

Prudential Relocation - Ready to assist you!

Your relocation represents a new opportunity for you. In addition to challenges your new position brings, you will also encounter many changes as you leave familiar surroundings, find a new place to live, and settle into your new home.

The move and changes associated with it can bring added stress. That is why the **DOE** has contracted with Prudential Relocation. We are here to help reduce the stress of your move and help you settle into your new home and job as quickly and easily as possible.

This “Employee Handbook” outlines the services Prudential Relocation provides to you to help facilitate your move.

A question sometimes asked by transferees -- “how is the relocation company compensated for helping me with my move?” A fixed fee is paid by the **DOE** to Prudential Relocation for the service we provide to you. This fee is a fixed percentage of the value on the home you are putting through the relocation program.

While reading through this handbook, we want you to know that should you have any questions, we are just a phone call away.

Our best wishes for success at your new duty station.

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Pre-Transfer Counseling

Whether you have decided to take a transfer or are still in the decision-making process, this service is available to transferees *who have not yet entered the relocation program*. Pre-Transfer Counseling can assist you with the following and more:

- Explain the services available to you under the DOE program;
- Start you in Destination Services;
- Review property and employee eligibility requirements, and
- Discuss any questions you have relating to the relocation.

Call (800) 523-3267 or (202) 626-5000 to speak with a pre-transfer counselor anytime prior to the DOE initiating you into Prudential Relocation's program.

Overview of Prudential Relocation's Services

DEPARTURE SERVICES

REQUIRES INITIATION BY THE DOE RELOCATION SERVICES COORDINATOR

- **Home Marketing Assistance:** Prudential's relocation counselors will work with you and your agent to generate an offer for your home. We are available to help you with the process of: selecting a qualified real estate agent; assisting you in setting a list price; advice on promoting and advertising your home; and how to handle the offer negotiation process. The DOE requires you to market your home with a qualified broker for a minimum of 30 days, 21 of which must be after receipt of Prudential's verbal guaranteed offer. In addition, the DOE may offer its employees a Home Marketing Incentive bonus for generating a bona-fide Amended Value or Amend-from-Zero sale that successfully closes and results in a reduced fee to the agency.
- **Home Sale Assistance:** You will have the peace of mind knowing you have a "guaranteed offer" should marketing efforts not produce a buyer for your home. The offer from Prudential Relocation is determined by independent appraisers and will be good for 60 calendar days from the date it is verbally presented to you. Your title interest to your home and your home itself are required to meet eligibility requirements, set by the Federal Travel Regulation, to qualify for this and the Home Marketing Assistance programs.

DESTINATION SERVICES

DOES NOT REQUIRE INITIATION BY THE DOE RELOCATION SERVICES COORDINATOR

- **Home Finding Assistance for Renters:** Your relocation needs, as well as desired location, price range and time schedule will be reviewed with you by your Prudential Destination Counselor. You will be referred to a rental agency that will assist with your rental search. **Depending on the locale, you may be charged a fee by a rental agent or real estate agent showing you rental properties. We will notify you if there is a charge, prior to placing you with that agency. This fee is considered a non-reimbursable item by the FTR, meaning you will be responsible for the payment of it directly to the rental agency should you use their service.**

- **Home Finding Assistance for Buyers:** A Prudential Destination Counselor will discuss your needs with you and provide a list of Prudential Relocation inventory homes in the new area, and identify a real estate broker in that area to help with you with your new home search.
- **Mortgage Counseling:** Your Destination Counselor can arrange for information on national and local mortgage programs, as well as information on types of mortgages, rates, and fees. To find out how much mortgage you qualify for, you have the option of being pre-qualified by a mortgage representative before you begin searching for a new home. This will help you determine the price range in which you will want to target your home search.

Home Marketing Assistance

The purpose of Home Marketing Assistance, provided by your Relocation Counselor, is to assist you and your real estate agent in finding a buyer for your home while your home is in the relocation program. This represents top dollar for you and a lower fee for the DOE if a buyer is found.

In order to be eligible for Home Sale Assistance, your agency requires that you list your home with a broker. The amount of real estate commission you agree to in your listing agreement is not to exceed the standard rate charged for the area. You will be responsible for the cost of any commission above the standard rate.

EXCLUSION CLAUSE

Upon signing a listing agreement with a real estate company, the DOE requires you to include a clause in your listing agreement which preserves your right to sell your home to Prudential Relocation without you incurring a real estate commission. If your agent produces a bona-fide offer, the real estate commission is protected and will be paid at closing. Agents who work with relocating employees are generally familiar with this type of clause. If you or your agent has questions, please contact your Relocation Counselor. See Exclusion Clause on following page –

Insert the following language into your real estate listing agreement:

“The seller hereby reserves the right to sell the property directly to Prudential Relocation at any time and, in such event, to cancel this listing agreement with no obligation for commission or continuation of listing hereafter and to turn over an acceptable written offer hereunder to Prudential Relocation for closing and payment of commission which shall be deemed earned and payable only upon closing of title.”

How Marketing Assistance Works For You

In order for Prudential Relocation to assist you and your agent with the marketing of your home, we order a Broker’s Market Analysis (BMA) through a local real estate agency which is experienced in working with relocating customers. This analysis provides us with objective information, helping us understand conditions in your market area, your

home, comparable homes that have sold recently, and homes on the market with which you are competing.

Selecting a Real Estate Agent

Your Relocation Counselor will request your listing information in your first phone conversation. If you have not selected a real estate agent yet, we can work with you to help select an experienced agent who will work closely with you throughout the marketing process.

Listing Your Home For Sale

Your relocation counselor is available to work with you and your agent to set an introductory list price, if one has not been set by you already. The initial list price is one of the most critical steps in the marketing of your home. You may have a limited window of time to market your home, increasing the importance of setting a realistic list price from the beginning.

We will help you analyze factors such as: competing home prices; average selling time; your home's strengths and weaknesses in comparison to recently sold and competing homes; as well as overall supply and demand in your market area.

Preparing Your Home for Sale

First impressions count. The real estate agent you choose and your relocation counselor will work with you to review any maintenance or repair items that could influence and attract prospective buyers. Make your house, especially your windows, sparkle. Your attic, closets, garage and basement should be as clutter-free as possible. Expensive improvements are usually unnecessary, but paint touch-ups and minor cosmetic work can pay off.

A home that shows “pride of ownership” attracts a greater number of real estate agents and prospective buyers. Think of the qualities that attract you to a home and apply those same standards to your home when preparing it for the market. Consider what a prospective buyer will see when first driving up. Count on your relocation counselor and your real estate agent for objective advice.

Receiving An Offer and Negotiating A Sale

Your real estate agent will present you with an offer as it is received for your review. Please notify your relocation counselor immediately should you receive an offer. ***For Prudential Relocation to work with your sale, do not accept the offer, verbally or in writing, or accept funds from the real estate agent or prospective buyer.*** Your relocation counselor will determine if the offer is bona-fide, identify non-reimbursable costs in the offer, as well as identify any non-allowable contingencies and terms in the offer.

The outside offer price will be evaluated in relation to the Prudential Relocation guaranteed offer, if you have received one. If you have not received a guaranteed offer yet, the outside offer price will be evaluated in relation to a Broker's Market Analysis

(BMA). If the first BMA does not support the offer price, a second will be ordered and the higher of the two will be used for the evaluation. The buyer who has made the offer will be required to submit qualification information, including a pre-qualification letter from their lender addressing the buyer's credit report. See the section on "Amended Value Sale" for further information.

- **You must market your property with a qualified broker for a minimum of 30 days, 21 of which must be after receipt of Prudential's guaranteed offer.**

Home Sale Assistance

Working in conjunction with Home Marketing Assistance, the Home Sale Assistance program is designed to simplify much of the detail work associated with completing the sale of a home. Your relocation counselor at Prudential will contact you upon the DOE's notification of your transfer to explain the program.

