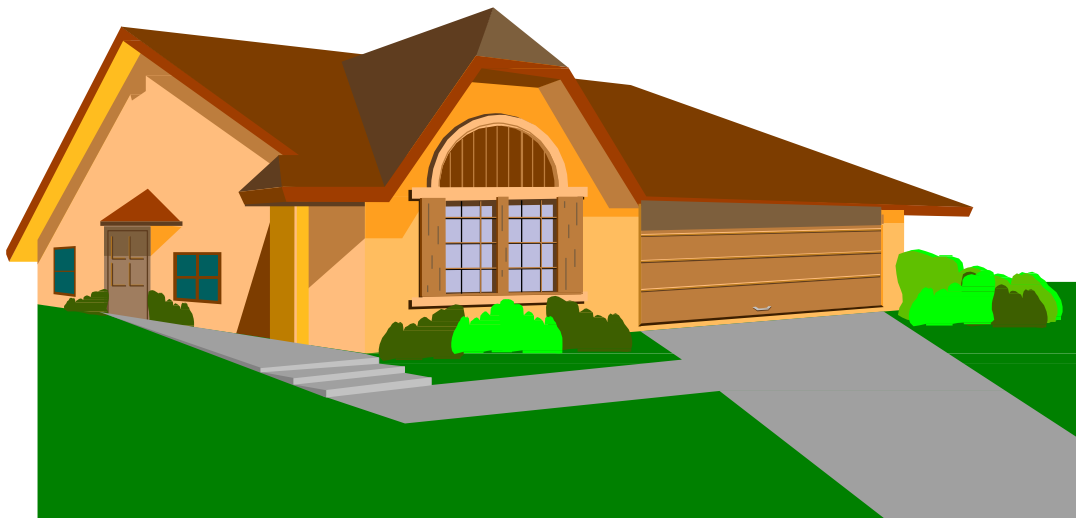


DoD NATIONAL RELOCATION PROGRAM (DNRP)

DNRP HANDBOOK



Rev. 04-2017



TO: All DoD Civilian Employees

The DoD National Relocation Program (DNRP) is designed to assist eligible and authorized Department of Defense (DoD) civilian employees to relocate from one duty station to another.

The DNRP offers an optional alternative to the PCS Real Estate reimbursement process for those authorized employees who must sell their primary residences.

The DNRP is not mandatory, but may be used at the sole discretion of the transferring employee, once it is approved by their command.

This handbook provides guidelines and general information about the DNRP. The DNRP is governed by the Joint Travel Regulations (JTR).

This handbook is a generic guide intended for the use of civilian employees of all DoD components and activities. Some components and activities may have internal procedural requirements which are unique to their organizations and which may not be consistent with DNRP procedures and responsibilities discussed in this handbook.



Before beginning the DNRP process, you should check with your Human Resources Office for possible additional instructions.



Why DNRP?

**Program Comparison
JAN 2017**

	PCS Real Estate Reimbursement	DNRP BASIC	DNRP PLUS
Does the transferee pay Real Estate Closing Costs and then submit for reimbursement?	YES	NO	NO
Are reimbursements considered taxable income to the Transferee? (RITA is required)	YES	NO	NO
Does the Relocation Management Contractor pay the Real Estate Closing Costs?	NO	YES	YES
Does the transferee receive a Guaranteed Appraised Value Offer to buy their home from DNRP?	NO	NO	YES
Is there Home Marketing Assistance?	NO	YES	YES
Does the Transferee have to pay any of the DNRP fees?		NO!	
Should the Transferee use the DNRP?		YES!	

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IMPORTANT INFORMATION

DoD NATIONAL RELOCATION PROGRAM (DNRP)

National Relocation Program Office (NRPO) Numbers:

800-344-2501 or 410-962-3166

General Information Email: dnrp@usace.army.mil

DNRP Website: www.nab.usace.army.mil/dnrp

Frequently Asked Questions (FAQs): www.nab.usace.army.mil/dnrp

How to get started:

Relocation Services are NOT initiated for you automatically!

