

**CALIFORNIA DEPARTMENT OF VETERANS AFFAIRS (CALVET)
PRE-ADVERTISING LISTING (PAL) PROGRAM FOR REO PROPERTIES -
PROCEDURES FOR REAL ESTATE AGENTS**

INTRODUCTION

CalVet repossession sales operate under a program called PAL, which stands for Pre-Advertising Listing. The PAL program makes substantial use of real estate agents to do much of the work involved in investigating, managing, and selling repossessions. CalVet Property Agents supervise and approve the activities of the PAL agents; and make all financial decisions. The listing agent is expected to be competent with regards to real estate laws and regulations, perform per the Department's policy and procedure guidelines and requirements, and demonstrate an overall responsiveness to the Department, which includes actively marketing the property. Your participation in this program is voluntary. The program is subject to change at any time.

To begin, you must supply the Department with the following:

1. A letter of interest requesting participation in the PAL program. If applicable, provide your e-mail address and/or website address. The letter should state if your business is operated from a commercial or a residential property.
2. A resume reflecting your education and work experience, naming real estate property types worked on, and any repossession sales experience.
3. A written statement as to your service area, territories you are seeking listings in.
4. A written statement as to which boards you can submit Multiple Listing Service (MLS) listings and the-service areas covered by each board.
5. Proof of real estate license issued by the California Department of Real Estate (DRE).
6. A statement on company letterhead signed by the office broker stating the status of your real estate license (i.e. "in good standing with the DRE").
7. In a written statement, you are to disclose and explain any current or past DRE license violations or disciplinary action, and/or any felony convictions related to real estate.
8. Any other material which you would like to submit promoting your services, such as a marketing plan.
9. Two business cards.

ENCLOSURES

1. CalVet's Brokers Price Opinion Report (CalVet Repossessed Property) form which includes a Damage and Repairs Report.
2. A sample of the CalVet "State Property" sign to be posted.
3. Report of Vehicle on Property form.
4. Work Scope Sheet and Request for Bid form.
5. Payee Data forms.
6. CalVet Offer to Purchase Repossessed Property form.
7. A Property Agent business card.

You will have to make copies of some of the forms, they will not be sent to you on a repetitive basis. Discuss the closest availability of CalVet "State Property" signs with the Property Agent; we may need to mail some large signs to you directly. You should be aware that CalVet utilizes a form of Land Sales Contract in financing, and that we have a cancellation process which differs from most lenders. Review the entire package, and follow-up with the Property Agent to answer any questions that you have, and to confirm that you are interested in participating in the PAL program.

OCCUPANCY CHECKS

The typical first involvement for a PAL Real Estate Agent on a property which may eventually become a repossession is to do an occupancy check. As PAL Agents are required to do weekly condition checks on the property, the Agent should be within reasonable traveling distance from their office or home. Often the Department has not received payments or been able to contact the contract holder. We may have received back undelivered mail, or have recently served eviction notices. The Department will request that you either approach the dwelling or drive-by the property, depending primarily upon the status of the CalVet contract.

Department employees are not able to discuss account specifics with you, only information pertinent to doing an occupancy check. All matters are to be treated confidentially. Be advised that the Department does not participate in a "cash for keys" program. If in your investigation you find the property vacant, notify the CalVet Property Agent right away.

Basic occupancy check instructions to PAL agents are as follows:

Please do an occupancy check in accordance with the PAL program procedures you have been given. Primarily, we would like to find out who the occupants are, and we would like them to contact us right away.

If you do not feel comfortable approaching the property, we request that you do the occupancy check on a drive-by basis. Do not put yourself in danger; leave the property immediately if you have any concerns.

1. If you approach the property, advise the occupant(s) that you are doing an occupancy check on behalf of CalVet. The purpose of your communication is two-fold:
 - a. Tell the occupant that the Department would like to know or confirm who is occupying the property. Inquire as to the names of all residents, and advise them that they may volunteer their telephone numbers which you will forward to the Department.
 - b. Give them the enclosed letter (if applicable) from the Department, which requests that they contact us immediately. Tell the occupant that you are not there to discuss matters with them, but rather to request that they contact the Department. Refer any and all questions to the Department. Have CalVet business cards or telephone numbers on hand. If tenant-occupied, ask them to provide landlord contact information to the Department when they call.

If no one is at home, place the enclosed "call me" letter in an envelope and leave it at the property. At times the question of occupancy based upon visual observations maybe difficult to determine. Leaving a business card and returning to check it a couple of days later might help determine if there is activity at the property. Utility companies will usually disclose if their service is on. Neighbors will sometimes volunteer occupancy information.