If you elect to utilize Home Sale Assistance, you will be required to sign and return a homeowner's property disclosure statement and a lead paint disclosure statement upon your receipt of them. If there is no state disclosure form where you live, you and any co-owners will be required to complete and sign the Prudential Relocation property disclosure statement. The DOE requires you to send a signed copy of the disclosure statement to the DOE's Relocation Services Coordinator (RSC).

- **You must market your property with a qualified broker for a minimum of 30 days, 21 of which must be after receipt of Prudential's guaranteed offer.**

Subsequent to your initial phone call, you will receive an introductory packet containing forms, documents and instructions on what to do with this information. You will be asked to locate your property's legal description, as well as other specific information related to your property.

Eligibility for Home Marketing/Home Sale Assistance

Eligibility requirements pertaining to your title interest in the home and the home itself will be confirmed with you by your relocation counselor. An eligible property for the program is typically a one or two family residence (the DOE may require further information from you for this type of property), or condominium, which served as your principle residence, from which you regularly commuted to and from work, prior to being notified of your transfer.

All eligibility requirements are established for you by the Federal Travel Regulation and by the DOE, with regards to your title interest in the home and the home itself that you will be putting through the program. These requirements must be met for you to take advantage of the Home Marketing and Home Sale Assistance services. The requirements are outlined in two separate sections below -- "Title Requirements" and "Your Home".

Eligibility - Title Requirements

The Federal Travel Regulation (FTR) requires that the title to your home be held in one of the following manners:

1. Your name alone
2. Jointly in your name and one or more members of your immediate family
3. Solely in the name of one or more members of your immediate family
Members of your immediate family are defined as:
 - a. Your spouse, excluding divorced or legally separated spouse
(Changes in marital status may affect your eligibility)
 - b. Your children or your spouse's children who are unmarried and under 21 years of age or who, regardless of age, are physically or mentally incapable of self-support. The term "children" includes natural offspring, stepchildren, adopted children, grandchildren, legal minor wards or other dependent children who are under legal guardianship of you or your spouse
 - c. Dependent brothers and sisters (including step and legally adoptive brothers and sisters) of yours or your spouse who are unmarried and under 21 years of age or who, regardless of age, are physically or mentally incapable of self-support
 - d. Dependent parents (including step and legally adoptive parents) of you or your spouse
4. In the joint name of the employee and a separate unrelated joint owner when pro rata reimbursement could be authorized under FTR 302-6, 1f, if the employee sold the residence under the direct reimbursement method. Such eligibility is subject to the conditions as described below.

If a home would be subject to pro rata reimbursement under FTR part 302-6.1 were the employee to sell the residence under the direct reimbursement method, the employee will be eligible for home sale services only if all owners satisfy the Government and the Contractor of their willingness and ability to pay their proportional shares of the contract cost directly to the Contractor. The proportions shall be determined under rules governing reimbursement of residence transactions expenses contained in FTR part 302-6.1.

5. In the name of a separate accommodation party or parties as defined in the FTR part 302-6.1f.

The FTR also stipulates certain "Equitable Title Interest" circumstances which a transferee's title situation may fall within to remain "eligible." If the title search, ordered by Prudential Relocation for your property, indicates someone who appears to be "non-eligible" based on the regulations, your relocation counselor will discuss this with you for clarification.

During the initial call with your Relocation Counselor, you will be asked who is in title to your home. It is important for you to notify your relocation counselor of any conditions

you are aware of regarding your title interest in the property. Should a title condition exist, based on the FTR, whereby a “non-eligible” person owns an interest in your residence, the fee for relocation services will be pro-rated between you and the DOE. You will be required to prove your willingness and ability to pay the portion of the relocation fee the DOE can not pay.

Eligibility - Your Home

The FTR requires that your home (see DOE definition in glossary) be your principal residence from which you regularly commuted to and from work prior to being notified of your transfer. The following properties have been designated by the DOE as ineligible for Home Sale Assistance:

1. Mobile homes - See DOE’s definition in glossary.
2. Cooperatives.
3. Houseboats.
4. Homes that are uninsurable - See DOE’s definition in glossary.
5. Homes that can not be financed by FHA, VA, or other conventional financing - See DOE’s definition in glossary.
6. Homes on which construction has not been completed.
7. Homes that do not comply with state and local codes. Such homes may be eligible if the conditions are correctable in accordance with procedures set forth in the contract conditions include, but are not limited to homes that:
 - a. Are not adequately serviced by potable water or sanitary waste facilities, as defined by the applicable state and local standards for water and sanitary waste facilities.
 - b. Do not comply with other applicable state or local codes, such as building, health, and fire codes, provided conditions resulting in such non-compliance are documented in accordance with said state or local codes, unless such defects are corrected and approved by proper authorities to meet code requirements.
8. Homes that have undergone inspection for contamination by toxic or hazardous substances and have been determined to be contaminated by toxic or hazardous substances, such as UFFI or radon gas, friable asbestos insulation, lead paint and other hazardous or health threatening substances including seepage by leaking underground storage tanks and toxic waste sites, if such contamination cannot be corrected, provided that such determination has been made pursuant to inspections performed in accordance with the standards and all applicable laws.

If an inspection reveals a condition that makes the home ineligible for Home Sale Assistance, Prudential Relocation will determine if the condition can be corrected and if a binding repair cost can be obtained from a qualified contractor. Once you are notified by your relocation counselor of the condition, you will have five calendar days to elect one of the following:

1. Delay receipt of the appraised value offer for up to 30 calendar days of receiving verbal notice from Prudential Relocation of the ineligible condition and correct the condition within the 30 day period. Prudential Relocation will provide you with estimated repair costs.
2. Receive the appraised value offer contingent upon completion of the repairs by a qualified repair contractor. The contingency will require you to complete the repairs within 30 calendar days of receipt of the appraised value offer.

Home that is Rented

If you have rented your home or any part thereof (see DOE definition in glossary) to a tenant, the tenant must vacate the property prior to your acceptance of Prudential Relocation's appraised value or amended value offer.

Excess Land

Should the appraisers and broker indicate your property has land in excess of that which reasonably relates to the residence site, the DOE will pay only the proportional share of the contract price which reasonably relates to the residence site. The DOE RSC will determine the amount of land which reasonably relates to the residence site, based on the nature of your property and the prevailing conditions in the market for that property in your area. You will be responsible to pay the pro-rated portion of Prudential Relocation's fee that the DOE cannot pay, should you continue in the program.

Multi-Occupancy Dwellings

The FTR also stipulates that if your actual residence occupies only part of a dwelling that is a duplex or other multi-family type (not applicable if you own a single unit in a condominium building), the value of the portion of property you do not occupy will be calculated. Prudential Relocation is required to present the DOE with this information for review and confirmation. You will be responsible to pay the pro-rated portion of Prudential Relocation's fee that the DOE cannot pay, should you continue in the program.

Options While In The Program

While in the Home Sale Assistance program, you will have these alternatives:

- Generate a bona-fide outside offer from a qualified buyer prior to, or after, Prudential Relocation's appraised value guaranteed offer.
- Accept your appraised value guaranteed offer from Prudential Relocation.
- Allow your appraised value guaranteed offer to expire at the end of the 60 day offer acceptance period.

- Cancel out of the Home Sale and Home Marketing Assistance services.
- Obtain a sale, do not have Prudential Relocation close the sale for you, close on your own, and file for direct reimbursement through the DOE.
Note: The FTR does not allow for the DOE to pay for duplicate relocation expenses. This means that if Prudential Relocation has incurred a cost for appraisals, inspections or title work for your property, the DOE can not reimburse you for these costs, under the regulations.

