

PRIVATE TREATY Q&A

TERMS AND CONDITIONS

1. What is meant by “Private Treaty Sale”?

Private Treaty Sale is one of the methods used by financial institutions such as the NHT, to legally recover outstanding mortgage loans in default, and which are secured by properties such as residential homes.

2. Can anyone apply to purchase a property by Private Treaty?

The following persons are not allowed to bid for properties advertised for sale by Private Treaty:

- Staff members, extended family members of staff members and spouses of staff members of the NHT or its subsidiaries
- Spouses of Board members of the NHT
- Staff members, extended family members and spouses of staff members of NHT contracted External Agencies

3. How do I know if I am eligible for a NHT loan to purchase a Private Treaty property?

- a) You should not own a home, and currently making contributions to the Trust. However, for more details on the eligibility requirements, you may either visit the Customer Service Department at the nearest Branch Office, or the NHT’s web-site at www.nht.gov.jm, at the link “Loans” (on the Home Page), then at the link “Who Qualifies for a Loan”.
- b) You may use an **NHT 15 Plus loan, Home Grant** or your contribution refunds (**CRDT Loan**) to purchase a property being sold by Private Treaty once you meet the following criteria:

For NHT 15 Plus:

- the previous NHT loan was obtained at least 15 years ago;
- you are not currently a home-owner;
- your current non-home -owner status is not as a result of failure to honour your mortgage payments.

For Home Grant:

- you are not currently a home-owner
- You have contributed for 10 years or more
- Your weekly income is \$10,000.00 or less
- You fall within the 1-3% interest bond

For CRDT Loan:

- You are planning to purchase a House (open market) or a Lot
- you are not currently a home-owner;
- Contribution is in your Time account not yet due for payment

c) If you are successful in bidding on more than one property, you will be allowed to purchase these properties, subject to proof that you can afford to pay for each one. However, the Trust will grant you a mortgage loan on only one (1) property, if you are eligible for a non-home-owner's loan or a loan as outlined at item (b) above

d) If you do not qualify for an NHT loan, you may seek funds from another financial institution.

4. Will the NHT grant a mortgage loan to purchase a property that is not habitable?

Yes. The NHT will consider granting a loan on a property that is not habitable, however, before making a bid on such a property you are encouraged to visit the nearest NHT branch office for guidance on the type and amount of loan that may be considered.

5. If I am already an NHT beneficiary who will be selling in order to purchase a property which is being sold by Private Treaty, can I get another loan from the NHT?

Yes, provided that you can satisfy the requirements of the Trust.

6. Will NHT give me vacant possession of the property (i.e. will the house be empty when the sale is completed)?

Vacant possession is not guaranteed. The legal rights of ownership and possession of the property by the registered owners must be recognized until the NHT has issued new owners with Letters of Possession. At that time only, you will be responsible for ensuring that the property becomes vacant by serving a Notice to Quit on the occupant(s), and pursuing Court Action to recover possession.

7. Will the NHT grant a mortgage loan to purchase a property that is advertised for sale by Private Treaty, if the property does not have a registered title?

No. A property that is being sold under the NHT's Private Treaty portfolio without a registered title will only be processed as a Cash Sale. Further, the NHT will not be responsible for the procurement and associated costs of the title.

8. Will the NHT grant a mortgage loan to purchase a property on which there are graves and/or tombs?

Yes, the NHT may, subject to approval.

9. What will cause my bid to be rejected?

Your bid will be rejected if:

- when the bid/letter is opened, the information does not clearly indicate that a bid is being made on a property.
- the property is not on the list of properties which the Trust is selling by Private Treaty;
- you do not state your name, and did not sign and date the bid letter;
- you do not state the exact address of the property you wish to purchase;
- you state a range of figures (e.g. \$1m to \$ 2m or approximately \$1m) for your bid sum instead of a specific amount (e.g. \$1M);
- words and figures in your bid letter do not agree;

- letter from financial/mortgage institutions are not addressed to NHT.
- your proof of deposit and mortgage financing documents did not accompany your bid letter;
- proof of deposit and mortgage do not bear the original date, stamp and signature of the financial institution
- proof of funds are older than 6 months;
- original documents are not included with your bid;
- a certified Power of Attorney document giving authorisation for your Agent/Representative to make a bid on your behalf is not received;
- Real Estate Agents who are making bids on behalf of bidders, do not attach a signed copy of the bid from the bidders;
- a higher bid is received from another person.
- you do not initial all changes made to information your bid;

10. How/where can I obtain any further information on properties which NHT is selling by Private Treaty?

You may visit the NHT's website at www.nht.gov.jm, and click on the links - Properties for Sale, and Frequently Asked Questions,

OR

Visit the nearest NHT Branch Office or Service Centre and speak with a Customer Service Representative;

OR

You may call the Call Centre for further information at the following numbers:

929-6500 –9 or toll free at 1-888-CALL NHT.