To initiate DNRP services go to www.nab.usace.army.mil/dnrp and click on the link for DNRP Online Relocation Services Request Form. Once you complete your information and sign/date your request form, follow the instructions above your signature on the request form and send the form to your HR point of contact.

A NRPO Realty Specialist (RS) will contact you by phone to initiate DNRP services after receipt of your completed and approved DNRP Online Relocation Services Request Form from your agency. During this call, information will be verified and processed to the Relocation Management Company (RMC).

DNRP ELIGIBILITY

Each DoD agency establishes the eligibility criteria for its organization.

I. Eligibility for DNRP

You are eligible for Guaranteed Appraised Value Offer program, Buyer Value Option (BVO) program, Home Marketing Assistance, or Property Management (PM) if you:

- A. Meet the requirements for PCS;
- B. You are authorized to use these services by your component or agency;
- C. Your residence meets the criteria established by the JTR and DNRP.

NOTE: Mobile homes, houseboats and other residences not permanently affixed or located on land not owned by you are NOT eligible for DNRP; Cooperative housing is NOT eligible for DNRP.

II. Purpose of DNRP

The DNRP allows a timely sale of your home at the old duty station and under the DNRP, reimbursed real estate expenses for the sale of your home are not considered taxable income. A Relocation Income Tax Allowance (RITA) is not necessary.

- A. DNRP must be completed before your PCS entitlement period expires;
- B. Contract of Sale (CoS) must be executed by both you and DoD's RMC before your PCS entitlement period expires.

III. Pro-Rata Payment of Guaranteed Appraised Value Offer

You may have to pay part of the RMC fee if:

- A. You share title to the residence with non-eligible others;
- B. The residence is a multiple occupancy dwelling occupied only partially by you;
- C. The appraisers determine that the property has excess land;
- D. Your home is sold through DNRP at a price exceeding \$750,000.00.

HOME MARKETING ASSISTANCE

Your Relocation Counselor (RC) will recommend listing brokers and analyze proposed marketing strategies and also identify repairs/improvements that may expedite the sale of your home. You may list with the realtor of your choice.

I. Listing Your Property

- A. Do not list your home for sale until AFTER you receive your PCS orders;
- B. You must use a licensed real estate broker;
- C. “For Sale By Owner” listings are not allowed;
- D. You must include the DNRP Listing Exclusion Clause-Addendum to Listing Agreement in the agreement with your real estate broker.

II. Marketing Period

A 60 day required marketing period begins the date DNRP services are initiated, if your home is listed when you enter into the program, or as of the date your home is listed, if you are not listed at the time of service initiation.

III. Setting the Listing Price

- A. A home priced accurately sells for more than a home overpriced;
- B. One of the most important factors influencing potential buyers/appraisers is the condition of your home. Marketing tips can be found on the DNRP web page.

PROPERTY MANAGEMENT (PM)

Your agency may approve Property Management (PM). PM may not begin until the later of your report date, vacate date, or PM agreement date.

I. Property Management (PM)

A relocation counselor (RC) will be assigned to you and will:

- A. Assign a local property manager;
- B. Pay property related expenses from your Reserve Operating Account (ROA), which will be one month's rent plus \$500.00;
- C. Inspect the property once per quarter;
- D. Arrange for major repairs and maintenance approved by you, as well as emergency repairs;
- E. Handle all tenant negotiations, and collect and account for rental income;
- F. Report to you on a quarterly basis.

II. Time Limit

PM will be provided for a period of time approved by your agency.

III. Reserve Operating Account (ROA)

You must establish and maintain a ROA with funds for at least one month's mortgage payment, plus \$500.00 for repairs/maintenance, or a minimum of \$500.00 if there is no mortgage. Failure to maintain a minimum balance could result in termination of PM.

IV. 30 Day Tenant Vacate Clause

The RMC will negotiate a lease agreement that will include a 30 day tenant vacate clause to protect you in the event of your recall 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 PM services to request an extension. If an extension is allowable under JTR and authorized, your agency must prepare an amendment to your original PCS travel orders and submit the amendment to the NRPO before your authorization expires. If an extension is not authorized or the NRPO does not receive the extension, your PM services will be terminated on your original expiration date.