Before the Appraisal Process Begins

Your relocation counselor will provide you with a “Market Data Sheet.” The real estate agent you have selected will be in the best position to assist you with completing this form. When the appraisers visit your home, provide them with recent comparable sale and competitive listing information. Factors such as the address, sale price, closing date, and other known details for each house should be listed on the form. You should give each of the appraisers a copy of the form when they visit your home, in addition please ensure your Prudential Relocation Counselor has a copy of the form.

This is your opportunity to provide written input which you feel reasonably affects the value of your home *prior to* the appraisal being done. If an appraiser does not use the information you provided in the appraisal, the appraiser is to state in the appraisal report why the information was not used.

It generally takes up to 30 business days, from the date you supply your appraiser selections to Prudential Relocation, to extend an appraised value offer to you.

Understanding the Relocation Appraisal

The independent appraisers are provided with written instructions regarding the appraisal assignment. These instructions cover time frames for a verbal and written report, parameters for the appraisal based on the DOE contract and billing information. In addition to the contract parameters, the appraisers follow the Employee Relocation Council (ERC) guidelines, as outlined on page one of each appraiser’s report. By reviewing page one of the ERC report, you will have a better understanding of the process the appraisers follow to arrive at an appraised value for your home.

It is the role of the independent appraiser to estimate the “Anticipated Sales Price” for a relocating employee’s primary residence. The Anticipated Sales Price is “the price at which a property is anticipated to sell in a competitive and open market, assuming an arm’s length transaction.” The relocation appraisal utilizes the Sales Comparison Analysis, considered the most relevant for appraising residential properties, because it reflects the actions of typical buyers and sellers in the marketplace. The independent appraisers *are not* evaluating what it would cost to construct your residence (cost approach) or what it would rent for (income approach).

Many factors are taken into account by an appraiser when preparing the report. On a broader scale, the appraiser considers: overall market conditions, including the economy; supply of housing available & the demand for it; financing availability and terms; influence of assessments; the school district; zoning; as well as other factors.

More specific to your home, the independent appraiser takes into consideration the: neighborhood; proximity to services and schools; location; interior and exterior condition; decorating; functional appeal; and other factors listed in the ERC appraisal report.

The appraiser compares the factors of your home to recently sold comparable homes. Starting with the sales price of each comparable, the appraiser adjusts up or down on each applicable factor and then arrives at an “Adjusted Sales Price” for each comparable. Using this data, as well as considering the competing listing data, the appraiser uses his/her judgment in determining what value within a range of value reflects the price a typical seller and buyer will most likely agree to.

Mortgage vs. Relocation (ERC) Appraisal

To further help you understand the relocation appraisal, we have included a chart below which outlines some of the differences between relocation and mortgage appraisals.

MORTGAGE APPRAISAL	RELOCATION (ERC) APPRAISAL
Financing: No adjustment for normal seller costs	Financing: Cash equivalency
Function & Intended Use: Facilitate mortgage lending Document historical value	Function & Intended Use: Facilitate relocation process Estimate Anticipated Sales Price
Historical Value Estimate: What would it have sold for?	Prospective Value Estimate: What will it sell for?
“Appeal” & “Decor” No identified category	“Appeal” & “Decor”: Items for consideration

Appraiser Selection

To establish the appraised value of your home, your relocation counselor will initiate the appraisal process. You will be asked to select three independent fee appraisers, in order of your preference, from a list supplied by your relocation counselor. The appraisers are neither employees of Prudential Relocation nor the Government.

Off-List Appraisers

In addition to the independent appraisers on the list, you have the option to submit names of fully qualified, relocation-experienced appraisers of your choice. Your real estate agent may be able to provide you with the names of local appraisers who are experienced in performing relocation appraisals on the ERC form. The appraiser will be interviewed by Prudential Relocation to insure that he/she meets all of the established criteria listed in the DOE contract.

For an appraiser to do work under this contract, the appraiser must be licensed in states which have certification and/or licensing requirements. Whenever possible, the appraiser should belong to one of the following professional organizations:

Appraisal Institute; National Association of Independent Fee Appraisers; American Association of Certified Appraisers; American Society of Appraisers; or American Society of Farm Managers and Rural Appraisers.

Appraiser Criteria

To perform an appraisal under this contract, the DOE requires that an appraiser:

- Have knowledge and experience in using the Employee Relocation Council (ERC) appraisal form and standards’.
- Be accredited to do appraisals in the required area.
- Belong to one or more of the following professional organizations, whenever possible:
Appraisal Institute; National Association of Independent Fee Appraisers; American Association of Certified Appraisers; American Society of Appraisers; or American Society of Farm Managers and Rural Appraisers.
- Derive his/her income primarily from single-family residential appraising (not from commercial appraising and not from acting as a broker).
- Not be a government employee and not be related to the employee or the contractor by blood or marriage.
- Not have appraised the subject property within the prior six months.
- Not have a relationship with the employee or Prudential Relocation (personal or business) that would affect the objectivity and/or independence of the appraisal.
- Have no present or future interest in the subject property nor have a relationship which would affect an independent judgment in determining fair market value.
- Have access to current local market data through a multiple listing service or other cooperative service.
- Be familiar with market conditions where the subject property is located.
- Have the ability to perform the service in accurate and timely manner in an effort to enable the contractor to meet the contract’s timeframes.
- Not base his/her fee on a percentage of the appraised value of the property or have said fee contingent upon the sale of the property.

Appraisal Ordering

You will be asked to provide three (2 primary and 1 alternate) appraiser selections to your relocation counselor within two (2) working days of your receipt of the written list of independent appraisers. Your Relocation counselor will order the two appraisals using written instructions via facsimile.

Appraisal Conditions

The appraisers instructed to follow these guidelines, in addition to those listed on the ERC appraisal report and in the written client instructions:

- Appraisals are to be made on the property in an “as is” condition, based on current market conditions. Appraisals shall be conducted according to the Employee Relocation Council (ERC) appraisal form.
- “Market Forecasting Adjustments,” - Adjustments based on an analysis of market trends in the area, tempered with analytical judgment concerning the probable extent to which these trends will continue in the future, are permitted, provided that all such adjustments are explained in detail in the appraisal report. Factors taken into account by the appraiser (such as movements of interest rates, seasonal lulls or peak selling periods, trends of market values, relationship of supply to demand and data concerning the overall economy in the area) will be set forth in the report and supported with objective and verifiable data. The appraiser adjusts for a 120-180 day market.
- Appraisers are instructed to use comparable sale data that is contiguous to your property. That is, the comparables selected by the appraiser must be in the same neighborhood, development, subdivision or complex. If an appraiser, in his/her opinion cannot identify acceptable comparables within those parameters, he/she is required to notify Prudential Relocation prior to completing the appraisal. Your relocation counselor will discuss this with you should this situation arise.
- Appraisers are instructed to not use foreclosure or auction sales as comparables, even if the appraiser makes an adjustment.
- Completed appraisals are only subject to adjustment by the appraiser. All adjustments by the appraiser will be clearly identified and will be made known to you.

Inspections - Ordering

Your relocation counselor will explain which of the following will be ordered by Prudential Relocation during the appraisal process:

- Broker’s Market Analysis.
- Title Search.
- Inspections required by local or state laws including, but not limited to, wood-destroying pest, well, septic.

- Inspections to determine the presence of a toxic or hazardous substance including, but not limited to, active UFFI, radon gas, asbestos, lead-based paint, underground storage tanks.
- Inspections requested by an appraiser.

Occupancy Inspection

Should an occupancy inspection be required by your township or municipality, as the property owner, you will need to make arrangements for the locality to inspect your property and for any repairs and re-inspections that are required by the locality to pass title.

