

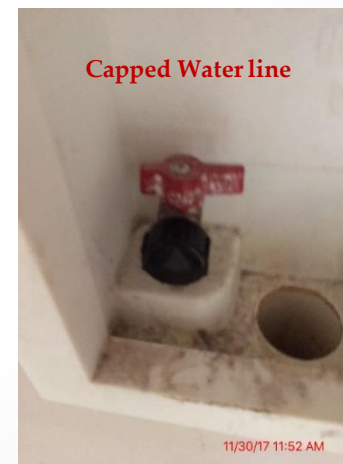
Custodial Properties

- Custodial properties are **vacant properties** secured by a secretary-held mortgage or HECM, which are in default and upon inspection by HUD's servicing.
- If the property is occupied upon arrival, the vendor **shall immediately notify** PKMG and await instructions prior to taking further action.
- If the property is not occupied, a Full inspection and Initial lawn must be completed, **All** hazards must be abated and property must be secured.

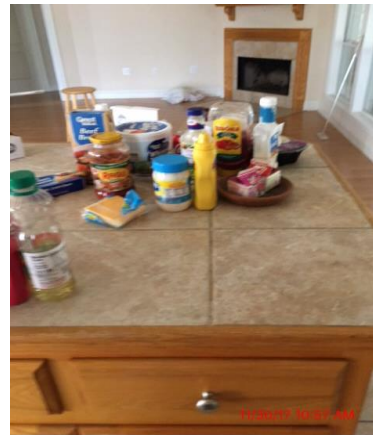
NOTE: Custodial Inspections include the abatement of all hazards, the removal of interior and exterior debris, capping of water and gas lines, and the identification of transitions as well as hazards with red tape.

- Common Hazards: Chemicals, protruding nails and screws, loose or hanging coaxial cables, paint

TIP When removing paint cans – open each can and provide photos*



- Provide photos of the interior of all toilets and address them if soiled.
- Provide photos and remove all food/perishables from the interior of the fridge. **Make sure the fridge is cleaned afterwards to eliminate any possible odors.**
- Report any infestations such as roaches, fleas, etc.
- **Do Not Remove** any personal belongings at the property unless it constitutes an imminent health or safety hazard. Scattered interior belongings must be placed in a manner to allow a safe pathway, void of any trip hazards.
 - **Examples of Personal Belongings: Personal mail, Pictures, furniture, dishes, lawn décor (such as flamingos and gnomes), clothing, window treatments, shelving etc.**
 - **Examples of Debris: Leaf clippings, Food, flyers, newspapers, bottles and cans etc.**



- All loose and scattered exterior debris should be removed and personal belongings must be placed in a shed/garage or moved to the interior of the property.

CUSTODIAL PROPERTIES RECAP

-During inspection on custodial properties **Do Not Enter** the property if occupied.
-If the property is not occupied, **ALL** hazards must be abated.
-**Do Not Remove** personal belongings. All loose debris on the exterior should be moved in a shed/garage or piled in one section to avoid any trip hazards.
-Routine inspections and Landscaping must be completed every 14 days as usual.



- Place proper window notice and sign-in sheet in the kitchen.
- At least one air freshener is required per property, preferably placed in the kitchen counter by the Sign in Sheet. Must be dated.



C.5.2.9 CUSTODIAL PROPERTIES

Custodial properties are vacant properties secured by a secretary-held mortgage, including a HECM. By virtue of its security interest, HUD has certain rights and responsibilities to ensure that the property is preserved and protected. HUD does not hold title to custodial properties and therefore they are not offered for sale. Custodial properties will be assigned to the Contractor either through HUD's case management system (P260) or through the GTR. Within two (2) calendar days of notification of assignment the Contractor shall secure the property, perform initial services in accordance with Section 5.2.2.2 to the extent that such requirements can be met without constituting an illegal trespass, and attach a completed copy of Part I - Property Conveyance Condition Report of the HUD Property Inspection Report as an attachment in P260. The contractor shall leave the property in a step 1. If the property is occupied, the Contractor shall immediately notify the GTR and await instructions prior to taking further action.

The Contractor shall inspect the property every two weeks, where intervals between inspections shall be at least 10 days and not more than 14 days. Property inspections performed in accordance to this schedule will begin on day eight (8) of property assignment.

The Contractor is required to conduct routine inspections and report inspection results on FSM Property Inspection Form (Attachment 7). Notwithstanding the allowance of one day to upload documents generally, as noted elsewhere, the routine inspection reports must be uploaded within the 10th and 14th day interval. The contractor will receive credit for performing an inspection if they perform and report inspection results, upload completed FSM Property Inspection Form with photo documentation as required by HUD, and completely populate all required fields in P260 during the 10th and 14th day weekly inspection intervals.

The Contractor shall maintain vacant custodial properties in accordance with the Contractor's Property Management Plan and at the direction of the GTR, subject to the following conditions:

C.5.2.10.2 Ready to Show Condition - The Contractor shall not be required to keep the interior of the property clean and ready to show as described in Section C-5.2.3.1, unless the unclean condition constitutes a health or safety hazard. However, the exterior of the property shall be maintained in accordance with the Ready to Show Condition requirements with the sole exception of personal property. These items of value should be moved inside a garage or structure if available.

C.5.2.10.3 Personal Property - The Contractor shall not remove any personal property unless it constitutes an imminent health or safety hazard (Section 5.2.2.1.2.1 and Definition of Health and Safety Hazard). Debris is not considered Personal Property.