

## GOVSALES GLOSSARY

**Broker/Individual Sale.** Real property in government sales programs is occasionally disposed of by using private real estate brokers to negotiate the sale. For example, HUD uses real estate brokers in the HUD Home sales program. The VA sales program also utilizes private real estate brokers when selling residential properties. The U.S. Marshals Service sells the majority of its forfeited real property through licensed real estate brokers using multiple listing services.

**Confiscated, seized, and forfeited** are terms that describe the status of property in the possession of Federal law enforcement agencies. The terms are not interchangeable. Property that is seized or confiscated may be returned to a defendant or innocent owner. If it is not returned, the property becomes forfeited and may become available for sale to the public. Therefore, advertising for Federal Government sales will usually describe the property obtained through confiscation and seizure, as forfeited. This kind of property is sold “as is” and the inventory of sales items constantly changes.

**Excess and/or Surplus Property.** Federal property no longer needed by an agency is declared as excess to the needs of that agency, but may be transferred to another Federal agency. Federally owned property that is no longer needed by any Federal agency is declared as surplus to the needs of the Federal Government. If not transferred to state governments, it is sold to the public.

**Fixed price sale.** The Federal agency marks the merchandise with a particular price. The public may purchase the items for that set price at a public sale. The items are sold on a first-come, first-served basis.

**Foreclosed property** is sold when citizens default on loans secured by a government agency. The property, usually real estate, is sold to the public through government sales programs. SBA, HUD, VA, and FDIC all sell foreclosed properties.

**Negotiation.** This method is often used when selling real estate. Federal agencies may negotiate individual property sales as a way to sell the property. The majority of U.S. Marshals Service forfeited real property is sold in this manner. At other times, negotiation may be used in special circumstances. For example, GSA may negotiate a sale, if after advertising, the bid prices are not reasonable or if the specialized property is of interest only to a small group of buyers. Negotiation may also be used if the character/condition of the property or unusual circumstances make it impractical to advertise publicly. Sometimes agencies appraise properties to estimate their market value and establish a list price. Offers on the property are encouraged based on the list price, with the final price subject to negotiation.

**Personal property** is the term used for all items other than real estate. It includes everything from office furniture to cars and jewelry. Most personal property sold by the government is used, and sold “as is.”

**Portfolio sales.** These sales occur when packages of real estate and loans are grouped together for sale to the public. Typically, buyers purchase the property as a package. For example, real estate may be grouped by geographic location and assets from a failed institution may be packaged by loan type.

**Public Auction.** The Federal agency follows traditional auction procedures and gives prospective buyers a description of the property to be auctioned along with bidding instructions before the auction. The auctioneer conducting the sale offers the property item-by-item and awards the item to the highest bidder. When buying at an auction, the buyer must be present to bid, unlike the sealed bid methods, which is conducted by mail.

**Real property** is real estate. It may include office buildings, houses, condominiums, apartments, undeveloped land, retail stores, industrial properties, and golf courses. Like personal property, the kind of real property available will vary among the sales programs.

**Sealed Bid.** The Federal agency prepares an “Invitation for Bid,” an informational sheet that describes the property being offered for sale and includes the terms and conditions of sale. It contains all the information you need to bid on the items. If interested, you submit your bid to the agency, usually by mail. On the bid-opening date, the bids are read publicly and the award is made to the highest bidder who has correctly followed the required procedures.

**Sealed Bidders Auction.** A sales method that combines aspects of the sealed bid and auction methods. Bidders submit sealed bids on the item being offered for sale and the highest sealed bidders are then allowed to participate in a public auction. The bidding starts with the highest sealed bid.

**Spot bid.** Bidders are usually required to attend the sale to place their bid in written form. The property is offered item-by-item, as in an auction. However, in an auction, the bids are voiced; with the spot bid method, the written form allows a one-time chance for the bidder. The highest bidder is announced publicly, receives the award, and the sale is made. Buyers are encouraged to be present at the award.

**Unclaimed goods** are sold by the Federal Government when items are lost, abandoned, or unclaimed by the public. The U.S. Postal Service is the primary agency that sells unclaimed items, typically goods that have been lost in the mail. USPS sells the unclaimed merchandise to the public through mail recovery auctions. The U.S. Customs Service sells merchandise abandoned at ports of entry, including new and used wholesale quantity lots, such as wearing apparel and computer parts.