Inspections - Upon Receipt

The results of an inspection may be furnished for consideration to an appraiser for an “as is” adjustment. This means that the appraiser will respond as to whether the inspection’s condition has/has not already been taken into consideration in the overall value. ***This will not apply to inspection conditions that are defective/show a demonstrable need, are related to state, local code, or to toxic or hazardous substances.***

Should an inspection indicate a defective condition which reflects a defect/demonstrated need (leaking roof, faulty furnace, etc), a state or local code condition, you will have the option of repairing the condition and providing documentation of a clear re-inspection or having the cost of the repair and re-inspection either deducted from your equity or placed in escrow.

If the title report indicates a title defect which prevents you from passing clear and marketable title to Prudential Relocation, your Relocation Counselor will inform you of this. The cost to cure any title deficiency will be your responsibility.

Appraisal Review

The completed appraisals will be submitted to Prudential Relocation who will review for mathematical errors or errors of fact. “Errors of fact” include material mistakes regarding items such as dates and prices of comparable sales, measurements of properties, and other objective data.

Once both appraisal reports are received and reviewed by Prudential Relocation, your Relocation Counselor will confirm that the two appraisal values fall within 5% of each other. If the variance is greater than 5%, you will be informed. A third appraisal will be ordered based on the appraiser choice you gave your relocation counselor in the beginning of the appraisal process.

The time frame to extend you with an appraised value offer is up to 30 business days from the date you furnish your appraiser selections to Prudential Relocation.

Appraised Value Offer

If the two appraisals are within 5% of each other after the appraisal review process has been completed, the two values will be averaged together. If the variance is greater than 5% and a third appraisal is ordered, your offer will be calculated based on the two closest appraisals. If the three appraisals are equal distance apart, all three are averaged.

Your relocation counselor will present you with the appraised value offer over the phone initially. A written offer package will then be sent to you. This package includes Prudential Relocation contracts of sale, deeds, a copy of the appraisals, inspections, repair bids (if applicable) and other paperwork for your review. Please contact your relocation counselor with any questions.

Contingent Offer

Should a contingent offer be made to you because of an inspection defect, Prudential Relocation will obtain estimates (two if the cost exceeds \$1,000) of repair and re-inspection. You may also obtain estimates from licensed contractors. If you intend to accept Prudential Relocation's contingent appraised value offer, you will have five (5) days from receiving your offer to choose one of the following three options:

1. Prior to acceptance of the appraised value offer, you can have the repairs and re-inspections done at your expense. In this event, you are solely responsible for ensuring that the home is brought up to standards set by the applicable law ordinance or code.
2. You may have your equity payment from Prudential Relocation reduced by the estimated cost of repairs and re-inspections to bring the home up to standards set by the applicable law ordinance or code.
3. You may have funds in the amount of the estimated repairs placed in escrow with an escrower mutually acceptable to Prudential Relocation and you. Funds are placed in escrow at the time you accept the contingent offer. Your liability for repairs and re-inspections will not exceed the estimated cost. Any additional cost will be the responsibility of Prudential Relocation. If the final cost of repairs and re-inspections is less than the amount escrowed, you will be sent the difference.

We will make our best effort to have the necessary repairs and re-inspections, along with financial adjustments to you (if applicable), done within 31 business days after completion of the Home Sale Assistance service.

Request for Re-evaluation

We encourage you to contact your relocation counselor to discuss any questions you have regarding the appraisal reports once you receive them.

You may have provided the appraisers with comparable sales and listings on the "Market Data Sheet" when they inspected your home. Your re-evaluation request should include an additional copy of the same sheet, showing any additional comparable sales that closed prior to the date the appraisers originally inspected your home. Other information

you feel is relevant may also be included. Please consider the following if preparing a request:

- If you have concerns regarding *an appraiser*, please address this in a separate note to your relocation counselor.
- Bullet or number your concerns. This will make it possible for the appraiser to respond in a format that will be specific to your concerns
- Submit additional comparable sales that closed as of the date of the appraiser's inspection of your home.
Follow these parameters, as outlined by the DOE:

You must submit the re-evaluation request to your relocation counselor and to the DOE RSC *within 30 calendar days* of receiving the written offer.

The re-evaluation request will be reviewed by Prudential Relocation, your RSC, and the appraisers. If an appraiser revises an appraised value, it will be based on the original appraisals, regardless of the variance. The result of the re-evaluation you submit can not cause your original offer to go down.

You will have at least 15 calendar days to review the results of your re-evaluation in order to decide whether to accept or reject the offer.

The re-evaluation process will be completed during the 60 calendar day offer acceptance period

A copy of your request, the appraisals, and the Broker's Market Analysis are mailed to the DOE RSC. The appraisers will respond in writing to your request. Prudential Relocation will review the written responses to ensure your concerns were addressed. You and the DOE RSC are provided with a copy of the responses when Prudential Relocation receives them.

Only the appraisers can adjust their values. Neither Prudential Relocation, nor the Government, can adjust an appraiser's value.

Amended Value Sale

Prudential Relocation's goal is to help you obtain a bona-fide outside sale, referred to as an "Amended Value Sale," from an independent buyer.

Under this program, you would sell your home to Prudential Relocation (a third party), who will close the sale with the outside buyer at the terms and conditions agreed upon between you and the buyer. The benefit to you is that you receive your equity after the contracts between you and Prudential Relocation have been executed by Prudential Relocation. This will take place once any non-allowable contingencies have been removed by the buyer and all required paperwork has been received by Prudential

Relocation. If you are successful in finding an independent buyer willing to pay a net purchase price equal to or greater than the appraised value offer, the following will apply:

- **Do not sign any documents (including counter-offers) or accept earnest money. Prudential Relocation cannot work with the sale if you have done so.**
- As a third party, Prudential Relocation will not be able to immediately sign the outside offer. You and your agent will be asked to submit information relative to the purchase offer and the buyers' qualifications.
- Your relocation counselor will review the offer to determine if it is bona-fide and determine if the buyer is qualified based on the written information submitted. The Prudential Relocation guaranteed offer will be used as a benchmark to evaluate the reasonableness of the outside offer price.
- The independent offer will be reviewed to determine if it contains a contingency which must be satisfied prior to Prudential Relocation accepting the offer. If a buyer's offer is contingent upon the *sale* of the buyer's home, the offer is not eligible until that home is sold and the contingency is removed.
- The offer will also be reviewed for any expenses or concessions that are deemed non-reimbursable under the Federal Travel Regulation. *A few examples of non-reimbursable items include repairs as a result of a buyer's inspection, points, homeowner's warranty, real estate commission in excess of the standard for the area, decorating allowance, buyer closing cost allowance, etc.*
- Should the offer involve the assumption of your existing mortgage on the property, you will be required, in writing, to sign a release of liability which protects Prudential Relocation should the purchaser of your property default in any way on the assumption loan, at any time in the future. You will not be indemnified by Prudential Relocation should the purchaser default. The ultimate responsibility of the assumption loan would lie with you.
- Once Prudential Relocation receives and reviews all of the required documents and any non-allowable contingencies have been removed, your relocation counselor will instruct you to amend the appraised value offer to the value of the independent offer and complete acquisition of your property.
- At the time Prudential Relocation executes the contracts of sale that you have signed, we will calculate the equity amount due to you. See section on "Final Equity."

As mentioned earlier, your equity amount under the Amended Value/Amend from Zero Sale programs will be reduced for the following:

- Real estate commission in excess of the standard for the area.

- Seller concessions non-reimbursable, per the FTR, that you have agreed to.
- Other items deemed non-reimbursable per the FTR.

There will be no need for you to attend closing. You will have sold the house to Prudential Relocation, which will then close with the outside buyer at the terms you agreed to with the buyer. Should the sale not close, you will already have your equity.

Prudential Relocation will pay reimbursable seller closing costs on your behalf, which relieves you of out-of-pocket expenses relating to the sale. Your listing agent, who worked to obtain the sale for you, is paid the commission due when the sale closes.

