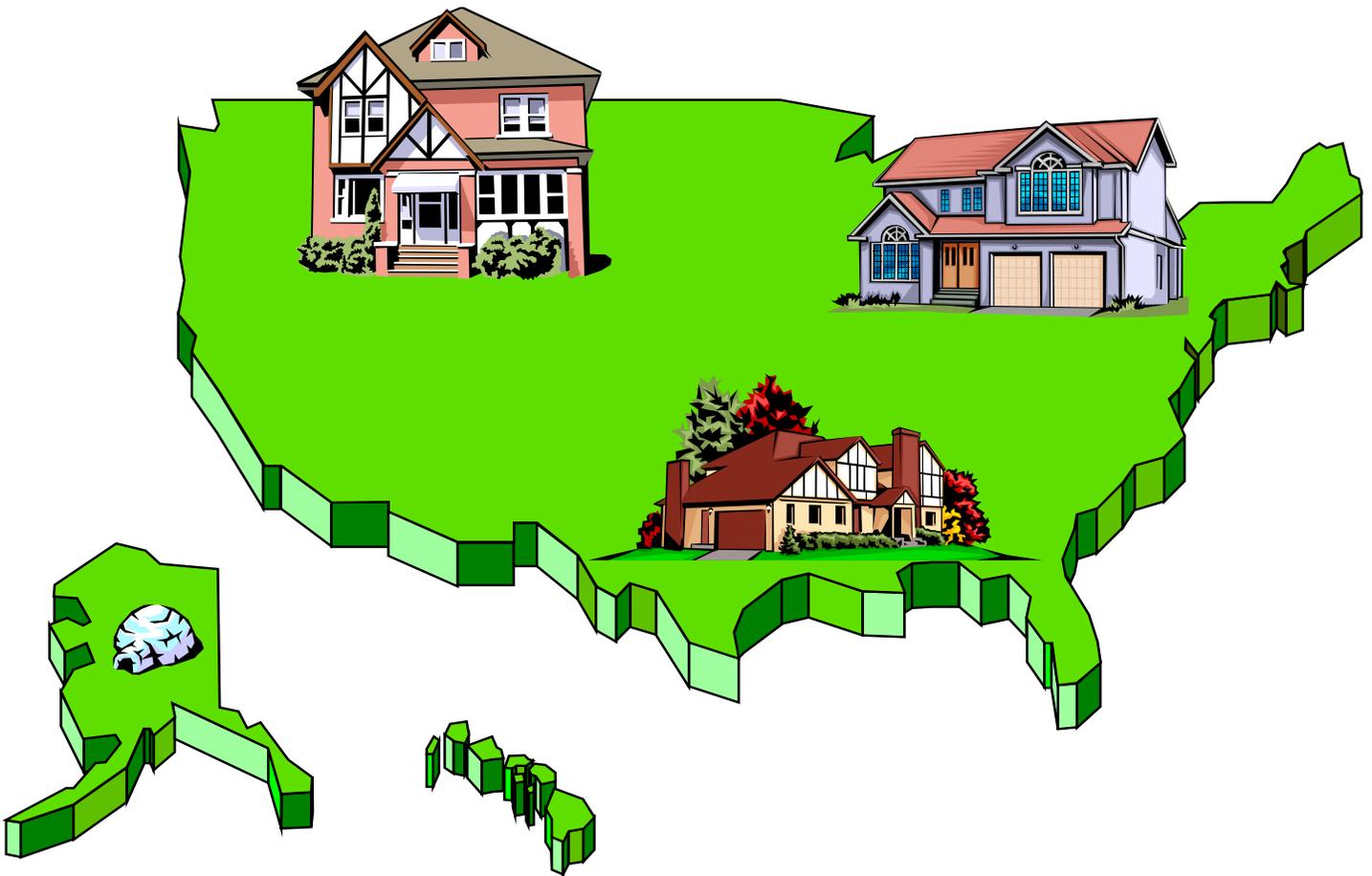


# National Relocation Program (DNRP) (Revised June 2002)



**US Army Corps  
of Engineers**®  
Baltimore District

U.S. Army Corps of Engineers, Baltimore  
ATTN: CENAB-RE-N  
P.O. Box 1715  
Baltimore, Maryland 21203-1715

# IMPORTANT NUMBERS

## DEPARTMENT OF DEFENSE NATIONAL RELOCATION PROGRAM (DNRP)

U.S. Army Engineer District, Baltimore 1-800-344-2501  
Real Estate Division 410-962-3166  
National Relocation Program Office (CENAB-RE-N) FAX 410-962-4322  
P.O Box 1715  
Baltimore, Maryland 21203-1715

Point of Contact:

Web Address: <http://www.nab.usace.army.mil/whatwedo/realty2.htm>

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## PRUDENTIAL RELOCATION, INC.

Guaranteed Homesale Service: 1-800-523-3267

Initiation Counselor

Relocation Specialist

\_\_\_\_\_  
Name

\_\_\_\_\_  
Phone

Destination Counselor

\_\_\_\_\_  
Name

\_\_\_\_\_  
Phone

PROPERTY MANAGEMENT SERVICES 1-800-210-0299

Home Management Coordinator

\_\_\_\_\_  
Name

\_\_\_\_\_  
Phone

TO: All DoD Civilian Employees  
SUBJECT: Department of Defense National Relocation Program (DNRP)

DNRP is a program designed to assist eligible and authorized DoD civilian employees to relocate from one duty station to another. Its primary benefit, known as Guaranteed Homesale, offers an optional alternative to the PCS reimbursement process for those authorized employees who must sell their primary residences. It also offers other valuable services which can greatly help in their relocation. Some of these services are at no cost to both the Government and to the transferring employee. DNRP is not mandatory, but may be used at the sole discretion of the transferring employees accorded relocation services by their command.