HOW TO BID

11. How can I apply to purchase a property being sold by Private Treaty?

Having identified the property on the webpage, you can apply by doing the following:

(i) visit the property to determine its external condition, and if it is in a suitable location; (see terms and conditions)

(ii) If you are interested in purchasing the property, you can either download this bid letter or write a letter, referred to as a "Bid", which must include the following information:-

- Full address of the property/ies of choice;
- Specific amount (s) being offered to purchase the property/ies;
- Your full name, mailing address, and telephone contact number (s);
- State whether you will be purchasing the property with Cash or by getting a loan from a financial/mortgage institution;
- Ensure that your bid/letter is signed and dated by yourself and any other person (if you and other persons are bidding on the property together); state exactly how much you are offering NHT for the property. Do not state a range for your offer (e.g. \$1.5m to \$2.m); (see terms and conditions)

(iii) Attach ONLY the following documents to your "bid" /letter:

Proof of required deposit (see details at question #4);

Original letter from financial/mortgage institution addressed to the NHT indicating that you can afford a loan, and details of the loan;

****NB: Your bid will be disqualified if these documents do not accompany your letter. Your signature and date must be affixed to any of the bid letters submitted.***

- Evidence of source and amount of funds must be provided for all cash purchases and personal guarantees.
- All documents supporting financial evidence must bear the original stamp, date, and signature of the financial institution.

Effective January 1, 2013, the Tax Administration Jamaica (TAJ) requires that persons who reside overseas or are operating from overseas, and who are party to a transaction that is being processed in Jamaica, and are doing business with the Tax Authority in Jamaica, must have a Taxpayer Registration Number (TRN). (For further information or clarification you may call: 1-888-GOJamaica Tax (1-888-465-2829) OR 1-888-Tax Help (1-888-829-7357) OR visit their website at www.jamaicatax.gov.jm)."**(iv)**

Place your bid in a sealed envelope and mail (to the PO Box below) or deliver same to the Head Office or deliver to Customer Service Representation in any NHT branch office. Do not send your bid by email or fax transmission. The bid should be addressed as follows:

- (To be opened only by Private Treaty Committee)
- Private Treaty Committee, P.O. Box 152, Kingston 5.

12. Can I bid on more than one property at the same time?

Yes; you can bid on more than one property at the same time.

13. How can I bid on more than one property at the same time?

If you are submitting your Bid using the bid application form, you are required to:

- complete a bid application form for each property;
- attach only one set of the relevant supporting documents as outlined in the terms and conditions.
- indicate your preference/s if all your bids could be favourably considered.
- Package ALL documents in one envelope.

NB: You must submit at least one set of original documents with the bid

If you are submitting your bid using a handwritten / typed bid letter, you are required to:

- indicate the full address of each property and the precise amount of your bid for each one;
- attach the relevant supporting documents as outlined in the terms and conditions
- indicate your preference/s if all your bids could be favourably considered.

14. What is the price of the property?

An 'Asking Price' for some properties is displayed. This price is the amount the NHT will be prepared to consider as an offer to purchase the property. Please note that this figure is subject to change from time to time. In addition, some properties will require that you make an offer.

****NB: The Trust reserves the right to accept or reject any bid, and is not compelled to sell the property to the highest bidder.***

15. What if my bid amount is more than the maximum loan which the NHT is prepared to lend me to buy the property/ies of my choice?

You will be required to pay the difference between the bid amount and the maximum loan entitlement. This is also subject to your ability to repay the loan. You must provide evidence that you can pay this shortfall before the sale/purchase processes can commence.

16. Can I inspect the inside of the unit before I make an offer to purchase the property?

The Trust cannot give you permission to access the property, however, if the occupant(s) is/are willing to allow you access to any area of the property, this is done at his/her own discretion.