Amend from Zero Sale

Should you obtain an offer *prior to the completion of the appraisal process*, contact your relocation counselor as soon as possible. At Prudential Relocation's option, we may process this sale in the same manner we would an Amended Value Sale, as outlined above. A Broker's Market Analysis (BMA) will be ordered from a real estate agency Prudential Relocation works with in your area. The BMA will be used as the benchmark to evaluate the reasonableness of the offer price. Should the first Broker Market Analysis not support the offer price, a second BMA will be ordered from a different real estate agency. The higher of the two would then be used to evaluate the reasonableness of the offer price.

As with the Amended Value Sale, do not sign, accept any funds or agree to the offer from the prospective buyer, to be eligible for the Amend from Zero Sale program. Your relocation counselor will review the offer terms and the buyers' qualifications.

Equity Advance

During the 60 calendar day guaranteed offer period and at your request, Prudential Relocation will advance you up to 75% of your available equity (as established by the appraised value offer), for the purpose of closing on a residence at your new location. Your relocation counselor will confirm the signed purchase agreement on your new home by either requesting a copy of it or by contacting your real estate agent. You will be required to sign a Prudential Relocation equity advance document or other security instrument before the funds can be disbursed to you.

The equity advance amount will be deducted from your equity should you accept the Prudential Relocation appraised value offer. No interest charges will apply if you accept the appraised value offer. However, if you do not accept the appraised value offer after receiving an equity advance, re-payment is required immediately and you will be charged a \$125.00 administrative fee for the equity advance.

Accepting the Appraised Value Offer

You and any co-owner will be required to sign and return certain documents to your relocation counselor prior to the expiration of your 60 day offer period. See your offer

package and the checklist provided for those documents. Your relocation counselor will explain the steps needed to accept the offer.

Vacating the Property

Whether you accept the guaranteed offer or achieve an Amended Value Sale, you will have 45 calendar days to vacate your home, beginning on the date the contract of sale with Prudential Relocation is signed by your relocation counselor. You are required to leave the property in the same condition as when the property was appraised and to leave the property in broom clean condition. It cannot contain any trash, debris, firewood, paint/chemical cans, etc. If any of these items remain in the property, you will be charged from your equity for the removal cost. You are responsible for the property until the later of vacate of property or your acceptance of the guaranteed offer. ***Maintain your homeowners insurance on the residence until the date you lose responsibility for the property.***

Final Equity

Equity will equal the appraised or amended value less any outstanding mortgage balances, equity advance funds, pro-rations until vacate date on mortgage interest, taxes, homeowners association dues, etc. Equity will reflect any other deductions that are applicable, such as for non-reimbursable items under the FTR you agreed to as part of an Amended Value/Amend from Zero sale: inspection repairs; seller concessions; real estate commission above the standard; etc.

If you have not yet vacated your property, you will receive 95% of your equity within five (5) working days after Prudential Relocation receives and signs your Contract of Sale. The property will be inspected by a real estate agency we work with in the area to ensure it is broom clean and in the same condition as when it was appraised.

If any of the items listed in the “Vacating” section, or ones similar, remain in the house upon your vacate, we will obtain a cost for removal which your relocation counselor will discuss with you. The cost will be deducted from your final equity. If you have vacated your home, you will receive 100% of your equity within the same 5 working day time frame.

Equity Deficit

If the amount of the outstanding mortgage balance, property taxes, homeowners dues, etc. exceeds the appraised/amended value offer amount, your relocation counselor will discuss this with you. In order to process the acquisition of your property, a certified check will be required to accompany your acceptance paperwork when you send it into your relocation counselor.

Taking Over Responsibility For The Property

Prudential Relocation will take over responsibility for the payment of your mortgage, taxes, and homeowners payments the date the contract of sale between you and

Prudential Relocation has been sent back to us and is then signed by the relocation counselor. Your mortgage interest, taxes, homeowners payments, etc. will be pro-rated by Prudential Relocation to reflect the date you vacate the property. In other words, you will be charged those pro-rations for the amount of time you and/or your belongings remain in the property.

Keep in mind the time of month that you are accepting the offer and how that relates to your mortgage payment. We want to ensure the payment is made by the due date, so please discuss this timeframe with your relocation counselor. Accepting at first of month, you should make your mortgage payment.

If you have vacated the property prior to, or as of, the date you accept the offer, Prudential Relocation will take over the responsibilities of owning the property, including maintenance, utilities, insurance, repairs, etc. If you remain in the property after accepting the offer, or you vacate the property prior to your acceptance of the offer, you will continue to be responsible for the maintenance, repairs, homeowners insurance, utilities, etc. You will be charged the pro-rations on mortgage interest, taxes, homeowners dues, etc. for the amount of time you and/or your belongings remain in the property.

When you are ready to vacate the property, leave essential utilities on, and have a final reading taken. Your relocation counselor will provide you with the name of the designated Prudential representative to have the utilities switched into.

Rejecting the Guaranteed Offer

The guaranteed offer will expire at the end of the 60 calendar day marketing period. **Should you choose to not continue in the relocation program, please keep in mind that the DOE can only reimburse relocation-related costs once. The agency will not reimburse you for any work duplicated by Prudential Relocation in your file during the relocation process.**

Household Goods

Whether you have found your new home already or plan to store your household goods temporarily in the new location, and if your field office participates in the household goods program, Prudential Relocation will arrange through a moving company for the safe packing, loading, shipment, storage and delivery to your new destination.

“Household Goods,” as defined by the Federal Travel Regulation, are all personal property associated with the home and all personal effects belonging to an employee and the immediate family when shipment and storage begins, which can be legally accepted and transported as household goods by an authorized commercial carrier in accordance with the rules and regulations established by an appropriate Federal or State regulatory authority.

HOUSEHOLD GOODS ALSO INCLUDES:

- Professional Books, papers and equipment (PB&E);
- Spare parts of a POV (see definition of POV) and a pickup truck tailgate when removed;
- Integral or attached vehicle parts that must be removed due to high vulnerability to pilferage or damage, (e.g., seats, tops, wench, spare tire, portable auxiliary gasoline can(s) and miscellaneous associated hardware);
- Consumable goods for employees assigned to locations where the Department of State has determined that such goods are necessary;
- Vehicles other than POV's (such as motorcycles, mopeds, jet skies, snowmobiles, golf carts, boats that can be transported in the moving van (e.g., canoe, kayak, rowboat, O/I motorboat (14 feet or less)).
- Ultralight Vehicles (defined in 14 CFR part 103 as being single occupant, for recreation or sport purposes, weighting less than 155 pounds if unpowered or less than 254 pounds if powered, having a fuel capacity NTE 5 gallons, airspeed NTE 24 knots.

However, if any of the above are recreational in use the bulky fee cost to ship such items will be COD to the employee.

NON-TRANSPORTABLE ITEMS – In order to make your move a successful one and minimize the chance of damage to your goods, you will need to take the time to remove non-transportable items from your home prior to packing day.

Though unrelated to the Brady Act, existing laws prohibiting any shipment of ammunition and/or explosives remain in effect. Movers have long been restricted from transporting these items.

Some non-transportable items include:

- Automobiles (see note in this section regarding Privately Owned Vehicles), trucks, vans and similar motor vehicles; airplanes; mobile homes; camper trailers; and farming equipment.
- Boats over 14'.
- Butane/propane and butane/propane containers.
- Campers.
- Classic cars.
- Cleaning agents.
- Coin collections, stamp collections or other valuables.
- Combustibles.
- Cordwood and building materials.
- Currency.
- Ammunition.
- Firewood.
- Flammables.
- Furs.
- Home offices.