This handbook is an important guide to aid you in understanding the DNRP. The services discussed herein are provided by Prudential Relocation, Inc., a national relocation services contractor evaluated by a joint panel of representatives of the major DoD components, and selected through competitive contracting procedures required by the Federal Acquisition Regulations.

The U.S. Army Corps of Engineers is the DoD executive agent for the DNRP. The National Relocation Program Office (NRPO) located in the Corps' Baltimore District Real Estate Division is responsible for administering the DNRP. The NRPO staff can be reached at 1-800-344-2501. We are anxious to help you with any aspect of DNRP. In addition, Prudential has Relocation Specialists available to help you through the relocation process. An Relocation Specialist will be assigned to you after you have been approved for the DNRP by your command and processed into the program by the NRPO. You may obtain general program information from Prudential at any time by calling 1-800-523-3267.

It is the goal of the DNRP to assist you during what can be a very trying time by offering you a fair and equitable alternative for selling your home. If it appears to you that there is any impropriety in the process, you are encouraged to report the circumstances to the NRPO. We here in the NRPO, as well as Prudential, take these matters very seriously. In order for the Government to process allegations of impropriety, they must be in writing with all details included, and signed by the individual(s) concerned. Your allegations may result in a formal investigation.

Once again, we stress the importance of your using this handbook to gain a good understanding of the DNRP. We are available to assist you at any point in the process to make your relocation as smooth as possible. After you have used the program, please take a moment to complete the DNRP Evaluation Form (Appendix 9). We want to know what you think of the DNRP, so that we can improve our service to other DoD employees.

We wish you all the best in your transfer, and look forward to working with you during your relocation.

The NRPO Staff

## **FRAUD, WASTE, and ABUSE**

The DNRP is administered in accordance with the provisions of the Joint Travel Regulations (JTR). Any violation of these regulations by the employee may result in discontinuation of services received under the DNRP and referred to appropriate authorities for investigation and possible disciplinary action.

# SECTION 1

## INTRODUCTION

This handbook provides guidelines and general information about the Department of Defense National Relocation Program (DNRP). Please understand that this handbook is a guideline and our program is governed by the Joint Travel Regulations (JTR). You can access the JTR at [www.dtic.mil](http://www.dtic.mil). Our handbook provides information on:

1. Relocation services provided under the contract;
2. Who determines eligibility for services under the contract;
3. Procedures for requesting and using relocation services; and,
4. Administrative responsibilities of the program.

You should take special note that this handbook is a generic guide intended for the use of civilian employees of all DoD components and activities. Some components and activities, however, may have internal procedural requirements which are unique to their organizations, and which may not be compatible with normal DNRP administrative procedures and responsibilities discussed in sections 5 and 10 of this handbook. Before beginning the DNRP process, you should check with your Human Resources/Civilian Personnel Office for possible additional instructions.

Regardless of variations in administrative processing procedures, the relocation contract services and DNRP requirements otherwise discussed in this handbook apply to all authorized DoD civilian employees who choose to use the services of this program.

The DNRP is an important benefit for transferring DoD civilian employees. It offers significant improvements to standard Permanent Change of Station (PCS) entitlements.

Guaranteed Homesale Service (GHS) or Property Management (PM) will not be authorized for every transferring employee. Contact your Human Resources Office (HRO) to determine your Component or Defense Agency eligibility criteria.

As a transferring employee, your evaluation of the services you receive is a key element in managing the DNRP effectively. When you have completed your relocation, please take a moment to evaluate the service. There is a form for this purpose at the end of this handbook (Appendix 8). Your comments will help us to assess and improve the DNRP.

## **SECTION 2 RELOCATION SERVICES**

DoD's contract with Prudential Relocation, Inc. (Prudential) provides a number of services to assist you with your relocation,

### I. Services Currently Available at No Cost to Employee or DoD:

A. Initiation Counseling

B. Destination Services:

1. Homefinding for Buyers
2. Homefinding for Renters
3. Mortgage Counseling

C. These free services are available for all relocating civilian employees, and may be obtained by contacting Prudential directly.

II. Government Paid Relocation Services Currently Available to Authorized DoD Civilian Employees. DoD pays the fee for these services. Guaranteed Homesale Service and Property Management must be authorized by your Component or Defense Agency on the Relocation Services Request Form (Appendix 1) and on your Travel Orders (DD Form 1614):

A. Guaranteed Homesale with Marketing Assistance

B. Property Management

### SECTION 3 DoD NATIONAL RELOCATION PROGRAM POLICY

Each DoD Component or Defense Agency establishes the eligibility criteria for its organization under the requirements of the Joint Travel Regulations (JTR). The general requirements for the program are summarized below.

Any DoD civilian employee considering, or in the process of, relocating may use Initiation Counseling and Destination Services. These are free services which you may use at any time by contacting Prudential Relocation, Inc. (Prudential) directly.

I. Eligibility for Permanent Change of Station (PCS) Expenses and DNRP. Generally, you are entitled to reimbursement for, or payment of, reasonable and actual eligible expenses incurred during a PCS move within the United States, its territories or possessions, and from overseas when returning to a duty station which is different from the one you departed, if:

- A. You are a current government employee;
- B. Your relocation is primarily in the interest of the government and not for your personal benefit;
- C. You have signed a service agreement obligating you to remain in government service for 1 year;
- D. Your PCS expenses are incurred within 2 years of your report date, or 4 years if an extension is granted. The 2-year extension is effective for employees whose effective date of transfer is on or after 19 February 2002. For those with an effective date of transfer prior to 19 February 2002, the initial 2-year period may be extended for only one additional year. **It is important to note that the process must be completed by the expiration of your eligibility;** and,
- E. Your expenses are within definitions of the JTR. (See JTR, Volume 11 for specific PCS information.)