2. Forward to the Department: any unsolicited information, such as the occupant's intentions with regard to occupancy. Should a move-out date be offered by the occupant, advise them that any legal action by the Department which may be underway to gain possession will not stop based upon a promise to vacate, and again urge them to contact CalVet immediately.
3. Note license plate number, type, and condition of vehicle(s) parked on the property.
4. Observe the condition of the property as visible, without, entering the dwelling. Also, report a rough estimate of market value for the property. The Department does not request documentation as to value at this time. Take photos of the front of the house.
5. If a condominium or PUD, or a mobile home in a park, attempt to obtain the name of an HOA, property management, or park management contact person and telephone number.
6. Report your findings to CalVet.

IF VACANT

When a CalVet property is found vacant, notify the Department immediately. If a contract holder desires to surrender possession, contact CalVet who will send our required documents to the loan holders for signature. Upon receipt, the Department will contact you to arrange to collect the keys from the occupants. You may also be asked to represent us at unlawful detainer lock-outs.

1. Recommended field materials: clip board, paper, measuring tape, camera, thumb screw window locks, padlocks, several pieces of 3 foot chain, CalVet "State Property" signs, duct tape, hammer, nails, screw driver, lockbox, flashlight, key tags.
2. Once CalVet has notified you to take possession, make arrangements to meet a locksmith. Reliability, quality work and competitive pricing should be considered.
3. Have the locksmith re-key all exterior door locks and garage locks to the same (new) key if possible. Each property is to be keyed separately; you are not to use a "master key" program. Upon sale, advise the buyer to have the property re-keyed.
4. Obtain one set of keys for yourself. **It is not necessary to forward one set to the Department.**
5. Post a CalVet "State Property" sign in a front and back window, secure it with duct tape.

6. Draw a rough sketch of the floor plan (measurements are not required), identify each room and area. Note any observed additions, conversions, or alterations.
7. Walk the property, including the interior and exterior of each structure. Provide the following:
 - a. An inventory of all remaining personal property having value, and report an estimate of value for each item. If applicable, complete the Department's "Report of Vehicle on Property" form.
 - b. A Damage and Repairs Report. List damage by room or exterior location, with your (layman's) estimate of the repair cost per item. Obtaining a contractor's bid for repairs is acceptable but not required. Future work bid proposals will be requested if repairs are to be addressed. In addition to obvious damage, identify any health and safety items, and also list building components which are in fair or poor condition.
 - c. Items in average or better condition should not be listed.
8. Evaluate the landscaping and sprinkler system condition.
9. Take photographs: front and back exterior photos; interior of living room, kitchen, bathrooms; outbuilding(s); site if appropriate, and the front of the homes on either-side and across the street. Also, photograph any significant damage and any personal property items having greater than minimal value.
10. Check all interior windows, use thumb-screw locks as needed. If necessary, padlock the garage door. Chain and padlock all fence gates. Draw all drapes. Inspect all doors to insure they function properly and are locked. The property is to be secure before leaving.
 You may remove your padlocks, chains, and window locks at close of escrow for reuse.
11. Sign off on the locksmith bill, reference the property address and our contract number, and then forward the invoice along with a Payee Data form to the Department.
12. Call the CalVet Property Agent that day and report on any personal property of value at the property. In most cases, remaining personal property has been left-as debris by the vacating party. Such obvious items are viewed with a "garage or fire sale" value, which is in essence their true value. For any vehicles left on site, complete and forward a CalVet Report of Vehicle on Site form.
 If numerous items of personal property having value are found, you are to fax a list to the Department. Items having value should be listed individually and specifically on an inventory. Any individual item with a value over \$100.00 should be listed with description, make, model, serial number, and estimated value; or to the degree that this identifying information is available.
 The Department has the option of storing personal property securely on site. You may also be given storage instructions for personal property with a cumulative present value over \$700.00. If possible, the Department would like to obtain a written release from the former tenant when the property is claimed.
13. Upon gaining possession, contact all utility companies servicing the subject property; including water, sewer, garbage, gas, and electric. This notification will allow them to close out service to the former occupant if needed. Per PAL procedures described below, you can either establish new service in our name, or can leave the utilities shut off. Some utilities, such as garbage, may not charge on vacant properties. When doing your field work, be sure and note if any utility meters have been pulled from the property, and notify the Department if they have.

PRE-LISTING

Within seven (7) days of gaining possession on behalf of the Department, you are to submit your Pre-Listing package, as follows:

1. CalVet's Brokers Price Opinion report: Evaluate for Market Value. Your report should indicate an "As Is" Market Value, and a "Repaired" Market Value. Repair items should be specified per Section 8 of our form. Discuss marketing time and factors, and market conditions. If a condominium or PUD, or a mobile home in a park, try to obtain the information requested in the BPO form. Complete, sign, and date the report.
2. MLS printouts of all sale, listing, and expired comparables used in the BPO, in a "complete" rather than "summary" information format.
3. Damage and Repairs Report, see Section 8 of the Department's BPO form.

