SAMPLE: OFFER TO PURCHASE LETTER
(Transfer to Subrecipient letterhead)

(Date)

Re: CDBG-DR Buyout Program
Offer to Purchase

Dear _____(*Property Owner as listed on deed*)_____:

You are probably aware that as a property owner at (*property street & city address*) you are eligible to participate in the Hazard Mitigation Grant Program.

It is necessary that you understand this is a completely voluntary program. You are not required to participate in the proposed buyout. However, should you desire to participate, it is required that the purchase value of your property be agreed upon. The appraisal performed on your property establishes the value of the improvements/structure at $ (*Structure appraised value*) plus the land at $(*Land appraised value*), equaling a total fair market value of $(*Total Appraised Value*).

As you are aware, because you received financial assistance from other sources, a Duplication of Benefits (DOB) in the amount of $(*Total DOB amount*) has been identified. The value of the Structure $____(a)____, minus the DOB $___(b)___, plus the value of the Land $__(c)___ equals $___(d)___. (This paragraph may not apply)

Therefore, the final mitigation offer for your property is $___(d)___. *(Note: The DOB is only adjusted against the appraised value of the structure. Therefore, when the DOB exceeds the appraised value for the structure, the final mitigation offer equals the appraised value for the land.* e.g., *The value of the Structure $40,000 (a), minus the DOB $60,000 (b), plus the value of the land $15,000 (c) equals $15,000 (d).*

If you agree with this valuation and are interested in participating in the voluntary buy-out program, please sign and date this letter on the line indicated below and the attached Statement of Voluntary Participation. It is imperative that you return this letter to (Name of Designated Agent & Subgrantee) at (Subgrantee address) within two (2) weeks from the above date.

Please understand the value indicated is your gross amount due. All costs related to your closing will be deducted from your gross amount due, and at settlement, you will receive a net check. Your costs may include, but shall not be limited to, outstanding mortgages, pro-rated real estate & school taxes, any judgments, pro-rated utility costs, etc.

A closing statement will be provided to you at settlement itemizing each of your costs and expenses.

Sincerely,

(Subrecipient Designated Agent Name)
(Title)

I/We have read the foregoing and affirm that we voluntarily accept the appraised value as fair market value for my/our home.

_____ (Signature) Date _____
(Homeowner's Name)

_____ (Signature) Date _____
(Homeowner's Name)