II. Eligibility for DNRP (Government Paid Services). You are eligible for Guaranteed Homesale Service (GHS) and Marketing Assistance, or Property Management (PM) if you meet the requirements for PCS and:

- A. You are authorized to use these services by your command; and,
- B. Your residence meets the criteria established by the JTR and the GHS or PM program.

III. Purpose of DNRP (Government Paid Services). The intent of the DNRP is to provide assistance to relocate promptly. This portion of the program minimizes family separation and encourages productivity at your new duty station.

- A. In order to minimize temporary quarters cost, you should begin using the relocation government paid services as soon as they are authorized.
- B. GHS must be completed (contract of sale executed by both you and Prudential) before your PCS entitlement period expires.

## **SECTION 4 INITIATION COUNSELING**

Prudential Relocation, Inc. (Prudential) Initiation Counselors are available during government business hours from 8:00 AM Eastern Standard Time through 5:00 PM Pacific Standard Time at (toll free) 1-800-523-3267 to give you information about the DoD National Relocation Program (DNRP) before you accept a transfer or at anytime during your relocation. The counselor is available to:

- A. Provide general information on DoD relocation policy and services, or refer you to appropriate contacts for specific interpretation of policy and/or contract requirements;
- B. Assist in selecting, planning, and scheduling relocation services to meet family needs and time requirements;
- C. Inform you about current procedures for requesting and ordering both government paid and free relocation services as appropriate;
- D. Assist you to prepare and list your home for sale;
- E. Arrange for qualified real estate firms in the new area to provide information about communities, housing, schools, etc. ;
- F. Assign to you a Destination Counselor at your final destination area;
- G. Assist you in finding temporary quarters; and,
- H. Assign a Relocation Specialist for GHS or a Home Management Coordinator for PM to you at the time Prudential has received your GHS or PM order from the National Relocation Program Office (NRPO).

## SECTION 5 OBTAINING DoD NATIONAL RELOCATION PROGRAM (DNRP) SERVICES

**RELOCATION SERVICES ARE NOT INITIATED FOR YOU AUTOMATICALLY.** If DNRP government paid services are approved by your Command, it is up to you to request DNRP assistance, and participate actively in the program. If, after reading this handbook, you want to know about how the services work, or how your particular situation would be treated under DoD relocation policy, call: Prudential Relocation, Inc., at 1-800-523-3267; or The National Relocation Program Office (NRPO) in Baltimore, Md., at (410) 962-3166 or 1-800-344-2501. You may get relocation request forms or more copies of this handbook from any HRO. You may also access our web site at [www.nab.usace.army.mil/whatwedo/realty2.htm](http://www.nab.usace.army.mil/whatwedo/realty2.htm).

**NOTE: It is your responsibility, and to your benefit, to be aware of DoD regulations and policies concerning all aspects of your PCS transfer. Additional information is also available in the JTR, Chapters 14 and 15. Read this handbook carefully. Note important contact names and phone numbers. Follow-up on your paperwork.**

I. Requesting DNRP Services. A Relocation Services Request Form (Appendix 1) is included in each handbook and may be reproduced.

- A. Complete the Relocation Services Request Form and return it promptly to your HRO. It is essential that work and home telephone numbers are legible. Almost all of your contacts with Prudential and NRPO will be by telephone. **NOTE: The NRPO does not have DSN or Autovon capability. Please provide commercial telephone numbers only.**
- B. No request form is necessary to call a Destination Counselor for Destination Services. There are no costs associated with these services.

II. HRO Authorization. If you request Guaranteed Homesale Service (GHS) or Property Management (PM), your Human Resources Office (HRO) will:

- A. Verify that you are authorized GHS or PM and that your residence meets the program's requirements;
- B. Prepare and/or amend your travel orders to include authorization for GHS or PM;
- C. Send a copy of your request form and travel orders to the NRPO; and,
- D. Amend your travel orders to increase fund obligation, if requested by the NRPO. (If you subsequently decide not to accept Prudential's offer, your PCS expense entitlement will be reinstated. No dual benefits will be allowed.)

III. NRPO Order to Prudential. Within 2 business days of receipt of your approved request the NRPO will contact you.

- A. The NRPO's Contracting Officer will issue a delivery order to Prudential, usually within 5 working days of the NRPO's call to you.
- B. Your Initiation Counselor will contact you within 1 working day of the NRPO notifying Prudential of your requirement.
  - 1. If you have not heard from NRPO or Prudential within 10 working days from your HRO's receipt of your request form, call the HRO to verify that your request form and travel orders were sent to the NRPO.
  - 2. If your HRO has faxed your request form and travel orders, contact the NRPO.

IV. Changing Services. If you change your mind about using DNRP or your schedule changes, contact your HRO to add or delete GHS or PM on your travel orders. You must be ready to sell/rent your home when you enter into DNRP. **If you are not going to use the service immediately, do not submit the request form to the NRPO.**

- A. Contact the NRPO or your Initiation Counselor with questions about GHS or PM, difficulty in reaching GHS or PM Counselors, or ordering procedures; and/or,
- B. Contact your Destination Counselor for Destination Services assistance, status of your service, or general information about the DNRP.

## **SECTION 6 MARKETING ASSISTANCE**

The Marketing Assistance Service is designed to help you actively market your home and obtain the highest price possible. The goal of this service is to get an Amended Value Sale which may net you a greater amount than the appraisal value under the Guaranteed Homesale Service (GHS) offer.