4. Floor plan sketch, showing room locations: Note any obvious additions, conversions, or alterations. Measurements will not be required unless the square footage does not nearly match the Department's records.
5. Personal property report: (A nil report or comment required). If applicable, complete the Department's "Report of Vehicle on Property".
6. Landscaping recommendation.
7. Photographs: front and back exterior photos; interior of living room, kitchen, bathrooms; outbuilding(s); site if appropriate, and the front of the homes on either-side and across the street. Also, photograph any significant damage and any personal property items having greater than minimal value. If e-mailing photos to the Department, please use the "JPEG" type format.
8. Property Profile report: typically obtained from a title company.
9. A listing agreement for our-consideration, leave list price and listing period blank.
10. Your marketing plan.

Pre-listing packages should be submitted to the Department by mail, please do not fax them. If you need more than 7 days to complete the assignment, call the assigned CalVet Property Agent.

Please review for disclosure all pertinent matters, and send written notification to the Department. Be advised that the Department is exempt from the requirement of a Real Estate Transfer Disclosure Statement. While the same is true of the Natural Hazard Disclosure Statement, the Department prefers to include this document in each sale transaction. Notably, the cost of a vendor-produced document is negotiable in a sales transaction, and may be paid by the buyer.

UTILITIES; CLEAN-UP, REPAIR, AND MAINTENANCE BIDS; BILLINGS

1. Discuss' utility turn-on with the CalVet Property Agent. If the landscaping or a pool is to be maintained, or if any work is to be done to the property, we will likely, authorize you to have the utilities turned on and put in our name. Our billing address and related information is as follows:

California Department of Veterans Affairs
 Attn: Cancellation/REO Unit - (show contract number)
 P.O. Box 942895
 Sacramento, Calif. 94295

 Office Telephone (916) 503-8357
 Fax (916) 653-2333
 Tax Identification number 68-0182830

While direct billing to the Department is preferred, we may authorize you to have the utilities put in your name with reimbursement to you for costs.

2. Upon utility turn-on, check dwelling systems and appliances. If the electricity is turned on, keep it turned off at the main switch of the electric panel box, unless automatic sprinklers or pool equipment will be run. Check the, property after any work is done to the property. **We do not want appliances (i.e. Heating and Air conditioning) left on, resulting in a high energy bill.**
3. When taking possession, try to determine if there is the possibility that the property will be cited for debris and yard conditions. If so, notify us right away. We will request that you obtain bids to do the necessary clean-up. We will review your landscaping recommendation. We would prefer to keep these costs minimal, and do no more than absolutely necessary. If justified, we may request that you obtain bids for do routine or "as needed" yard maintenance at the property until sold.
4. Out of concern for public safety, we will typically authorize a trash-out of each property, if needed. With regard to repairs, the Department has no set policy; the economic decision on each property is studied. The CalVet Property Agent will discuss repairs which you recommend with you.

In many cases, we would prefer to market our properties in their present condition. However, based upon your observations, you should make recommendations which would enhance the marketability, and increase our net return on the property. We would like to see a return on investment greater than one-to-one. Be prepared to discuss repairs with the CalVet Property Agent.

Obtain work bids or proposals as requested by the Department. We will advise with regard to operator types, permits, materials and color selections, guarantees and certifications, and payments. You may utilize the Department's "Work Scope Sheet and Request for Bid" form. Approved repairs may be delayed pending REO staff reaching certain stages of their process.

With regard to vendors, competitive bids are encouraged at all times. Because the Department limits our costs, only responsible and reliable vendors who provide quality work in a timely manner should bid. Bids should be complete, including labor and materials. Material quality must be consistent with the structure. All work and materials must meet federal, state, and local building code requirements. The selection of material styles, patterns, and colors may be delegated to you, with the understanding that matching or neutral selections should be made. If the work requires a licensed contractor, you will be required to obtain a copy of a valid license and proof of insurance with a minimum of \$500,000 per occurrence.

Bids should include the vendors name, address, and telephone number; and should state their earliest start date along with their estimate of the amount of time needed to complete the work. For fairness in comparison, the same scope of work is to be bid by all potential vendors. Any additional items which are bid by the vendor will not be used for comparison of bids.

A deadline for submitting bids should be set.

5. Have clean-up, repair, and maintenance bills, sent to you. Upon receipt of the invoice, you are to inspect and verify the completed repairs. We may request you take photographs as well. Sign off on the bill as inspected, and be sure that the property address and CalVet contract number are included. Send the invoice and any supporting documentation to the Department without delay. If the vendor has not worked for the State before, include a Payee Data record.