- Items permanently affixed to your home.
- Jewelry.
- Mobile homes.
- Live animals, birds, fowls and reptiles.
- Property for resale, disposal or commercial use rather than for use by employee or the immediate family.
- Perishable articles, including frozen foods, articles requiring refrigeration, or perishable plants unless the shipment is to be transported not more than 150 miles and/or delivery can be accomplished within 24 hours from time of loading; no storage of shipment is required; and no preliminary or en route servicing or watering or other preservative method is required of the carrier.
- Property acquired en route between old and new official stations.
- Objects that don't belong to you or your immediate family such as a sofa for your brother or a painting for a friend.

The guidelines and limitations listed below will be explained in more detail in this section:

- Weight limitation - DOE will pay for the cost to move up to 18,000 pounds of your household goods - the cost for additional weight will be your responsibility.
- Storage-In-Transit - up to 90 days of storage is covered by DOE - under certain conditions, and at your written request to DOE, a period of up to an additional 90 days may be approved by DOE depending on the circumstances.
- Days of pack, load and delivery - make every effort to be present on these days - if you can not be at your home on any of these days, please communicate the name of the person to whom you have given the authority to the carrier and ensure this person understands exactly what to do in your absence.

YOUR PRUDENTIAL RELOCATION POINT OF CONTACT - If you will be moving your household goods your Prudential point of contact will be the Household Goods Specialist. That person will be your partner in coordinating the move process. Within one (1) day after Prudential Relocation's receipt of a delivery order from DOE for your authorization for Household Goods Services, your Household Goods Specialist will contact you to:

CONFIRM INFORMATION:

- Previous moving experiences.
- Preferred moving dates - so that Prudential Relocation can determine if a moving company is available to meet your time frame.
- The number of bedrooms you have, as well as whether there is an attic, basement, garage, or storage shed at your home, or mini-storage off-site.

- Items that might require special packing, handling or crating (i.e. glass or marble top table, grandfather clock, piano, etc.).
- Antique or collectible items, if you have had these items appraised and confirm that you have a copy of any appraisal done on these pieces in the event you must file a claim with the moving company later in the process. You will be required to complete a “high value” inventory form for the moving company at the time your goods are packed and loaded so that there is documentation of the antique or collectible items. You are encouraged to take irreplaceable, sentimental, or possessions of extraordinary value with you.

This may include: coin collections, currency, firearms, furs, jewelry, photo albums manuscripts, precious stones or gems. The carrier can not provide additional security for them, although additional insurance may be purchased by you from the carrier. In addition to the “high value” inventory form that you will complete and sign, there is also a box on the Bill of Lading for “Extraordinary (Unusual) Value Article Declaration” which you are required to sign

- Appliances that you may be moving to the new location. DOE will cover the cost to “ship” all appliances, but disconnect/reconnect services is your responsibility. You have the option of submitting these expenses to DOE by itemizing and providing all necessary documentation of expenses following your move. The fees for these services may be reimbursed under miscellaneous expenses.
- Extra pick-up that you may require at your departure area. This is a COD service.
- Storage-In-Transit of your household goods in the new location - you are authorized by DOE for 90 days storage initially. A period of up to an additional 90 days can be requested in writing by you through DOE under certain conditions. Total storage time at DOE’s expense cannot exceed 180 days - storage charges will convert to your expense after the approved time limit of up to 180 days.
- Extra drop-off in the new location - only small, essential items should be requested since DOE can not pay to move the household goods from a temporary residence to the permanent residence at a later time. Both the extra drop off service and the delivery of household goods from your temporary residence to your permanent one can be arranged as a COD service.

WEIGHT OF HOUSEHOLD GOODS - The maximum net weight of household goods that may be transported or stored at government expense may not exceed 18,000 pounds for you and your immediate family. When the weight of a employee’s Household goods exceeds the maximum weight limitations, the total quantity may be shipped, but the employee shall reimburse DOE for all charges applicable to the excess weight.

MOVING COMPANY - Prudential Relocation will identify a qualified carrier from a list of moving companies which have a proven track record of successful moves. Your

feedback regarding your experience with the moving company will be critical to the continuing evaluation of these service providers.

THE FOLLOWING ARE NOT PART OF THE DOE RELOCATION POLICY, BUT CAN BE ARRANGED AS A COD SERVICE:

- Automobile unless listed on the PO.
- Disassembly of swing set or pool table.
- Servicing of appliances or grandfather clocks.
- Storage over 90 days unless authorization has been secured from agency and forwarded on to your Prudential Household Goods Specialist.
- Overtime deliveries (Saturday and Sunday).
- Special services you request from the moving company, including packing, handling, crating and other services above the moving industry standard.
- Special expedited services you request.
- Climate-control storage facilities at additional expense.
- Extra expenses for split deliveries.
- Extra pick up or delivery charges.
- Extra charges for crating beyond industry standards.
- Extra charges due to your failure to meet the moving company or moving company agent at prearranged times, for example, attempted delivery and waiting time charges.
- Extra labor charges for property to be moved from inaccessible areas, such as the attic.

PRE-MOVE SURVEY - An agent of the assigned carrier will come to your home to visually survey your household goods. Prior to the agent arriving, tour your home from basement to attic, including garage, patio and storage areas to decide what you are moving and what you are discarding. Show the agent all items which will be moved, specifying the articles that will need packing. The survey will identify any special packing requirements, and enable the carrier to determine the amount of time and materials needed to pack your household goods. Typically, the pre-move survey will be done at your residence; however, a phone survey may be performed on smaller shipments. Your Household Goods Specialist will go over the survey results with you prior to your move date.

PROFESSIONAL BOOKS, PAPERS, EQUIPMENT

Authority to transport professional books, papers and equipment as an administrative expense is subject to DOE policy and discretion within the following guidelines:

1. The employee shall furnish an itemized inventory of professional books, papers and equipment for review by an appropriate authorizing official at the new permanent duty station. In addition, the employee shall furnish appropriate evidence (as determined by the agency) that transporting the itemized materials as part of the

employee's household goods would result in an excess of the employee's maximum weight allowance;

2. The authorizing official at the new permanent duty station shall review and certify that the professional books, papers and equipment as itemized are necessary in the proper performance of the employee at the new duty station and that if these items were not transported to the new station, the same or similar items would have to be obtained at Government expense for the employee's use at the new duty station.
3. When professional books, papers and equipment are certified and shipped in the same lot with the employee's household goods and other personal effects under the actual expense method, the professional books, papers, and equipment shall be packed and weighed separately; the weight thereof and the administrative appropriation chargeable shall be stated as separate items on the bill of lading. In unusual instances in which it is impractical or impossible to obtain separate weights, a constructive weight of seven (7) pounds per cubic foot may be used.

SOME TIPS FOR A SUCCESSFUL MOVE

- Have antique furniture and other highly prized possessions appraised, to establish value in case you have a claim for loss or damage. In some cases, for high value items, the mover may request that copies of the appraisals be attached to the carrier's bill of lading.
- Arrange to send valuables (stamp and coin collections, securities, jewelry, legal documents, school records, medical records, tax records, closing documents pertaining to your recently sold home, etc.) by registered mail or take them with you;
- If there are items which should not be moved, label them clearly "do not pack and do not load;"
- Accompany the carrier representative as the inventory is prepared and have him/her explain the condition description of your furniture. If you disagree with a description, write in the remarks section of the inventory, "I do not agree with the condition at origin for item number (list item number)";
- It is your responsibility to see that all of your goods are loaded, so please remain on the premises until loading is completed. After making a final tour of the house to be sure no items have been overlooked, check and sign the inventory. Obtain your copy from the van operator and retain it.
- It is strongly recommended that high value items (stereos, computers, collections, etc.) be packed in your presence, inventoried and signed as being packed/received by the moving representative while in your presence. At destination, you are encouraged to verify, in the presence of the moving representative, that the high value items were actually received/delivered and the cartons opened for further inspection/verification;

- ☑ It is critical that you or your representative be present while your shipment is being unloaded and unpacked;
- ☑ Approve and sign the combination Bill of Lading and Freight Bill. It states the terms and conditions under which your goods are moved and is also your receipt for the shipment. Check to be sure you have completed and signed the declared valuation statement in the space provided on the Bill of Lading;
- ☑ Ensure the van operator has the exact destination address. Be specific about where and how you can be reached, including telephone numbers, pending arrival of your household goods;
- ☑ Check your household goods as they are unloaded. If there is a change in the condition of property from that noted on the inventory at the time of loading or if any items are missing, not any damage and/or missing items on the van operator's copy of the inventory sheet. By signing the inventory sheet, you are acknowledging receipt of all items listed;
- ☑ Any loss or damage noted at time of delivery must be noted by you on the carrier's delivery paperwork, as well as your copies of the delivery documents.