### I. Your Prudential Relocation, Inc. (Prudential) Relocation Specialist will:

- A. Recommend listing brokers;
- B. Analyze the marketing strategy and make suggestions;
- C. Review property currently on the market and those recently sold to help you set a realistic list price; and,
- D. Identify any repairs or improvements that may expedite the sale of your home.

### II. Listing Your Property

- A. Choose a qualified broker, preferably one who is familiar with the relocation process.
- B. Ask for and review the brokers marketing plan and Broker Market Analysis (BMA).
- C. Ensure the listing agreement includes the Listing Agreement Addendum - Exclusion Clause (Appendix 2). This exclusion clause will protect you from paying commissions in the GHS process. It also allows you to reserve the right to sell your property to Prudential without obligation to the listing broker.
- D. The listing period must be in conjunction with the DNRP for at least 60 consecutive days before you can accept the GHS offer from Prudential.

### III. Setting the Listing Price

- A. Examine the competition and recent comparable sales.
- B. Determine comparable sales by considering homes located close to yours that have sold within the last 6 months.
- C. Visit those homes and compare them to yours.

IV. Recommendations for Maximizing Market Value. One of the most important factors influencing potential buyers and appraisers is the condition of your home.

- A. Maintain "move-in condition" (i.e., neat, clean and uncluttered).
- B. Do not neglect the exterior of your house. Keep lawn mowed and walkways clear of ice and snow.
- C. Clean the carpet; paint the walls a neutral color to enhance resale price potential.
- D. Do not start any major improvements or remodeling.
- E. For additional Home Marketing tips, see Appendix 6.

## **SECTION 7 GUARANTEED HOMESALE SERVICE (GHS)**

GHS is provided as authorized by your activity's eligibility criteria policy and is an alternative to your Joint Travel Regulations (JTR) real estate expense reimbursement entitlement. It can relieve you of the burden of selling your home, waiting for the sale to close to receive your equity, and submitting vouchers for reimbursement of real estate expenses.

I. Introduction to GHS. A Relocation Specialist will be assigned to you when you are authorized GHS and will:

- A. Provide you with a GHS Offer for your residence;
- B. Help you market your home with the goal of obtaining a higher Amended Value Offer (See Marketing Assistance Service, Section 6);
- C. Determine, based on the Guaranteed Homesale Offer, the minimum equity available on your home so that you may purchase another home at your new duty station; and,
- D. Assist you to obtain an equity advance of up to 75 percent of your home's equity, based on its appraised value. You may obtain this advance from Prudential Relocation, Inc. (Prudential) before you accept their offer. The equity advance must be used to purchase a residence at your new duty station or to make required repairs or remediations on the residence at your old duty station.

To obtain an interest-free equity advance of up to 75 percent of your equity, you must first sign the acceptance of the offer. However, it will not be considered a valid acceptance until Prudential countersigns upon your verbal acceptance.

II. Definition of "Residence" for GHS Purposes. To be eligible for GHS, your home must meet the requirements of the JTR, Chapter 14. The following are guidelines which summarize residence eligibility:

- A. Located in the United States which includes U.S. territories and possessions;
- B. The residence must be the place from which you commuted to and from work on a regular basis at the time you were officially notified of your transfer (an employee returning from an overseas assignment to a location that is different from the one he or she departed is excluded from this requirement.);
- C. In title to you and/or eligible dependents at the time you were officially notified of the transfer;

- D. The home must be improved real estate, owned and used by you as a principle residence, including a townhouse or a condominium, which is insurable, financeable and complete including construction, plumbing and electricity. The home must conform to local building code requirements for resale;

**NOTE: Mobile homes, houseboats and other residences not permanently affixed or located on land not owned by you are NOT eligible for GHS. In addition, cooperative housing is not eligible for GHS.**

- E. Free of hazardous conditions: (1) You are responsible for the remediation of any hazardous conditions; (2) Prudential will advise and assist you with corrective measures; (3) The cost of remediation is the responsibility of the employee and is not reimbursable. An equity advance may be used for this purpose; and (4) An offer will be tendered contingent upon satisfactory remediation of the hazardous conditions; however, you cannot accept the offer until these conditions are corrected.

III. Getting Started. You can expect to be contacted by the NRPO staff within two working days of receipt of your approved application and travel orders from your agency. During this call, information will be verified and we will ensure that you are ready to sell your home. You are encouraged to contact the NRPO if you should have any problems or concerns during the homesale process. When Prudential receives initial notification from the National Relocation Program Office (NRPO), an Initiation Counselor will contact you within one working day to coordinate GHS and Destination Services and assign a Relocation Specialist to you. Your Relocation Specialist will explain the GHS Program, obtain and/or verify information about you and your home, send you information and forms about the program, and give you a list of appraisers. Read the Prudential package carefully, and promptly complete and return the necessary forms.

IV. The Appraisal Process. Your Relocation Specialist will give you a list of local qualified, professional appraisers who meet Employee Relocation Council (ERC) qualifications and performance standards. All appraisers on this list are independent fee appraisers with professional recognized designations. You will select three appraisers. The appraisals will be completed within 21 calendar days of the date from which the appraisal orders have been placed by the contractor. If a third appraisal must be ordered, the process could take an additional 10 days. Time frames may vary according to appraiser availability. **You may request appraisers who are not on Prudential's list, however, Prudential must verify their qualifications to perform residential relocation appraising. If they meet these qualifications they will be contacted to do the appraisal. If they do not qualify you will be notified.** You are encouraged to interview the appraiser(s) before you make your selection. The guidelines for appraiser qualifications are at Appendix 4.