MONITORING

1. Check the property as often as possible, but not less than weekly. Check for security, utility usage, landscaping and yard conditions, and for problems of any kind. If possible, leave a business card with neighbors for notification purposes.
2. The Department will notify you if we receive any citations on the property. We will request that you manage any needed action required to satisfy the citation.
3. Report any vandalism to CalVet. If the damage is in excess of \$500.00, file a police report. Photograph any damage, and submit the pictures with your report to the Department. Advise us if work needs to be done to secure the property. Request increased or additional police patrols from local authorities if needed.
4. The Department would prefer not to board-up properties. They are expensive to do, unsightly to neighbors, a negative in marketing, and most likely will have to be removed as a condition of a buyers financing. Rather than board-up an entire dwelling, we prefer to do so on an "as needed" basis (for example, a single broken window). Complete board-ups will be considered on severely damaged properties with continued vandalism problems. Board-ups are to be done to FHA standards, with as little damage and alteration to the dwelling as possible. At least one entrance door should remain functional. Depending upon local ordinances, small center plywood holes for light and vision may be included in the-process.

LISTING AND SEALED OFFER ADVERTISING PERIOD

When the property is cleared for sale by the Department we will advise you the advertising and sealed offer period is to begin. In addition to our Advertising Letter, we will return the listing agreement to you along with our Listing Agreement Addendum. The list price shall be set by CalVet. The compensation stated in the Listing Agreement shall be a percentage of the sale price as determined by the Department. Compensation will be paid only upon close of escrow. The Department will not be obligated to pay the agent any compensation if escrow fails to close for any reason. The listing period will typically be 90 days. Be advised that the Department will not agree to or initial the "Arbitration of Disputes" clause in the Listing Agreement.

The Listing Agreement Addendum shall contain certain required terms. The Listing Agent will be required to advertise the property and collect and submit sealed offers in accordance with CalVet procedures. In the event of a sale to a party represented by a real estate agent, no less than a 50% split of the commission must go to the "selling" (buyer's) agent.

In the event that the property is sold through the sealed offer process to a buyer who is not represented by a real estate agent, then the listing agent will receive 50% of the commission stated in the listing agreement.

The Advertising letter will include information and instructions from the Department. We will advise you as to any known interested parties, the title company to be used for a resale policy, and our decision with regard to offering CalVet financing.

The condition of the property will determine if CalVet financing will be offered. Prevailing, CalVet loan terms, fees, and rates can be found on our website. Non-Veteran buyers will be charged a higher interest rate.

CalVet is required to offer the property for sale during an advertised "sealed offer" period. As part of this process, you will be required to advertise the property in a specific newspaper for a specific period at your expense. We recognize that most real estate agents would advertise any property they list, as a part of their service and marketing. You are considered compensated for the advertising expense, as well as other expenses incurred by you through the PAL program; by the terms and conditions of the listing agreement, should you successfully close a sale escrow.

Our policy requires that for each repossessed property, a "for sale" advertisement shall appear in local newspapers covering the area where the property is located (a daily newspaper of .general circulation in the area in which the subject property is located). The advertisement shall appear in the newspapers for a period of at least fourteen (14) consecutive days. The advertisement shall specify the location of the property, a brief description, its estimated value, and shall summarize the procedures for a potential buyer to purchase or submit an offer on the property and the qualifications the potential buyer is- required to meet as well as the deadline date for "sealed offer" submission. Due to the need to comply with these requirements, you are to structure advertisements as follows without substantive deviation:

City/Town

CALVET REPO

1234 Main Street, x bedrooms, x bathrooms, approx. x,xxx s.f. Sold as is, sealed offers until x/x/20xx, offers subject to seller acceptance. All offers considered, asking \$xx,xxx. Call (Listing Agent) (xxx) xxx-xxxx.

You may include additional descriptive information and catchy phrases to attract attention; and may include your office name, location, and telephone number. The advertisement must include that the property is a CalVet repossessed property (see heading in the above example). You may submit a copy of your advertisement for our review. For our file, please send a copy of your newspaper invoice and a copy of the advertisement.

You will be required to place the listing on MLS and reflect therein the "sealed offer" period. Please provide a copy of the MLS printout to the Department. You should place your sign on the property, and place a lockbox per your local customs. You will have to show the property to (non-agent) individuals who call requesting to see the interior. We request that you alone show the property to individuals not represented by an agent, or not wanting to be represented by an agent. INDIVIDUALS ARE NOT REQUIRED TO USE AN AGENT. If the individual does not want to be represented by an agent, you may not insist upon it. This is an important aspect-of our "sealed offer" process. You have this understanding, and that is why we require that you alone show the property to those individuals.

