

Special Notice Regarding Personal Purchases of Foreclosed Properties

As a licensed real estate agent, you are legally required to disclose your active license status and broker name every time you purchase or sell any property, anywhere. No exceptions.

In addition to this, there are some special situations where you and members of your family may not be allowed to buy certain foreclosed properties. These include **Fannie Mae, Freddie Mac, HUD and Premier Asset REO properties**. Because Long & Foster is a listing broker for these clients, and Metro Referrals is a Long & Foster company, we are all held to certain "Codes of Conduct" upheld by these entities whereas licensees, employees and their close relatives* are prohibited from purchasing these properties.

These companies perform audits that will bring to light your disclosure as an active agent with a Long & Foster company and you will be prohibited from purchasing the property. The only exception to this rule is a Fannie Mae property not listed by Long & Foster. If you aren't sure whether the home you want to purchase is an REO property belonging to one of these entities, please ask your Realtor® before proceeding. Non-compliance may result in sanctions, fines up to \$25,000, suspension or revocation of the real estate license of the agent and the manager.

* A "close relative" is defined differently, based on the REO Company. Please read the following for further explanation.

The following letter was sent to all Long & Foster Companies, including Metro Referrals, whose licensees must also adhere to these "Codes of Conduct."

Date: May 3, 2013

To: All Long & Foster Real estate Companies Licensees

From: J. Nicholas D'Ambrosia, Broker of Record

RE: REO Company "Code of Conduct" when purchasing their properties

There continues to be much discussion and questions regarding the "Code of Conduct" guidelines that we must adhere to with our various REO clients.

The following represents those clients with which we have corporate relationships, however these rules would apply regardless of whether it was a corporate relationship, or if one single agent with Long & Foster listed their assets.

A company is considered a "supplier" even if one agent lists properties on their own.

Please note the following 'Codes of Conducts':

HUD- All of our agents, employees and their immediate family members are prohibited from buying HUD properties and this applies to our affiliates as well. An immediate family member is defined as a spouse or domestic partner, children, siblings and parents or the spouse or domestic partners of children, siblings or spouse. There is much confusion over the application of this, but we have numerous emails from HUD representatives reiterating that this applies to all HUD properties, not just those listed with Long & Foster.

PAS (Premier Asset Services)-All of our agents, employees and family members are prohibited from purchasing any property owned by Wells Fargo or managed by PAS, this applies to our affiliates as well. An immediate family member is defined as a spouse, domestic partner, parents, grandparents, children, grandchildren, brothers and sisters, including step-family members. This applies to all properties, not just those listed with Long & Foster.

Freddie-All of our agents, employees and family members are prohibited from purchasing any Freddie Mac property, this applies to our affiliates as well. They do not provide the definition of "family member", but Freddie Mac is the most onerous in policing this policy. Please use the above definitions as a guide. This applies to all properties, not just those listed with Long & Foster.

Fannie Mae- All of our agents and their family members are prohibited from purchasing a Fannie Mae property listed with Long & Foster, regardless of the office location. A family member is defined as a spouse, domestic partner, or child under the age of 18 or any relative who shares the same residence. If writing an offer on another company's listing you must indicate your relationship in Section 38 of the Real Estate Purchase Addendum and the buyer type is Licensed Agent. You must also indicate whether you are an investor or owner occupant.