FIREARMS - If you plan to ship a firearm, you are required to record the serial number on the inventory and remove the bolt and firing pin (rifle) or cylinder (pistol). The mover, by law, is forbidden from indicating on the outside of a container that the container has a firearm inside; however, the inventory must be annotated with this information. Additionally, the mover can not deliver a firearm without obtaining written acknowledgment of receipt from the recipient. Should you have questions regarding the shipment of a firearm, please talk with your contact at Prudential Relocation or at the moving company.

PACKING - The cost of packing and unpacking your household goods articles is covered by DOE in the cost of the move. Packing is typically done by the carrier's representatives on the day prior to the move. Before the packers arrive, dispose of all items that will not be shipped. Also, secure in a safe location all valuables that the move will not transport, such as jewelry, money, collections, etc. An adult family member should always be present while the packing is being performed. If you pre-pack anything, please remember that the mover has the right to inspect and re-pack it if necessary.

UNPACKING – The driver and crew will unload the truck and place the furniture and boxes in any room you designate.

- We encourage you to have an idea of where you want to have the furniture placed before we arrive, as we cannot rearrange items once they are placed in a room.
- On occasion, items that fit neatly into your previous residence will not fit into your new home without endangering the item or requiring structural changes to your home.

In these instances, you will be responsible for making arrangements or alterations as needed.

After everything is unloaded, the driver will complete a walk through with you to ensure the delivery process met your needs.

- Use this time to note missing, damaged items or property damage on the inventory.

All claims of residential damage, at origin or destination, must be reported within 24 hours.

LOSS AND DAMAGE LIABILITY - Loss and damage coverage up to \$100,000 for your household goods is provided to you at no cost.

- ★ The coverage is for “full replacement value” or \$5.00 per pound up to the amount of coverage you specify or “declare” not to exceed \$100,000.
- ★ If articles are lost, destroyed or damaged while in the carrier’s care, the carrier will either repair an item, replace an item with a like item, or make a settlement for the current market replacement value, regardless of the age of the lost or damaged items. The carrier determines which method is used to settle the claim.
- ★ If settlement on the entire shipment is required, it will be limited to the carrier’s maximum liability (up to \$100,000).
- ★ Any item replaced or paid to you at current market replacement value becomes the property of the carrier.
- ★ You have the option to purchase, at your own expense, supplemental loss and damage coverages that are available through the carrier - or you can arrange for private insurance.

Please contact Prudential Relocation or the household goods carrier with any questions you may have regarding loss and damage coverage.

FILING A CLAIM - All claims for loss or damage to your household goods are to be filed by you directly with the household goods carrier. A copy of the claim should be forwarded to your Household Goods Specialist at Prudential Relocation. Keep the following in mind if you prepare a claim:

- Locate the damaged or missing item on the mover’s inventory and notate the number assigned to it;
- Identify each item and include the brand name, if applicable;

- Describe in detail the nature and extent of damage;
- List the date of purchase and the cost of replacement. If the item was a gift, list the date received and estimated cost;
- You will need to include an amount that you are claiming, unless you feel the item is repairable;
- Include copies of all moving documents with the claim form.

Although your claim is filed directly with the moving company who performed your move, Prudential Relocation will assist you should you need help with completing forms or if there is a need to facilitate the claims process.

Destination Services

Home Finding Assistance

Whether you are looking to purchase or to rent in the new location, your Prudential Relocation Counselor will work closely with you to help you prepare to find your new home and ease your transition. As you examine your own needs and preferences, you will also have many questions along the way. Your counselor will be there to answer them.

To help you with your home search, your Destination Counselor has access to Prudential Relocation's own database to refer to real estate market trends, typical real estate costs and local customs in your new location. Your Destination Counselor is there to assist you in making the best use of your home finding trip by working with you to become as well-informed and well-prepared, as far in advance, as possible.

Preparing to Visit Your New Location

Your Destination Counselor will want to know your relocation time frame, specific preferences and any special needs you or your family may have relating to the new area and housing. This information will help us build a profile, to be used in identifying areas for your home finding trip.

A home finding kit relating to your new area will be forwarded to you by the real estate agent. There will be information for you to review, such as details on local real estate customs/rental practices and area maps that point out shopping, cultural amenities, schools and hospitals.

Renters Assistance

Searching for a rental in your new location on your own can take a long time. Having professional, knowledgeable help in your search can save you valuable time and provide more focus. If you currently rent, your Destination Counselor will conduct a needs assessment.

In some areas, rental agents or brokers charge a fee for assisting you in a rental search. If the agency we refer you to charges a fee, we will notify you of the amount of the charge, prior to placing you with that agency.

Planning an Effective Rental Search Trip

In addition to the area and neighborhood information your real estate agent will supply, he or she will make sure your home rental trip is designed to meet your particular needs as a renter. The rental agent will discuss with you the rights and obligations of a renter in that area and the requirements of lease agreements before you view available rental units. As your home rental trip progresses, your Destination Counselor will contact you to check on your progress and answer any questions.

Buyer Assistance

Starting the Home Finding Process

Your Destination Specialist will follow-up with you and your agent before and during your home finding trip as you consider your housing options in the new area. In the event you encounter difficulty in finding a home, or if you are not pleased with the service your real estate agent is providing to you, please let your Destination Counselor know. He or she will work with you to evaluate your home finding strategy or select a new agent for you, if necessary.

Your agent will preview homes in the area that fit the profile built based on the information you gave your Destination Counselor and the agent. An itinerary will be planned, and once you have been given an orientation to the new area, you will tour the available homes.

Selecting a Real Estate Agent in Your New Location

Your Destination Counselor will identify a well-qualified real estate agent to provide you with an orientation to the area and help you locate the right communities and neighborhoods for you to visit on your home finding trip.

A key factor in the success of your move is being matched by your Destination Counselor with a real estate agent who is familiar with the special needs of relocating families and is an expert in the communities you have chosen to search.

Once your Destination Counselor has referred you to a local real estate agent, who meets strict performance standards, the agent will prepare an information "area overview" package for you to review. This early preparation is important to making your home finding trip time as useful as possible and prepares you to make the well-informed decisions.

Advice on the Home Purchase Process

Your real estate agent can assist you in preparing to make a written offer and negotiation of an offer, according to the local laws and regulations.

Mortgage Counseling

You're shopping for a new home and know you will need a mortgage. Regardless of the lender you choose to work with, you will need to file with the DOE for direct reimbursement of the purchase closing costs related to your loan.

Your Destination Counselor is available to assist you in understanding the types and amounts of loans available in your destination, as well as refer you to local sources of market rate financing.

Mortgage Pre-Qualification

At your option, the counselor can refer you to a Wells Fargo Mortgage representative who is available to work with you to determine the size mortgage you can afford, the type of mortgage which will suit your financial goals, and to arrange to have a mortgage pre-approved for you - all before you visit your new location. This service is available to you whether you are a first-time or veteran home buyer.