CalVet has an offer form, which you are to have copies of and it should be made available to all offerors. Keep a supply of them on hand. Our requirements state that the offer shall specify the offer price, the property address, the name of the offeror, their address, plus any terms and conditions proposed if the offer price is less than an offer to purchase for full cash value. The offeror shall personally sign the sealed offer. While the Department's offer form is to be used, we will accept a real estate purchase contract.

Notably, we prefer that any contracts submitted be on the most recent version of the CAR "Real Estate Purchase Contract and Receipt for Deposit" form, though this is not a requirement.

You will be responsible for collecting all offers during the sealed offer period, and for forwarding the unopened offers to the Department at the conclusion of the period. Offerors shall submit their offer in writing, in a sealed envelope. The envelope shall have the words "Sealed Offer" printed thereon. No other marks are permitted, however, the offeror may also write the property address on the envelope.

If the offer is being mailed to you (the listing agent), then the offeror shall place the offer envelope inside of a mailing envelope. Fax and e-mail offers are not acceptable, and you are to return them to the sender with proper instructions on how an offer is to be submitted.

At the conclusion of the advertising and sealed offer period, the listing agent is to forward (unopened) all offers received to the assigned CalVet Property Agent. You should do this the day after the sealed offer period ends. You are to then notify the Department if any other offers are received by mail within five days. Such offers are to be postmarked by the last day of the sealed offer period. You are to forward them to the Department. All of the sealed offers shall remain unopened until five days after the deadline date specified in the advertisement. The Department will not accept any sealed offers for consideration which are not postmarked or received by the close of business on the deadline date.

For delivery to CalVet Headquarters: Street address:

California Department of Veterans Affairs Attn: Cancellation/REO Unit
1227 "O" Street, Suite 220
Sacramento, Calif. 95814

Mailing address:

California Department of Veterans Affairs
Attn: Cancellation/REO Unit
P.O. Box. 942895
Sacramento, Calif. 94295-0001

Departmental policy states that we shall sell repossessed properties to the highest qualified offeror. Highest qualified offeror is defined as the person who submits the highest acceptable offer (provides the highest net dollar amount from the sale) for the property and who verifiably qualifies for the necessary loan. Notably, the Department may make the determination that there are no acceptable offers. For all offers not accepted, you are to notify the offeror or, if they are represented, their agent.

If the property does not sell during the advertising and sealed offer process, then you are to proceed to market the property as a normal listing, presenting any and all offers when received. We may ask you to provide an updated Brokers Price Opinion report, complete with MLS print-outs of comparables used. Continue to go by and monitor the property regularly, and you are encouraged to provide evidence to the Department of your marketing efforts and activities. Listing extensions will be considered on a 30 day basis.

SALE AND ESCROW

You are to, present all offers. After the "sealed offer" period ends, fax or email them to the assigned Property Agent as soon as they are received. We will discuss them with you. Terms and conditions of a sale are negotiable. Typically, a minimum buyer deposit will be required.

During the sealed offer period, this provision will be included in our counter offer. In many CalVet repossession sales we pay the following: 50% of the base escrow fee, 50%-100% of the CLTA title policy fee, 50%-100% of the county documentary transfer tax, and the real estate commission. We will generally not pay any other fees, including such fees as document preparation, recording, wiring, sub-escrow, or any other escrow or title charges.

Regarding outside financing, primarily with regard to FHA and VA financing, we may negotiate with respect to points, fees, and repair costs; but by means of a counter offer we will always limit our costs. Pest control, septic, and roof work can also be negotiated, though if paid, we will limit our costs initially. Normally, we will wait until we enter into a contract to consider such inspections; then only depending upon the terms of the sale. We would prefer to not pay retrofit costs, home warranty costs, or buyer's closing costs; but again, they are negotiable, particularly in the case of a strong offer. By means of a counter offer, we will always limit our total costs and expenses in a transaction.

We recognize two different "As Is" concepts. The first involves selling the property "As Is without representation or warranty," thus ending our involvement with the property when it is sold. We will do this without exception. The second "As Is" concept involves our willingness to do repairs in escrow. We will consider repairs given a high enough sale price. This would, for example, allow the property condition to be upgraded to meet minimum FHA standards.

When presenting an offer, please prepare and provide a Seller's Net Sheet. When an offer is accepted, you will be responsible to open escrow, follow for the buyer's deposit, and to review the escrow instructions and the estimated seller net sheet for accuracy. You will be responsible for monitoring the escrow and coordinating activities at the property.

If applicable, you will be expected to provide us a letter prior to close of escrow stating that all work done to the subject property has been inspected by you, and that all work appears to be complete and done in a workmanlike manner; this assuming that such is the case.