- A. The appraisers must be fulltime professional, residential real estate appraisers, with no personal or financial interests in your property, and who have not appraised your property within the past 6 months. They must be qualified to perform Employee Relocation Council (ERC) appraisals and be able to complete the assignment within the time limits and service requirements of Prudential.

- B. Prudential will contact your first two appraiser choices to appraise your home. Your third appraiser will be used if the first two appraised values differ by more than 10 percent of the higher value or if one of the first two appraisers is not available to appraise your home. The guaranteed homesale offer will then be the average of the two closest appraisals or all three if they are equally distant.
- C. The appraiser will appraise the property in an "as is" condition, (the condition of the property at the time of the appraisal). If your home needs repairs or maintenance work, the appraisers will reflect this in their values. You are encouraged to do any repairs or maintenance prior to beginning the appraisal process.
- D. To prepare for the appraisal, you should list the most recent sales of homes that are similar to yours, in the same or similar neighborhood (you may use the Market Approach Appraisal Form - Appendix 5). List any improvement that is not apparent (e.g., updated plumbing or additional insulation) and any personal property that will convey with the house (drapes or appliances). Give the lists to each appraiser. All improvements under way should be completed before the appraisal.
- E. The appraisals will be based on the most recent real estate sales including any new construction that, in the appraiser's opinion, are most comparable to your property. A relocation appraisal reflects the sales value of your property if exposed to the market for a maximum of 120 days or the normal marketing period in your area, whichever is less. Current market conditions in your area will affect your appraised value. The appraisals are not based on your purchase price, or your mortgage balance.
- F. If, after reviewing the appraisals, you believe that the current market value of your home is not reflected accurately, you may submit a written request for reconsideration to your Relocation Specialist. **THIS REQUEST MUST BE MADE WITHIN 21 CALENDAR DAYS OF PRUDENTIAL'S VERBAL OFFER.** The request should include 3-5 comparable sales that were closed before the appraisals but not used by the appraisers. (You may obtain these comparable sales from your real estate agent.) Submit this information, along with any other information you believe pertinent, to your Relocation Specialist for reconsideration. You will receive a copy of the appraiser's written response. You may review it with your Relocation Specialist.

V. While Your Home is Being Appraised, Prudential Will Also Order:

- A. A title search and the necessary inspections required by local, county, state or federal codes or laws and other inspections indicated by established industry practices to be reasonable and customary or deemed necessary, or which are subsequently recommended by the appraisers or real estate broker.
  - 1. If conditions exist that preclude the appraiser from determining a value, Prudential will obtain an estimate of the cost to correct the defect from a qualified local inspector or contractor and inform all appraisers of the details and cost to cure these conditions.

2. If an independent inspector determines that conditions exist which are safety violations or lender required predications in accordance with the FHA or VA guidelines or local building codes, Prudential will obtain an estimate of the cost to correct the condition and inform you of the details and the cost to cure. You will have the option of correcting these conditions before signing the Contract-of-Sale or requesting that Prudential deduct the cost to cure from your equity, if available. After corrective actions have been taken by you, one re-inspection will be provided by Prudential. The cost of additional inspections, if needed, will be paid by you. If you choose not to correct these conditions but choose to accept Prudential's estimate of the cost to cure that is reflected in the offer, these estimates will be binding upon you and Prudential, and no adjustments will be made after your acceptance of Prudential's offer. If the condition is corrected by you prior to receiving a guaranteed offer, and a satisfactory re-inspection report is obtained, Prudential will be required to accept the home on an "as is" basis. You will be given a period of 30 days to correct all conditions.

B. A Broker's Market Analysis (BMA) will be prepared by a local real estate broker. The BMA is not used to calculate your offer. It is an information-only market analysis which your Relocation Specialist will use to assist you with marketing your home and to verify appraisal data.

VI. Listing Your Home For Sale. The listing period must be in conjunction with the DNRP for at least 60 consecutive days before Prudential's offer can be accepted by you and countersigned by Prudential. The listing agreement **MUST** include a Listing Agreement Addendum - Exclusion Clause (Appendix 2) which protects your right to sell your home directly to Prudential and releases you from any obligation for payment of a commission. **Please note: This cannot be a "For Sale by Owner" Listing.** Your Relocation Specialist will recommend one or more listing brokers, advise you on marketing strategy, and assist you to negotiate any offers you receive which may result in a higher offer or "Amended Sale". The 60-day listing requirement may be waived in full or in part at the discretion of your agency. The waiver must be submitted to the NRPO in writing.

VII. The Offer. When the appraisals and inspections are complete, your Relocation Specialist will call you with a verbal offer. The Offer Package, which includes the contract of sale, other required documents, and copies of appraisals and inspections will be mailed to you within 1 working day of making this verbal offer.

- A. The offer is valid for a 60-day acceptance period beginning on the date of the verbal offer (unless your PCS reimbursement eligibility expires prior to that date). You may accept the offer at any time during the acceptance period.
- B. If you have a tenant in the property, the tenant must vacate and the lease agreement must be terminated before you can accept Prudential's offer.
- C. Read the terms of the contract carefully -- it is a legal and binding agreement between you and Prudential.

- D. It is your responsibility to deliver a saleable property, including clear, marketable title; permits; access; and surveys as necessary. You may not accept a Guaranteed Homesale Offer until the property is in saleable condition.
- E. You are free to reject Prudential's appraised or amended offer at any time and proceed to sell the home independently. If you reject Prudential's offer, no further homesale services shall be performed by Prudential, and the home will no longer be eligible for inclusion in the GHS unless a waiver is granted by your agency, and you have repaid to the government the costs that were incurred during the initial service.

