, and all individuals involved in the HUD Sales Process.

Q Can you explain what the LLB will actually do?

A. Selected LLB's will be assigned a territory which encompasses the location of their business. Any properties acquired by HUD within that territory will be assigned to that LLB for listing. After visiting a property to perform a visual inspection, obtain listing photographs, and place a "For Sale" sign at the property, an LLB will provide wide-market exposure for the HUD properties, where - at the very least - they list the HUD properties on an MLS with all pertinent property information, including any applicable HOA information and marking any changes to the property's status throughout the sales process. LLB's provide evidence of these MLS listings to PEMCO's Property EMS (Electronic Monitoring System), and remain in regular communication with PEMCO and KEY Solutions about the property - including notifications about property vandalism or any pertinent happenings in the field. They will update the status of the property in the MLS and upload evidence of these MLS changes in status to our EMS. LLB's also are to provide in a courteous and professional manner information about the HUD properties and/or the HUD Sales Process to all inquiring callers (agents, buyers, and HUD-PEMCO personnel), and have HUD keys for agent sales distribution at their offices. LLB's are required to provide HUD Sales Training Seminars to local agents, as well.

Q What role does the LLB play in the HUD Sales Process?

A. An LLB should be viewed as a "Team Leader" in the HUD Selling Process. A successful LLB will be a community advocate for HUD and its' properties, promoting homeownership and overall marketing of the properties. LLB's and their respective teams should have exceptional standards of professionalism and customer service when interacting with the buying and selling publics, and always striving to ensure both agent and buyer satisfaction with the Sales Process. The LLB's should be a team of motivated and dedicated real estate professionals who strive to excel in business and sales and who also have a genuine and vested interest in the overall *quality* of HUD and the selling process. The team of LLB's working with HUD, PEMCO and KEY Solutions should continually be taking a proactive approach to developing and implementing their own policies, procedures and outreach efforts to ensure the overall success of the California HUD Sales Process

Q Who applies for a position as an LLB: a brokerage as a whole or individual selling agents?

- A. A brokerage applies for a position as an LLB. In small companies, it is possible that the entire team will be a part of the HUD Process. In larger companies, there may be one, two, or several agents who will serve as the "HUD Team" within that brokerage, and be responsible for the HUD Listings and working with PEMCO.
- B. If you are an agent in a larger company, discuss with your broker the dynamics of how an internal HUD Team would work in your brokerage.

- Q Does my primary broker have to be involved in the LLB/HUD Process?**
- A. No. If there are agents who will be handling the HUD Listings and LLB responsibilities on behalf of the brokerage, your broker does not have to be directly involved. However, even if the primary broker does not serve as a direct point of contact in the HUD Process, he/she is ultimately held accountable for the terms of the LLB Contract. It is his/her signature which is required for all documents. In other words, your broker needs to be “in the know” of the LLB Process and Requirements, but does not have to be directly involved with the day-to-day happenings.
- Q What are the requirements to be considered for a position as a LLB?**
- A. A valid NAID number, California HUD Sales Experience, compliance with all HUD-PEMCO Advertising and Showing Guidelines, and any other applicable HUD-PEMCO policies and/or procedures
- Q If selected to be subcontracted as an LLB, which counties will I be responsible for?**
- A. KEY Solutions Management and PEMCO have divided the state into several areas which to be serviced by the LLB's. LLB's must be local, as deemed by PEMCO, to the area they serve. KEY Solutions and PEMCO, not the applicant, will determine where the LLB will be best utilized based on the location of their office(s).
- Q How many LLB's will be hired?**
- A. The number of LLB's assigned to each Area, and thus the total number of LLB's, will be dependent upon the needs of the Area and the capabilities of each LLB chosen. Therefore, we will not know how many LLB's will be selected until all submitted applications are received and reviewed.
- Q What will I need to have to be an LLB?**
- A. At a minimum, you will need to have or have ready access to, a professional brokerage office readily identifiable as a place of business, a computer with internet access, a scanner, a business e-mail account, a fax machine, a digital camera, and reliable transportation to the properties.
- Q If I'm chosen to be a LLB, can I purchase HUD Properties?**
- A. Yes.
- Q What is the LLB commission?**
- A. LLB's do not receive part of the selling agent's commission on a HUD Sale, nor a percentage of the sales price of the property. Instead, LLB's are paid a flat-rate fee at a listed property's closing. While this fee has not yet been determined for the coming year, applicants should be aware that the monetary gain for being a listing broker comes from the LLB's utilization of their position and a pro-active marketing stance, not the sole reliance of the flat-rate fee. Fees paid to LLB's in the past have been right around \$200 per closing.
- Q As an LLB, can I put my company “For Sale” signage at the HUD Properties?**
- A. Yes. LLB's are required to put signage at the properties which they have been assigned to list. No other agent may place signage on location at the property assigned to you as the LLB. All LLB advertising and signage must be compliant with current HUD-PEMCO guidelines.
- Q What are the current advertising/signage regulations?**
- A. Though there are additional regulations (available on our website) the following are the most pertinent which will be looked at in regard to the LLB Applicant:
- i. Do not refer to HUD Homes as *government, distressed, reposessed, foreclosed*; all signage/advertising must have an Equal Housing Opportunity logo or statement; All website advertising must disclose that the property is a HUD Property and direct viewers to HUDPEMCO.com to view all HUD properties available in California; All must comply with the Truth in Lending Act and all state/county/Real Estate Commission advertising regulations.