Any outstanding bills including utility reimbursements **should not be paid in escrow**. These should be forwarded to the CalVet agent for payment. You will be expected to review the final escrow closing statement for accuracy. Upon close of escrow, you are responsible for closing all utility accounts which are in the Department's name, or which are paid by the Department on a reimbursement basis. Failure to do so will result in you reimbursing the Department for charges incurred after close of escrow.



OFFER TO PURCHASE REPOSSESSED PROPERTY

The California Department of Veterans Affairs (CalVet) acquired this property by foreclosure through the cancellation of its Contract of Sale. Therefore, CalVet makes no representation to the buyer(s) or their real estate agent as to the condition of the property.

I (We) hereby submit an offer to purchase the property located at:

_____, CA

for the amount of \$ _____ . Offer submitted by (purchaser[s]):

_____.

Contact information: Email: _____ Email: _____

Cell Phone (____) ____ - ____ Home Phone (____) ____ - ____ Work Phone (____) ____ - ____

Mailing Address: _____

Please check the appropriate boxes:

QUESTION	YES	NO	QUESTION	YES	NO
Eligible Veteran?			Prior CalVet Loan?		
Non-Veteran?			First Time Homebuyer?		
Property to be used as your personal residence?					

I (We) propose to finance the property as follows using:

- CalVet financing (if available) as an eligible veteran with a down payment of \$ _____. (Amount of the down payment is dependent upon loan and property type. Interest rate for a mobile home in a park is 1% higher than published rates.)
- CalVet financing (if available) as a non-veteran with a down payment of \$ _____. (Minimum down payment is 3% of purchase price and is dependent upon loan and property type. Interest rates for non-veterans are 0.5% higher and for mobile homes 1% higher than published rates.)
- Other financing: FHA VA Conventional Private Seller Points: _____ (Note: CalVet does not typically pay points.)
- Cash

_____ Date _____ Signature of Buyer _____ Signature of Buyer _____

Complete only if you are represented by a Real Estate (RE) Broker or Agent:

RE Broker/Agent: _____ RE Company: _____

Cell:(____) ____ - ____ Office:(____) ____ - ____ Email: _____

Office Address: _____

Commission requested ____%. Commissions are subject to Lienholder's and Mortgage Insurance Carrier's approvals and may be adjusted at that time. Offers should be written to accommodate this commission contingency. Any reductions in commission must be split 50/50 between Agents. Real Estate commissions exceeding 6% of the sales price for the transaction must be justified to and approved by CalVet management in advance of any commitment to do so by CalVet.

For Department use only

- Offer Accepted Offer Rejected
- Accepted Subject to Counter Offer dated and submitted: _____

_____ Authorized Officer _____ Date _____

BROKER'S PRICE OPINION REPORT

CalVet Repossessed Property

(Print clearly in blue ink)

SECTION 1: Possession Confirmation Items

Address _____ City _____ Zip _____

This property was rekeyed, secured, and posted with CalVet's "State Property" sign on (date completed): _____

Agent responsibilities: A list of any personal property having value has been faxed to CalVet. If vehicles are on site, a CalVet "Report of Vehicle on Property" form has been completed and submitted for each vehicle. All utility companies have been contacted, and service has been taken out of the former occupant's name. Utilities are turned (circle) **on / off** at this time. If turned on, they have been put in (circle) **CalVet's / Real Estate Company's** name for billing.

Companies: Water _____ Electric _____ Gas _____

Bids for the following work have been requested to date: _____

Section 1 comments _____

SECTION 2: Neighborhood Data

(Circle) Urban - Suburban - Rural - Resort

If rural, give brief description including access roads and proximity to shopping and services: _____

Regarding improvements in the neighborhood, please list the predominate:

Property type / land use (i.e. SFR, land): _____

Type of construction (i.e. tract, custom): _____

Quality: _____ Age: _____

Neighborhood Property Value Range: _____ to _____

Is the subject property subject to Mello Roos or other special assessments? If so, name and describe:

Please provide applicable information of:

1. HOA name: _____

2. Property Management Company name: _____

3. Mobile Home Park name: _____

Address (of 1, 2 or 3): _____

Contact Person Name & Telephone: _____

Total units in development: _____ Monthly dues / Space rent: _____

Do HOA dues or park space rent cover utilities or common area maintenance? _____

Provide details: _____

Common area description: _____

Section 2 comments: _____

SECTION 3: Subject Property Information

(Circle): SFR - Condo - PUD - Land - Farm - Mobile Home: Land - Mobile Home: Park

Can all utilities be turned on? (circle): Yes / No

Have any public utility meters been pulled from the property? (circle): Yes / No

If private utilities identify: _____

(Most subject property information is contained in Section 5 below.)

