

When & How to Use the “Third Party Assistance” Field

The field in NTREIS Listings entitled “Third Party Assistance Program” a required entry when reporting a listing as Sold and is searchable through Custom Search/Reports.

There are companies who, in order to make financing possible for some buyers, offer grant money in a fund that pays for the down payment at closing. Sellers are asked to participate in the fund but they are NOT paying for their particular buyer. It came to the attention of the Users Committee that a new field would be required to help determine whether or not this type of assistance was used so appraisers, those in relocation and/or those doing BPO’s would be able to properly assess a particular neighborhood’s value. For example, if all the homes in a certain neighborhood were purchased using a Third Party Assistance Program the pricing of those homes could be adjusted accordingly.

According to TREC, the amount noted in Paragraph 12 of the contract is the amount that would be entered into the “Seller Paid” field. This amount is NOT considered a Third Party Assistance program.

Prior to the addition of this field, NTREIS Listings users were inflating the selling price to accommodate for this assistance. For example, a home listed for \$100,000 was reported as selling for \$104,000. If an appraiser sees this and there is no “yes” checked in the “Third Party Assistance Program” field or any amount in the “Seller Paid” field, there could be a problem in determining the true value of the property.

In summary, there is now a yes/no field for reporting whether or not a third party provided assistance to a buyer through a special program. This field is NOT to be used for reporting any seller contribution as noted in Paragraph 12 of the contract.

The “Seller Paid” field is to be used for reporting the amount listed in Paragraph 12 of the contract and NOT to be considered as a “Third Party Assistance Program.”

If you have any questions about when to use this new field, please contact your MLS Provider.

9/7/05