- Q Who can I call to make sure my application was received?**
- A. Unfortunately, we will not be able to pull individual application packages to confirm they have been received due to the high volume of applications we expect to receive. Instead, please obtain a delivery receipt from your mail carrier. All packages are date-stamped upon arrival.
- Q Will I have a better chance of selection if I send my application package earlier in the solicitation period?**
- A. The solicitation period where we will be accepting applications is July 15 through August 15. Applications received the first day of the solicitation period have no better chance of selection than do ones received the last day of the solicitation period. Applications received after closed of business (5 p.m. EST) August 15, 2008, however, will not be considered.
- Q How do you choose the LLB's?**
- A. All applicants who meet requirements will be moved to consideration for a position. LLB's will be chosen by the PEMCO/KEY Solutions Management Team based on a variety of professional and business-related criteria, but consideration for a position is *not* dependent on the applicant's race, ethnicity, religion, handicaps, or familial or marital status.
- i. No applicant will be selected, or not selected, based on the above. It is the policy of PEMCO, Ltd. and KEY Solutions Management, LLC to subcontract LLB's which are best-suited for the available position, regardless of race, ethnicity, religion, handicaps, or familial/marital status.
 - ii. LLB's will be chosen in a manner in which the Listing Broker Team as a whole is comprised of the individual Listing Brokers which create the best-suited team to best serve the interests of HUD, PEMCO, KEY Solutions and the state of California.
- Q Is General Liability Insurance different than my E&O insurance?**
- A. Yes. LLB's must maintain insurance coverage of \$1,000,000 (at a minimum) for Comprehensive General Liability Insurance in addition to any required Errors and Omission Insurance. In accordance with and as required by state and local laws, the LLB must also have Worker's Compensation insurance.
- Q If I am selected to be a listing broker, and I also sell a HUD Home, do I receive both the selling commission and the listing payment?**
- A. Yes. If you are the selling agent for a HUD Home that you also listed as the listing broker, you would receive both the up to 5% selling agent commission and the TBA LLB listing payment.
- Q Why do I need to submit a Sales and Marketing Plan?**
- A. The primary function of the LLB is to provide wide-market exposure of the HUD properties. LLB Applicants will need to identify how they plan to positively promote and market HUD and its properties to the public. Your plan can be as extensive as you see fit for the capabilities of your office. However, it must at least include plans for marketing the listings and marketing/promoting sales to Owner-Occupant buyers.
- i. If selected for a position as an LLB, the submitted Sales and Marketing Plan will become a part of your LLB Contract. Please make sure that you and/or your team are capable of performing to the extent of which you have outlined in your Plan.
- Q Can I personally contact or request to meet with the LLB Management Team?**
- A. Unfortunately, we anticipate that we will be receiving too many applications to grant this request for all applicants. In the interest of fairness, any information you wish to relay to the LLB Management Team in regard to your LLB Application should be communicated in your Application Package. All Application Packages will be read, reviewed and filed accordingly.

Q How will I know if I was or was not selected for a position?

A. Selected applicants will be notified by written letter and/or telephone communication early September 2008. Unfortunately, due to the high volume of applications we expect to receive, we will not be able to contact applicants who were not chosen. A list of the selected LLB Team will be posted to our website by mid September 2008.

Q I still have a question. Who can I contact?

A. If you have an urgent question that was not addressed in this Application material, please e-mail your question to info@pemco-limited.com. Please utilize this e-mail rather than telephoning our office or contacting the LLB office directly. An LLB Management Team-Member will get back to as quickly as possible.

Please do not send e-mails to introduce yourself or to inquire about the receipt or status of your application. While we absolutely would love to meet you in the future and are thrilled about the overwhelming number of agents and brokers who are eager to work with us and become more involved in the HUD Selling Process, this application process promises to be a very lengthy and extensive evaluation process for our Management Team, and we must also strive for fairness for all applicants.