Number of Stories: _____ Heating: _____ Air Conditioning: _____

Foundation Type (i.e. slab, raised concrete perim): _____

Exterior Siding material: _____ Roof cover material: _____

Complete Section 8 below, "Subject Property Damage and Repairs".

The overall property condition is (circle): Excellent - Very Good - Good - Average - Fair - Poor

Section 3 comments: _____

SECTION 4: Marketability Factors

I. State and National factors

Economic/Employment conditions: _____

Interest rates: _____

II. Community factors

Economic base: _____

Housing supply compared to demand (circle): Over - Balance - Under

Current rate of new construction (circle): Low - Moderate - High

Property Values (circle): Appreciating - Stable - Depreciating

Current rental demand is (circle): Low - Moderate - High

III. Neighborhood factors

List any positive or negative factors affecting property sales, include any known environmental hazards: _____

Compared to the past two years, the current number of residential listings in the neighborhood is: (circle one): Low - Moderate - High

The average marketing time for neighborhood properties is _____ days.

IV. Subject property factors

List any positive or negative factors affecting the sale of the subject property; include any functional or external obsolescence: _____

Has the subject property been listed for sale in the past year? (circle): Yes / No

Listing period: _____ List Price: _____

Section 4 comments: _____

SECTION 5: Comparable Properties

I. Comparable Closed Sales. Use comparable sales closed within 6 months. If necessary, use sales up to 12 months old. Comment individually at the end of the grid on any substantial value-related differences.

Item	Subject	Comp Sale #1	Comp Sale #2	Comp Sale #3
Address:				
Dist to Sub				
Org List Pr				
Fin List Pr				
Sale Price				
COE Date				
DOM				
REO Y/N				
Insp Y/N				
Fin/Conc				
Location				
Yr Remod				
Con Qual				
Condition				
Tot/Bd/Ba				
GLA				
Gar/Crpt				
Frpl				
Por/Pat				
Other				
Other				

Comment on any substantial value-related differences.

Comp #1: _____

Comp #2 _____

Comp #3 _____

II. Comparable Current Listings or Expired Listings Comment individually at the end of the grid on any substantial value-related differences.

Item	Subject	Comp Sale #1	Comp Sale #2	Comp Sale #3
Address:				
Dist. To Sub				
Org List Pr				
Curr List Pr				
DOM				
REO Y/N				
Insp. Y/N				
Conc Offd				
Location				
Lot Size				
Year Built				
Yr Remod				
Con Qual				
Condition				
Tot/Bd/Ba				
GLA				
Gar/Crpt				
Frpl				
Por/Pat				
Oth				
Oth				

Comment on any substantial value-related differences.

Listing #1: _____

Listing #2 _____

Listing #3 _____

SECTION 6: Market Value Conclusions

Market Value Definition: *The most probable price in cash, terms equivalent to cash, or in other precisely revealed terms, for which the appraised property will sell in a competitive market under all conditions requisite to fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.*

Market Value: As-Is Low _____ As-Is High _____

Suggested List Price: _____

Estimated marketing time: _____

Estimate of Repairs (Total from Section 8 below): _____

Comment on doing repairs, the likely dollar for dollar return on the investment, the effect on marketing time, and any known excessive vandalism risk factors: _____

Estimate of Market Value in "as-is" condition: _____

Estimate of Market Value if fully repaired: _____

Estimate of Land Value only: _____

Section 6 comments (Include comments about which sale comparable and which listing comparable are considered most relevant to valuing the subject.): _____

SECTION 7: Broker/Agent Information

Agent Name: _____ Company Name: _____

Address _____ City _____ Zip _____

Telephone: _____ Fax: _____

Cell and/or Pager (as applicable): _____

E-Mail and Web Site (as applicable): _____

Distance from your office to the subject property: _____

Refer to the CalVet "PAL agent Pre-Listing Package Checklist", and include all required items. List any additional non-required information which you are submitting: _____

Signature

Date Signed

SECTION 8: Subject Property Damage and Repairs

Instructions: The Department requires only an itemized layman’s report on damage with an estimate of repair cost from the PAL real estate agent. However, it is acceptable if this section is completed by a construction contractor or inspector. Show damage for items rated in fair or poor condition only. Items in average or better condition are not considered damaged or in need of repair. If a special inspection is needed (i.e. pest control, septic), so indicate on line and leave estimate blank.