VIII. Higher Offers-Amended Sale. If you receive an acceptable, bona fide offer for your home from an outside buyer that will net you an amount equal to or greater than Prudential's offer, Prudential may amend (raise) its offer to a comparable level to the **net** higher offer amount. If you receive a higher offer, contact your Relocation Specialist immediately. **You can not use the Guaranteed Homesale Service if you sign or initial an offer or accept a deposit!**

- A. Prudential will review the offer to ensure: it is bona fide; the buyer is qualified to purchase your home at the price and terms specified; the offer represents a higher net market value; and it meets criteria set forth in the ERC 11-Point Program for Amended Value Option policy guidelines for an amended sale (Appendix 7).
- B. A contract contingent on the buyer selling his/her home or one with unusual terms or conditions is not acceptable. An amended offer may be contingent only on financing.
- C. To determine the net equity, the Relocation Specialist will deduct expenses not reimbursable under the JTR such as points, repairs, improvements or excess commission.
- D. You will bear no risk if the potential outside buyer does not purchase the home or if the home is eventually sold for less than the amended value offer.

**NOTE: The NRPO will not process applications of transferees who have already signed contracts of sale, however, if your sale does eventually fall through and the signed contract is no longer valid, you may then apply for GHS. You may bring in pending, unsigned offers to the DNRP. If these offers meet program requirements, they will be treated as amended sales.**

IX. Home Marketing Incentive Payment (HMIP). A DoD component may offer a home marketing incentive payment to employees who are authorized to transfer and who otherwise meet requirements for residence sale at government expense. To qualify for the HMIP, an employee must:

- A. Enter their residence in the DoD component's homesale program;
- B. Independently and aggressively market the residence;
- C. Find a bona fide buyer for the residence as a result of independent marketing efforts;

- D. Transfer the residence to Prudential Relocation, Inc., through which the buyer completes the sale; and,
- E. Meet any additional conditions established by the DoD component.

Further information on the HMIP can be found in the JTR, Chapter 15, Part C.

**NOTE: The HMIP is authorized and processed by your agency. Neither Prudential or the NRPO are responsible for authorizing or processing the HMIP.**

X. Payment of Your Equity. Your equity is the difference between the appraised or amended value of your property minus the unpaid balance of your mortgage(s), any liens, your share of property taxes, mortgage interest, condominium or homeowner's association fees, etc., due up to the date of closure with Prudential.

- A. **Equity Advance Prior to Accepting the Prudential Offer.** Before you accept the offer, you may obtain an interest-free equity advance of up to 75 percent of your equity, (based on the offer) to purchase a new home or make necessary repairs on your present home. Prudential will establish procedures and documentation that will ensure the repayment of the advance in the event that you do not accept the guaranteed offer, and may pursue normal legal recourse if you fail to repay the amount advanced. **If you decide not to accept Prudential's offer, the equity advance must be repaid immediately.** Prudential will charge an administrative fee. If you do not repay promptly, Prudential may take legal action to recover the funds. Prudential may secure the advance by placing a second deed of trust or other security on your property.
- B. **Equity Payment After Accepting Appraised or Amended Value Offer.** Upon receiving a signed and notarized contract of sale and other documents, Prudential will pay you at least 95 percent of your net equity. The balance is held until you vacate the property. If the property is not in its appraised, "broom-clean" condition, the cost of removing articles and debris, or repairs will be deducted from the balance.
  - 1. If you vacate your property before accepting the Guaranteed Homesale Offer and the property is left in appraised, "broom-clean" condition, you will receive 100 percent of the equity when you accept the offer.
  - 2. Prudential will pay you the net equity based on the appraised or amended value offer within 5 working days of receipt of the properly signed and notarized contract of sale provided the home is vacant.
  - 3. If your offer is less than your mortgage balance and you accept the offer, you will be required to pay Prudential the difference between the offer and the mortgage balance. These funds are due at acceptance.
  - 4. You are responsible for maintenance and carrying costs (mortgage payment, utility bills, etc.) on your home until you accept the appraised or amended value offer or until you vacate the property, whichever is later.

5. You will receive a detailed Equity Statement. Review it carefully and contact your Relocation Specialist if you have any questions. This document is your closing statement with Prudential.

XI. Vacating Your Home. After you accept the offer, you have 30 calendar days to vacate your home. Your Relocation Specialist will discuss the vacating arrangements with you. If there is a change in your plans, notify the Relocation Specialist immediately.

- A. During the 30 day period, Prudential will be marketing the property and obtaining any bids/inspections necessary. You must make your property available for marketing.
- B. Prudential will send your mortgage company an insurance policy effective the day you accept the offer. The policy will cover the house only. You are responsible for maintaining insurance coverage on your household goods.
- C. You must leave the property "broom-clean" and in the same condition as when it was appraised.

XII. Pro-Rata Payment of Guaranteed Homesale Services (GHS) Fee. If you are responsible for a pro-rata share of Prudential's fee, you will be notified before you sign the contract. You and Prudential must agree on how your share of the fee will be paid before you may accept their offer. You must share the GHS fee with the government on a pro-rata basis under the following circumstances:

- A. Your property includes land in excess of that which reasonably relates to the residence in a given geographical area;
- B. Your home is part of an income unit; and
- C. Title is held jointly with a person other than a dependent or accommodation party. The co-owner's eligibility is established on the date you were first officially notified of your transfer to the new duty station.

**NOTE: The maximum home value under the DoD relocation contract for which homesale services are payable is \$500,000.00 unless waived by the paying activity. If your home is sold through DNRP at a price exceeding \$500,000.00, you are responsible for any additional costs unless the maximum is waived in accordance with component regulations (See JTR, Chapter 15).**

XIII. Prohibition Against Dual Payments or Benefits. GHS is an alternative to selling your home yourself and being reimbursed for real estate expenses.