VI. Transferee's Early Return

If you return early from your assignment, PM will be terminated. You are responsible for notifying your RC of your early return. At the end of the government-paid PM period, the RMC may, but is not required to, offer continued PM services to you at such contractual arrangements agreed to by you and the RMC at your expense.

DNRP PLUS

DNRP PLUS is the default program and will be utilized unless authorized to the contrary.

GUARANTEED APPRAISED VALUE OFFER

Guaranteed Appraised Value Offer is an alternative to your 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 Guaranteed Appraised Value Offer

The RMC will assign a RC as your primary point of contact. Read the RMC's package carefully and promptly complete and return the necessary forms. The RC will:

- A. Provide an overview of the program and answer your questions;
- B. Provide a list of appraisers for you to consider;
- C. Help you market your home with the goal of obtaining an offer that is higher than the appraised value offer;
- D. Provide you with a Guaranteed Appraised Value Offer on your residence.

II. The Appraisal Process

Your RC will provide you a list of appraisers who meet Worldwide Employee Relocation Council (WERC) qualifications. You will select the appraisers. If a third appraisal must be ordered, the process could take an additional 10 days. You may request appraisers who are not on the RMC's list, however, the RMC must verify their qualifications to perform residential relocation appraisals.

- A. Appraisers must be residential appraisers, with no personal/financial interests in your property and have not appraised your property within six months. They must be qualified to perform WERC appraisals;
- B. The RMC will contact your first two appraiser choices. The third appraiser will be used if the first two values differ by more than 10% of the higher value or if one of the first two is not available to appraise your home. If a third appraisal is necessary, the Guaranteed Appraised Value Offer will be calculated by averaging the two closest appraisals. If the high and low appraisals are equidistant from the middle appraisal, the Guaranteed Appraised Value Offer will be calculated by averaging all three appraisals;
- C. You are encouraged to complete any repairs or maintenance prior to beginning the appraisal process. Your home will be appraised in "as is" condition;
- D. The appraisals will be based on recent sales and listings that, in the appraiser's opinion, are most comparable to your property. A relocation appraisal reflects what your home will sell for if exposed to the market up to a maximum of 120 days. The appraisals are not based on your purchase price, assessed value or your mortgage balance;

- E. After reviewing the appraisals, if you believe the market value is not reflected accurately, you may submit a request for appraisal reconsideration to your RC. This request must be made within 10 calendar days of receipt of the RMC's written offer. The reconsideration request must be based on errors identified in the appraisal report(s) or to provide new/additional sales data. The request should include information on comparable sales in proximity to your home that were closed before the appraisals were completed. Submit this information to your RC.

III. Additional Services While Your Home is Being Appraised

The RMC will also order:

- A. A title search and the necessary inspections required by local/county/state/federal codes, and inspections that are customary/necessary or recommended by appraisers or brokers;
- B. If conditions exist that preclude the appraiser from determining a value, the RMC will obtain an estimate of the cost to correct the defect from a qualified local inspector or contractor and inform all appraisers;
- C. If an inspector determines that property conditions exist which make your home ineligible for the DNRP, the RMC will obtain an estimate to correct the condition. You will have the option of correcting these conditions or requesting that the estimated cost to cure be deducted from your equity. After corrective actions are complete, the RMC will perform one property re-inspection. You will be responsible for the cost of any additional inspections. If you choose not to correct these conditions, but choose to accept the RMC's cost to cure, the estimated cost to complete the repairs will be deducted from your equity. These estimates will be binding upon you and the RMC; no adjustments will be made after your acceptance of the RMC's offer. If the condition is corrected by you prior to receiving a guaranteed offer and a satisfactory re-inspection report is obtained, the RMC will be required to accept the home on an "as is" basis.

IV. The Guaranteed Appraised Value Offer

- A. The offer is valid for 60 days;
- B. You can accept the offer after the DNRP 60 day listing requirement has been met;
- C. If you have a tenant, the tenant must vacate and the lease agreement must be terminated before you can accept the RMC's offer;
- D. It is your responsibility to deliver a financeable/insurable property.