Item / Description	Estimated Cost
1. Trash-Out Interior Dwelling and Garage	
2. Trash-Out Site	
3. Yard & Landscaping	
4. Structural Foundation / Grading / Engineering	
5. Roof	
6. Exterior Siding	
7. Exterior Carpentry / Ext. Doors / Garage Door	
8. Full Exterior Paint	
9. Exterior Trim Paint Only	
10. Windows / Screens	
11. Glass Sliders	
12. Fence	
13. Porch, Patio, Decking, Balcony	
14. Outbuildings	
15. Pool / Spa	
16. Garage Interior	
17. Driveway	
18. Chimney	
19. Electrical	
20. Plumbing Pipes	

21. Winterization	
22. Water Heater	
23. Water Heater Strapping	
24. Well	
25. Septic	
26. Pest Control (Termite)	
27. Exterior - Other	
28. Exterior - Other	
29. Fireplace	
30. Heating	
31. Air Conditioning	
32. Thermostat	
33. Smoke Detectors	
34. Ceiling Water Leak Damage	
35. Plumbing Kitchen Fixtures & Hardware	
36. Plumbing Bathroom Fixtures & Hardware	
37. Kitchen Appliances	
38. Kitchen Cabinets	
39. Kitchen Countertops	
40. Bathroom Cabinets	
41. Mirrors	
42. Other Cabinets	
43. Stair Railing	
44. Interior Wall	
45. Interior Paint (includes ceilings: Y or N)	
46. Interior Doors, Frames, Hardware	

47. Interior Closet Doors	
48. Interior Light Fixtures	
49. Carpet	
50. Carpet Pad	
51. Carpet Cleaning Only	
52. Vinyl - Kitchen	
53. Vinyl - Master Bathroom	
54. Vinyl - Hall Bathroom	
55. Other Floor Coverings	
56. Interior - Other	
57. Interior - Other	
58. Final Clean	

TOTAL LABOR AND MATERIALS COST: _____

Date Completed: _____

I. Layman's estimate (approximations), based upon PAL agent inspection only.

By:

Print Name

Signed

OR

II. Contractors / Inspectors estimate by: _____

Company Name

By:

Print Name

Signed

If licensed general contractor, should this be considered a formal bid? (circle) Yes / No

PAL AGENT PRE-LISTING PACKAGE CHECKLIST

1. _____ CalVet sign posted at property
2. _____ All utility companies contacted.
3. _____ CalVet Brokers Price Opinion Report signed and dated. Include landscaping recommendation.
4. _____ MLS print-outs of all comparables used, in .a complete information format.
5. _____ Damage and-Repairs Report, including estimate of repair cost. Use Section 8 of Cal-Vet BPO form.
6. _____ Rough floor plan sketch (measurements not required).
7. _____ Personal Property Report (nil comment required).
8. _____ Report of Vehicle on Property form (if applicable).
9. _____ Photos: front and back exterior photos; interior of living room, kitchen, bathrooms; outbuilding(s); site if appropriate, and the front of the homes on either-side and across the street. Also, photograph any significant damage and any personal property items having greater than minimal value.
10. _____ Property profile report.
11. _____ A complete set of keys.
12. _____ Listing Agreement; leave list price and list period blank.
13. _____ Marketing Plan

REPORT OF VEHICLE ON PROPERTY

Date _____

Property address _____

Make _____

Model/Year _____

VIN _____

State of registration _____

License plate number _____

Registration card present? (attach copy). _____

Month and year of sticker expiration _____

Where is the property located on the site? _____

Please note if the following items are present, and if so, their condition:

Engine _____

Transmission _____

Wheels _____

Tires _____

Doors _____

Windshield _____

Significant missing parts _____

Does it appear that this vehicle could operate under its own power? _____

Does it appear that this vehicle could be operated on a highway? _____

Layman's estimate of value _____

Attach pictures _____

Does the county have a "vehicle abatement officer"? _____

WORK SCOPE SHEET AND REQUEST FOR BID

CalVet Repossessed Property

Instructions to vendor: You are requested to submit a bid to do the work listed below at the property indicated. Your bid should be complete, including labor and materials. Material quality must be consistent with the structure. All work and materials must meet building code requirements, and are subject to inspection. Any selection of colors and patterns will be made by the Department or our representative.

Itemize your bid per the breakdown shown to the extent possible, providing adequate detail. Any additional items which you bid are to be shown separately, and will not be used for comparison of bids, and may be eliminated by the Department. Your bid should include your name, address, and telephone number; and your earliest start date along with your estimate of the amount of time needed to complete the work. Deliver your bid to the person issuing this request by the date indicated.

Property Address: _____

Submit bid **no later than** (date): _____

Access arrangements: _____

Name of person issuing this request: _____

ITEMS:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____



STATE PROPERTY

Persons Unlawfully Entering

Or Damaging

Will Be Prosecuted

**DEPARTMENT OF
VETERANS AFFAIRS**