Also, if access to the property (internally and externally) is denied to the NHT's valuator, NHT will not accept responsibility for any variation(s) which subsequently become(s) evident on completion of the sale and possession of the property by the new registered owner(s).

NB: The properties are sold on an "as is" basis, therefore if upon inspection, any damage is identified, NHT does not accept responsibility for same.

17. Can I correct a mistake made on a bid letter, and send back the same letter to the Trust as a bid for consideration?

No. You are required to send a new letter/bid with the correct information.

18. How do I submit my bid to NHT?

Sealed bids (in envelopes) should be given to the Receptionist at the NHT Head Office to affix a date and time stamp. However, bids routed through the Branches should be handed to the Customer Service Representative.

YOUR QUESTIONS ANSWERED

19. When are bids opened?

Bids are opened twice per month, usually on the second and fourth Thursday. All bids must be deposited in the Private Treaty Bid Box located at the NHT Head Office, by closing time, on or before the Wednesday preceding the prescribed bid opening days.

20. How soon after I have sent in my Bid can I expect to receive a response from the Trust?

When an envelope containing a bid is opened (see question 14), if the documents are acceptable for further processing the bidder should expect communication on the status of the bid within ten (10) working days from the date opened.

If the bid is considered to be acceptable, and the Private Treaty Committee has approved sale of the property to a successful bidder, the successful bidder will receive a telephone call to firstly indicate the success of his/her bid, and advised that the letter of approval should be collected. The successful bidder should expect communication within two (2) working days after approval is granted.

The unsuccessful bidder will be sent a letter, by mail, advising of the status of his/her bid, within five (5) working days after a successful bid is selected.

The bidder whose bid was disqualified will receive communication by mail within 5 working days of the opening of his/her bid.

N.B. If a sale is not approved, the NHT will continue to invite interested persons to make offers to purchase the property.

21. What are the payments which I am expected to make to purchase a property being sold by Private Treaty, if I am the successful bidder?

The following payments are made in Private Treaty Sales.

TYPE OF FINANCING	REQUIREMENT
Loan from NHT	<ul style="list-style-type: none"> • 5% of the bid sum is payable as a deposit • an estimated 3% of the bid sum for legal costs • The difference between the sale price and the committed amount from NHT
Loan from other source (s)	<ul style="list-style-type: none"> • 15% of the bid sum is payable as a deposit • an estimated 3% of the bid sum for costs • The difference between the sale price and the remaining balance to complete the sale
Cash purchase	<ul style="list-style-type: none"> • 15% of the bid sum is payable as a deposit • an estimated 3% of the bid sum for costs • Balance to complete the sale
Joint Financing (JFM Programme)	<ul style="list-style-type: none"> • 15% of the bid sum is payable as a deposit • an estimated 3% of the bid sum for costs • The difference between the sale price and the remaining balance to complete the sale

22. Are there any other fees which I am likely to pay to buy this property?

There will be some specific legal fees which you will be required to pay to enable NHT to not only register your name (s) on the Title as owner(s) of the property, but also the mortgage loan. These fees are approximately 3% of the sale price, and represent half costs for stamp duty and registration.

NB: The 3% is based on the Stamp Commissioner's assessment of the value of the property, and the cost to register the mortgage loan may vary depending on the Institution from which you will be obtaining the loan

23. Am I guaranteed to get the property once I have been selected as the successful bidder?

There is no guarantee that you will get a property for which you have been selected as the successful bidder. The Trust reserves the right to withdraw the offer of sale of a property to a successful bidder if:-

- the defaulting mortgagor makes acceptable arrangements to settle the outstanding payments on his/her account, before the successful bidder pays the required deposit;
- the successful bidder fails to provide required documents within the established time-lines, or the information and contents provided in the documents presented do not meet established standards.
- the successful bidder is unable to satisfy payment of all costs to complete the sale;
- Prior to the NHT receiving the initial payment of a deposit and any further payment(s) and the signing of the sale agreement by the successful bidder and the NHT.
- Any other reason which the NHT considers prudent to protect its interest.

N.B. The Trust will allow any bidder to re-bid on the same, as well as any other property, if the property is subsequently re-listed for sale by Private Treaty.

YOU MUST ENSURE THAT ALL THE REQUIREMENTS OUTLINED ON THIS PAGE ARE STRICTLY FOLLOWED IN SUBMITTING YOUR BID.