- A. If the Government incurs a cost because you do not complete the GHS, you may not receive reimbursement for duplicate expenses. For example; if, after rejecting Prudential's offer, you get an appraisal to help you set a listing price, you may not be reimbursed for the cost of that appraisal. The government already paid for appraisals under the GHS process and would not pay for another. However, upon your request, Prudential will give you copies of any documents already paid by the government.

- B. Your agency may authorize you GHS for each PCS. If you reject Prudential's offer you may not use the GHS again for that same PCS. Under certain circumstances, however, your Component or Defense Agency may authorize you to use GHS again if you repay the costs the government incurred as a result of the first GHS.
- C. If a waiver is granted, you must repay the costs of the first request (appraisal fees, inspection fees, title search, etc.) before the National Relocation Program Office (NRPO) will process the second request. Proof of this payment is required by the NRPO.

XIV. Payment for Services. DoD will pay a fee for Guaranteed Homesale Service and Property Management. You will not be required to submit any voucher in connection with the sale of your home with relocation services. Currently there is no income tax liability for the fee paid to the contractor to assist you with the sale of your home. You are responsible, however, for all normal federal and state taxes, including capital gains.

## SECTION 8 PROPERTY MANAGEMENT SERVICES

Your Command may approve Property Management Services for you under certain circumstances as authorized by the JTR. Property Management will allow you to rent your home and return to it at the end of your assignment. If you elect to use the Property Management Program, you may not use the Guaranteed Homesale Program pursuant to the same PCS.

I. Property Management Process. When NRPO notifies Prudential that you are using the Property Management Service, a Home Management Coordinator will be assigned to you. Property Management Services will:

- A. Assign a local property manager acceptable to you;
- B. Help you develop a rental marketing strategy;
- C. Establish a market rental value;
- D. Make every effort to find a tenant and negotiate a lease;
- E. Collect and account for rental income;
- F. Pay mortgage and other carrying expenses from your Reserve Operating Account (ROA);
- G. Inspect the property once per quarter;
- H. Expedite emergency repairs;
- I. Arrange for major repairs and maintenance approved by you;
- J. Handle all tenant negotiations; and
- K. Report to you on a quarterly basis about your property and Reserve Operating Account (ROA).

II. Time Limit. Authorized Property Management Services will be provided at the expense of DoD for a period of time approved by your agency not to exceed that allowed by the JTR.

III. Reserve Operating Account (ROA). You must establish and maintain an account with funds for at least one month's mortgage payment. The Home Management Coordinator will deposit the rental income in this account and pay mortgage, repairs, and maintenance from it. Failure to maintain a minimum balance in the ROA could result in termination of Property Management Services.

IV. 30-Day Tenant Vacate Clause. Prudential will negotiate, approve and execute a lease agreement that will include a 30-day tenant vacate clause designed to protect you in the event of your recall from the new duty station before the lease expires, or for other reasons authorized by the government.

V. Extension of Services. You are responsible for contacting your agency at least three months prior to the expiration of your property management services to request an extension of those services, if necessary. If an extension is authorized, your agency must prepare an amendment for additional funding to your travel orders and submit the amendment to the NRPO for processing before your authorization expires. If an extension **is not** authorized or the NRPO does not receive the extension, your services will be terminated on your original expiration date.

VI. Transferee's Early Return. If you return early from your assignment your Property Management Services will be terminated (see JTR, Chapter 15, Part B). You are responsible for notifying your Home Management Coordinator. At the end of the government-paid property management period, Prudential may, but is not required to, offer continued property management services to you at such fees and under such contractual arrangements agreed to by you and Prudential at your expense.

## SECTION 9 DESTINATION SERVICES

Prudential Relocation, Inc. (Prudential) offers Destination Services at no cost to you or DoD through its Destination Counselors and its network of brokers. DoD recommends you use Destination Services to help you make wise buying, mortgage, or renting choices at your new duty station. You may request Destination Services by calling (toll tree) 1-800-523-3267.

Under the Joint Travel Regulations (JTR), many of the expenses you incur in connection with the purchase of a new residence and securing a mortgage are reimbursable. You must submit a voucher for these expenses through your servicing Human Resources Office (HRO). The DoD National Relocation Program (DNRP) contract with Prudential does not pay any closing and mortgage expenses connected with the purchase of your new home.

I. Homefinding for Buyers. A Destination Counselor from Prudential can assist you in planning your house-hunting trip and arranging for qualified real estate brokers to provide information and services to help you make a wise home buying decision. Upon your initiation, a Destination Counselor will:

- A. Contact you to discuss your new area, your lifestyle, and your specific family needs. Your Destination Counselor will send you information about the new area that will assist in your homefinding efforts;
- B. Recommend a professional, qualified real estate firm to assist you in the new area. The real estate broker will contact you within 24 hours of referral by your Destination Counselor;
- C. Assist you to plan and schedule a house-hunting trip. When you arrive for your house-hunting trip, your Realtor will act as your guide to the new area, take you and/or your spouse on an area tour and visit communities that meet your lifestyle requirements;
- D. Arrange for your broker to prepare a written competitive market analysis on the property you select to enable you to compare your prospective property with similar properties in the community. The analysis will also help you make an informed home buying choice and will suggest an appropriate price and terms for negotiating the purchase; and,
- E. Direct your broker to advise you about any inspections which may be appropriate and assist you to include contingencies for them in your contract of purchase.