KEY SOLUTIONS MANAGEMENT, LLC
 Subcontractor to PEMCO, Ltd.
 HUD Local Listing Broker Application – California

Please type or print neatly.

Application Date	/	/2008		
Company/Brokerage Information				
Company Name				
<i>dba</i>				
Federal Tax ID				
NAID Number		NAID Exp. Date		
Primary Mailing Address				
City, state, zip		County		
Primary Telephone		Primary Fax		
Brokerage Website				
Company E-mail				
Small and Disadvantaged Business Utilization – check all that apply (must be certified)				
<input type="checkbox"/> Small Business			<input type="checkbox"/> Small Disadvantaged Business	
<input type="checkbox"/> 8(a)			<input type="checkbox"/> Woman-Owned Small Business (WOSB)	
<input type="checkbox"/> HUBZone			<input type="checkbox"/> Service Disabled Veteran Owned Business (SDVB)	
<input type="checkbox"/> Veteran Owned Small Business (VOSB)				
Contact Information				
Company Primary Broker(s)				
<u>Name</u>			<u>E-mail</u>	
1.)				
2.)				
Primary Contact Person for LLB Duties / HUD or LLB- related proceedings				
Name		Mobile Phone		
E-mail		Office Phone	X	
Secondary Contact Person for LLB Duties / HUD or LLB- related proceedings				
Name		Mobile Phone		
E-mail		Office Phone	X	
Policies, Licensing and Documentation				
Liability Insurance Carrier		Policy Number		
Agent's Name		Telephone		
Policy Limit		Policy Expiration		
Business License No.		Expiration Date		
Broker License No.		Expiration Date		
LLB Application page 1 of 2				

Business References – must be companies you have done business with			
1.) Company		Telephone	
Address			
Contact Person			
2.) Company		Telephone	
Address			
Contact Person			
3.) Company		Telephone	
Address			
Contact Person			
Office Technology – check all that apply			
<input type="checkbox"/> Digital Camera		<input type="checkbox"/> Computer with Internet Access	<input type="checkbox"/> Website
<input type="checkbox"/> E-mail		<input type="checkbox"/> Fax Machine	<input type="checkbox"/> Scanner
<input type="checkbox"/> Other			
<input type="checkbox"/> Software			
Satellite Offices – must be running business offices, not broker/agent home offices			
Address		City, State, Zip	California County
1.)			
2.)			
HUD-Related Sales, Experience and Training			
The following data applies to: <input type="checkbox"/> my brokerage as a whole <input type="checkbox"/> only the primary contact agent listed above			
HUD Sales Experience	____ years ____ months		
Annual HUD Sales	I/we have sold _____ HUD Homes in the last 12 months.		
Owner-Occupant Sales	Of those sales, _____ were sales to owner-occupant buyers.		
HUD Advertising	All company advertising is compliant with current guidelines <input type="checkbox"/> Yes <input type="checkbox"/> No		
All information on this application is, to the best of my knowledge, true and accurate. I, along with any applicable agents to this application, have read and understand the LLB FAQ Section provided in this package, as well as the LLB job functions.			
Primary Broker Signature		Date	

<i>TO BE COMPLETED BY PEMCO, LTD/KEY SOLUTIONS MANAGEMENT, LLC</i>			
App. Received Date:	Verified (√)	Result / Notes	By
Office Location(s)			
Insurance/Licensing Documentation			
Reference(s)			
HUD Sales, Experience, Training			
Website and Advertising Compliance			

Application Checklist

Make Sure Your Application Package Contains:

- LLB Application (pages 7-8 of this solicitation notice)
- IRS Form W-9 (can be printed from *Contractors* tab of HUD-PEMCO website)
- Copy of a valid CA broker's license
- Copy of a valid CA business license
- Proof of General Liability Insurance
- Brokerage or Agent Resume
- One-page Letter of Intent
- Sales and Marketing Plan
- Other Pertinent Information or Documents (optional - not required)

Follow these Steps:

1. Read the entire FAQ section of this Solicitation Notice
2. Make sure your all required documents in your Application Package meet the specifications outlined on page 2
3. Mail your complete Application Package to:

KEY Solutions Management, LLC
5332 Greenland Road
Suite #102
Atlanta, GA 30342
Re: LLB Application
4. Ensure package will be delivered before close of business Friday, August 15, 2008.
 - a. Obtain a Delivery Receipt from your mail carrier; you will *not* be able to call or e-mail to confirm receipt of your application package.
5. Watch for the HUD-PEMCO website announcement of the selected LLB's in early September.