Provided at no cost to you or the agency, mortgage pre-qualification will allow you to be fully informed about personal financial issues before you look for a new home. Some advantages of pre-qualification include:

- A clearer understanding of mortgage products which will suit your financial objectives.
- Knowing how much mortgage you qualify for, and how much your monthly payment will be.
- Arrange to be pre-approved for a given mortgage amount, so your home purchase can be expedited.

After Your Move

The purpose of the services Prudential Relocation provides is to help smooth your transition to the new area and make it easier for you to concentrate on your job in the new location. We hope we have succeeded in doing that.

You will receive a service questionnaire in the mail. Please take the time to complete it and return it in the postage-paid, self-addressed envelope. Your responses are valuable and will help shape the service future transferees receive from Prudential Relocation.

Thank you for using our services!

Glossary

Acceptance Period - The time frame which starts when the employee verbally receives the appraised value offer until the date the offer expires or you accept the offer, whichever is sooner. You are given 60 days to accept the offer under the DOE contract. Also known as the “offer period.”

Amended Value Sale - A purchase offer extended by person(s) other than the relocation company to the transferring employee which allows the third party to “amend” the appraised value offer price to equal the net value of an offer received. See section in this booklet for the details on this program.

Anticipated Sale Price - The price at which a property would most probably sell, if exposed to the market for a reasonable period of time in “as is” condition, where payment is made in cash or its equivalent, where both parties are well informed and acting in what they consider their best interests.

Appraisal Specialist - Prudential Relocation employee responsible for ordering and reviewing the appraisals performed on your property.

Appraised Value Offer - A contract of sale extended to an employee to buy the employee's property based upon the average of a specific number of appraisals.

Bona Fide Offer - An offer from an able and willing buyer, not contingent upon the sale of the potential buyer's home and can reasonably be expected to go to settlement at its original terms and conditions. The offer must not contain any contingencies except the following:

- Inspections as outlined in this handbook
- Those providing that the purchaser must qualify for financing under terms or conditions generally prevailing in the marketplace at the time the offer is made.
- Those providing that the seller must convey marketable and insurable title

Broker's Market Analysis (BMA) - Performed by a local real estate agent and submitted to Prudential Relocation, it is a written analysis of the real estate market, comparable sales and listings, as well as the subject property.

Broom Clean Condition - Free of trash, debris, paint, chemical cans, etc.. You are responsible for the cost of removal for any of these items if left in the property once you have accepted PRM's offer and have vacated.

Buyer Incentives - Any amount of money and/or other valuable services granted to a buyer that are normally not required to be paid by the seller. Examples include property repairs or improvements, buyer closing costs, homeowner warranties, etc.

Comparable - A property which is equivalent to the subject property and which is used as the basis to establish value through the market data approach to appraisal. Recent sales and competitive listings are two examples.

Designated, Certified Appraiser - An individual who is current with the educational requirements and meets all other requirements of applicable law to practice as an appraiser and/or be certified in states and/or localities which have certification and/or licensing requirements for appraisers.

Demonstrable Need - Term used to describe a condition related to an area of a home inspection - Examples include, but are not limited to, leaking roof, faulty furnace.

Department Of Energy (DOE) – The agency entering into this contract for the Government.

Destination Counselor – Prudential Relocation Counselor who coordinates Homefinding Assistance and Mortgage Counseling.

Employee Relocation Council (ERC) - Trade association representing the relocation industry. Creates policy guidelines and provides a forum for continuing education on all

aspects of relocation. The ERC appraisal form is required for use by appraisers performing a report under the DOE contract.

Equity Advance - An advance from Prudential Relocation to you for the purpose of closing on a new home, before the appraised value offer is accepted, which represents the amount of equity due to you. It is calculated by subtracting the balance due on the mortgage and/or other liens from the appraised value of the home and pro-rating mortgage interest and taxes to your expected acceptance date or vacate date, whichever is later. Prudential Relocation will require you to sign paperwork regarding re-payment of the loan should you not accept the guaranteed offer. A second deed of trust or other security instrument may be used.

Equity Deficit - When the outstanding mortgage balance, property taxes, homeowners association due, etc. exceed the amount of the appraised or amended value of the home. A certified check is required to accompany the acceptance paperwork when a transferee intends to accept the Prudential Relocation offer.

Exclusion Clause - A provision placed in a listing agreement in which the broker acknowledges that he/she will earn no commission if you sell the home to the relocation company. If you use relocation services under the DOE contract, it is required that this clause is inserted into your listing agreement. This clause protects you as the seller.

Fair Market Price - The price at which a property most probably would sell if exposed to the market for a reasonable time with payment to be made in cash or its equivalent. The price the property would command in “as is” condition, except that adjustments may be made to reflect any repairs and inspections required to bring the property into conformance with applicable law ordinances and codes.

Federal Travel Regulation (FTR) - The FTR (41 CFR chapters 301-304) is issued by the Administrator of General Services under the applicable authorities reflected at the beginning of each part of the regulation, and is the primary regulation for use by Federal civilian employees and certain new appointees.

Government – Department Of Energy (DOE), which is the agency entering into this contract for the government.

Home - The actual residence owned and occupied by the employee at the time he/she was first definitely informed by a competent authority within the agency. The residence must be the place from which the employee regularly commutes to and from work when the employee was first notified of the relocation unless the home qualifies for direct reimbursement under some other provision of the Federal Travel Regulation (FTR).

Home That Cannot Be Financed - A home that does not meet applicable industry criteria for a mortgage loan, as determined by a reputable institutional lender, e.g. bank, savings and loan, or mortgage company authorized to conduct business in the area. Criteria for mortgage loans shall not be limited to particular types of loans, such as FHA,

VA or loans eligible for repurchase under guidelines established by organizations such as “Fannie Mae” and “Freddie Mac”.

Home That Is Not Insurable - A home that does not meet applicable industry criteria for the issuance of a standard form homeowners insurance policy as determined by a reputable insurance company authorized to conduct business in the area or a home in which the employee does not hold insurable title, as determined by a reputable abstract or title company authorized to conduct business in the area.

Legal Description - A description of land recognized by law; a description by which property can be definitely located by reference to government surveys or approved recorded maps.

Listing Agreement - A contract between a seller and broker authorizing the broker to perform services involving the seller’s property. For the purpose of securing persons to buy, lease or rent property.

Marketing Time - The average list-to-sell time for residential property in the area, calculated according to industry standards, as published by the applicable Multiple Listing Service or other appropriate organization, provided that in no event shall the marketing time be less than 120 calendar days and not more than 180 calendar days.

Mobile Home - A home designed for moving from one location to another. The basic design is the determining factor. Modifications that may have been made to the structure after it was assembled or moved to a specific location are not relevant. Applicable state and local laws addressing the definition of mobile homes shall be given great weight in the interpretation.

Re-evaluation Process - An opportunity afforded the employee to contest the offer made by the relocation company and to provide additional information that could be used to result in a higher offer for the employee’s home.

Relocation Appraisal - Process by which the anticipated sale price of a residential housing unit, using the market data approach to value, is established for a relocating employee’s residence.

Relocation Counselor – Prudential Relocation counselor who is your single point of coordination for the move.

Relocation Services Coordinator (RSC) - Individual within each government agency designated as the primary liaison between that ordering agency and the relocation company. The RSC acts within the scope of the contract and may not amend or modify the contract. This person initiates you into Prudential Relocation’s program and is the main point of contact at the DOE for relocation services activity.

Title - All interest held by the employee in the home. For purposes of the Home Sale portion of this contract, “title” means any interest in real estate that is marketable and insurable under applicable state law. In addition to fee simple interests, “title” includes rights held under land contracts and recorded long-term ground leases with a minimum of 50 years remaining on the time of the lease. See “title interest” section of this handbook.