**NOTE: CALIFORNIA RESIDENTS.** California law requires that unless there is a special exemption, if the seller's last known address is out-of-state, approximately 3 percent of the sale price of real property must be withheld by the buyer and forwarded to the Franchise Tax Board. Therefore, we strongly recommend that any employee moving to California obtain the appropriate homeowner's property tax exemption immediately upon purchasing a home. Other states may have similar requirements; check with the local Board of Realtors.

II. Mortgage Counseling. Your Destination Counselor will ask you questions in order to develop a financing profile. Your counselor will then advise you regarding available national and local mortgage programs that best address your financial objectives and qualifications. This counseling will include information on:

- A. The types of mortgages, rates, fees, basic lender qualification requirements, and the availability of financing in your destination area;
- B. Various local and national lending institutions so that you may compare interest rates and types of loans available; and,
- C. Pre-Qualification. You can request verbal pre-qualification from Prudential at any time at no cost or obligation to you or DoD. Written pre-qualification commitment will require a credit report; you will be responsible for a credit report fee. You will find pre-qualification an asset during the negotiations of a contract on a new home.

III. Homefinding For Renters. The Destination Counselor will counsel and assist you to find suitable rental housing at your new duty station. Your Destination Counselor will:

- A. Discuss with you your housing, lifestyle and scheduling requirements;
- B. Send information about the new area to help in the house-hunting process; and
- C. Recommend a qualified broker or professional rental management agency knowledgeable about the rental market in the new area.

**NOTE: In some areas of the country, rental brokers may charge a "finder's fee". This fee is your responsibility. It is not covered by Destination Services, nor is it reimbursable by the Government.**

## **SECTION 10 ADMINISTERING THE DoD NATIONAL RELOCATION PROGRAM (DNRP)**

You should take special note that this section is a generic guide intended for the use of civilian employees of all DoD components and activities. Some components and activities, however, may have internal procedural requirements which are unique to their organizations, and which may not be compatible with normal DNRP administrative procedures and responsibilities discussed in sections 5 and 10 of this handbook. Before beginning the DNRP process, you should check with your Human Resources/Civilian Personnel Office for possible additional instructions.

Regardless of variations in administrative processing procedures, the relocation contract services and DNRP requirements otherwise discussed in this section apply to all authorized DoD civilian employees who choose to use the services of this program.

I. The U.S. Army Corps of Engineers (USACE). Administers the DNRP for the Department of Defense worldwide following relocation policy established by the Civilian Personnel Management Service (CPMS) and the Components and Defense Agencies as documented in the JTR, Chapter 15. The following organization has been established to manage the DNRP:

- A. National Relocation Program Office (NRPO) located in the Baltimore District, USACE which includes:
  - 1. The Chief of NRPO, who is the Program Manager for DNRP, and the Contracting Officer's Representative (COR) for the relocation contract;
  - 2. The NRPO Staff who:
    - a. Coordinates relocation services with Human Resources Offices (HRO) and transferring employees;
    - b. Provides initial counseling to ensure that the transferee understands the DNRP and is ready to proceed in the DNRP process;
    - c. Provides continuing direction to HRO's, Finance and Accounting Offices (FAO), Prudential Relocation, Inc., and transferring employees during the process as necessary; and,
    - d. Reviews invoices and appraisals so that payment can be made by the appropriate paying offices.
- B. Contracting Division, Baltimore District, USACE who:
  - 1. Places delivery orders against the contract to officially authorize Prudential to provide requested relocation services; and,

2. Amends delivery orders to increase or decrease funds as needed.

II. Transferring Employee's Servicing HRO is Responsible for:

- A. Communicating DoD and Component or Defense Agency relocation policy;
- B. Verifying eligibility and authorizing employees for DNRP services;
- C. Authorizing relocation services on PCS travel orders;
- D. Authorizing the Home Marketing Incentive Payment (HMIP), if available;
- E. Transmitting relocation services request forms and travel orders to the NRPO; and,
- F. Amending travel orders to increase funding obligations as necessary.

III. Transferring Employee's Servicing Finance and Accounting Office (FAO) is Responsible for:

- A. Certifying that funds are available for relocation services on the request form;
- B. Providing accounting citation and correct billing address to the NRPO;
- C. Paying Prudential invoices in accordance with the Prompt Payment Act; and,
- D. Processing the HMIP.

IV. Prudential is Responsible for:

- A. Providing relocation services in accordance with contract terms and within time frames specified in the contract; and,
- B. Communicating status, concerns, and issues to employees and NRPO.

V. Transferring Employees Who Have Been Authorized DNRP are Responsible for:

- A. Requesting initiation of applicable services;
- B. Listing the property with a qualified Realtor using the Listing Agreement Addendum - Exclusion Clause (Appendix 2) as part of the listing agreement;
- C. Understanding and complying with DoD policy, contract requirements, Prudential procedures and NRPO requirements;
- D. Leaving utilities connected and on;

- E. Maintaining property insurance until the home is vacated or until the GHS offer is accepted, whichever is later;
- F. Leaving home in "broom clean" condition; and
- G. Completing service evaluation forms provided by Prudential and the DNRP Evaluation Form in this handbook (Appendix 8).

## **SECTION 11 IMPORTANT POINTS TO REMEMBER**

- You must be ready to sell/rent your home when you enter into DNRP.
- Your home must be listed while you use DNRP (see Section 6).
- Your home must be listed 60 consecutive days in conjunction with the DNRP (see Section 6).
- The Broker Exclusion Clause Addendum is required to be part of your listing agreement with your agent (see Section 6).
- Do not sign or initial an outside contract or accept a deposit from a potential buyer (see Section 7).
- Provide current commercial work and home telephone numbers to your counselor.
- If using Property Management Services, a 30-day tenant vacate clause is required in your leasing agreement (see Section 8).