V. Amended Value Option Offer

If you receive an acceptable offer from an outside buyer, the RMC may amend (raise) the Guaranteed Appraised Value Offer to equal the higher offer amount, net of any seller concessions that are non-reimbursable under the JTR.

You cannot use the Amended Value Option program if you sign/initial a sales contract or accept earnest money! You must sell your home to the RMC.

- A. The RMC will review the outside offer to ensure the buyers are qualified to purchase your home at the price/terms specified and the offer nets you more or equal money. It must meet the criteria set forth in the WERC 11-Point Program for Amended Value Option offers;
- B. A contract contingent on the buyer selling his/her home or one with unusual terms or conditions is not acceptable.

VI. Buyer Value Option (BVO) Offer

If you receive an acceptable offer for your home from a buyer before the appraisal process is completed, you can submit it to the RMC as a BVO offer. The RMC will review the offeror's terms and determine the acceptability of the offer. If they determine the offer to be acceptable, the RMC will make you an offer and buy the home from you at the net sale price as offered by the outside purchaser. You will bear no risk if the potential outside buyer does not purchase the home.

You cannot use the Buyer Value Option (BVO) program if you sign/initial a sales contract or accept earnest money! You must sell your home to the RMC.

VII. Home Acquisition

Upon acquisition, the RMC will assume all rights, responsibilities, risks and obligations of property ownership. The RMC may take title to your property, will notify your lender(s) and will service the existing loan(s), ensuring that all payments are made accurately and timely.

VIII. Payment of Your Equity

Equity is the difference between the RMC's offer and the balance of your mortgage(s), liens, taxes, interest, condominium fees, association dues, etc., as of the later of the property acquisition date by the RMC or your vacate date.

A. Equity Advance Prior to Accepting the RMC's Offer:

You may obtain an interest-free equity advance of up to 75% based on the Guaranteed Appraised Value Offer, if needed, to purchase a new home;

B. Equity Payment After Accepting the RMC's Offer:

The RMC will pay you 95% of your equity after the contract is received. The balance is held until you vacate the property and it is in "broom-clean" condition. Equity will be wired to your bank account.

IX. Vacating Your Home

After you accept the RMC's offer, you have 30 days to vacate your home. If there is a change in your plans, notify the RC immediately.

- A. The RMC will be marketing the property. You must make your property available for marketing and showings to prospective purchasers, by appointment and/or with reasonable advance notice;

- B. The RMC will send your mortgage company an insurance policy. The policy will cover the house only. You are responsible for maintaining insurance coverage on your household goods;
- C. You must leave your utilities on. The RMC will arrange for transfer of utilities.

DNRP BASIC

DNRP BASIC is a lower cost program, but still better than Direct Reimbursement.

See comparison chart on page 3.

There will NOT be a Guaranteed Appraised Value Offer under DNRP BASIC.

Home Market Assistance and the Buyer Value Option (BVO) program will be offered, which prevents expenses from being considered taxable income. This benefits the transferee and the agency.

I. Introduction to DNRP BASIC

The RMC will assign a RC as your primary point of contact. Read the RMC's package carefully and promptly complete and return the necessary forms. The RC will:

- A. Provide an overview of DNRP BASIC and answer your questions;
- B. Help you market your home with the goal of obtaining an offer from an outside buyer.

II. Buyer Value Option (BVO) Offer

If you receive an acceptable offer for your home from a buyer you can submit it to the RMC as a BVO offer. The RMC will review the offeror's terms and determine the acceptability of the offer. If they determine the offer to be acceptable, the RMC will make you an offer and buy the home from you at the net sale price as offered by the outside purchaser. You will bear no risk if the potential outside buyer does not purchase the home.

You cannot use the Buyer Value Option (BVO) program if you sign/initial a sales contract or accept any earnest money! You must sell your home to the RMC.

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- C. You must leave your utilities on. The RMC will arrange for transfer of utilities.