

collect the information; (3) the OMB approval number, if applicable; (4) the description of the need for the information and its proposed use; (5) the agency form number, if applicable; (6) what members of the public will be affected by the proposal; (7) how frequently information submissions will be required; (8) an estimate of the total number of hours needed to prepare the information submission including number of respondents, frequency of response, and hours of response; (9) whether the proposal is new, an extension, reinstatement, or revision of

an information collection requirement; and (10) the name and telephone number of an agency official familiar with the proposal and of the OMB Desk Officer for the Department.

This Notice also lists the following information:

Title of Proposal: Application Submission Requirements—Section 811 Supportive Housing for Persons with Disabilities.

OMB Approval Number: 2502-0462.

Form Numbers: HUD-92016-CA, SF 424, HUD 50070, HUD 50071, SF LLL,

HUD 2880, HUD 2992, HUD 2991, HUD 92041, HUD 92043.

Description of the Need for the Information and its Proposed Use: To apply for capital advances for HUD's Section 811 program, prospective private nonprofit organizations submit completed Section 811 Supportive Housing for Persons with Disabilities Application Kits.

Respondents: Not-for profit institutions, Business or other for-profit, State, Local or Tribal Governments.

Frequency of Submission: On occasion.

	Number of respondents	×	Annual responses	×	Hours per response	=	Burden hours
Reporting Burden	260		1		40.3		10,481

Total Estimated Burden Hours: 10,481.

Status: Reinstatement, without change.

Authority: Section 3507 of the Paperwork Reduction Act of 1995, 44 U.S.C. 35, as amended.

Dated: November 19, 2002.

Wayne Eddins,

*Departmental Reports Management Officer,
Office of the Chief Information Officer.*

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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-4639-N-03]

Notice of HUD-Held Multifamily and Healthcare Loan Sale (MHLS 2002-2)

AGENCY: Office of the Assistant Secretary for Housing—Federal Housing Commissioner, HUD.

ACTION: Notice of sale of mortgage loans.

SUMMARY: This notice announces HUD's intention to sell certain unsubsidized multifamily and healthcare mortgage loans, without Federal Housing Administration (FHA) insurance, in a competitive, sealed bid sale (MHLS 2002-2). This notice also describes generally the bidding process for the sale and certain persons who are ineligible to bid.

DATES: The Bidder Information Package (BIP) was available to qualified bidders on October 31, 2002. Bids for the loans must be submitted on the bid date that currently is scheduled for December 5, 2002. HUD anticipates that awards will be made on or before December 9, 2002. Closings are scheduled to take place

between December 9, 2002 and December 20, 2002.

ADDRESSES: To become a qualified bidder and receive the BIP, prospective bidders must complete, execute and submit both a Confidentiality Agreement and a Qualification Statement that are acceptable to HUD. Both documents are available on the HUD Web site at <http://www.hud.gov/offices/hsg/comp/asset/mfam/mhls.cfm>. The executed documents must be mailed and faxed to Cushman & Wakefield at 1801 K Street, NW., Suite 100-L, Washington, DC 20006, Attention: MHLS 2002-2 Sale Coordinator, Fax: (202) 293-9049.

The MHLS 2002-2 due diligence facility is located at 1500 K Street, NW., Suite 625, Washington, DC 20005. The facility will be open from October 28, 2002 through December 4, 2002.

FOR FURTHER INFORMATION CONTACT: Myrna Gordon, Deputy Director, Asset Sales Office, Room 6266, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410; telephone (202) 708-2625, extension 3369 or Erin E. Moore, Legal Honors Intern, Office of Insured Housing, Multifamily Division, Room 9230; telephone (202) 708-0614, extension 5763. These are not toll-free numbers. Hearing or speech-impaired individuals may call (800) 877-8339 (TTY).

SUPPLEMENTARY INFORMATION: HUD announces its intention to sell in MHLS 2002-2 certain unsubsidized mortgage loans (Mortgage Loans) secured by multifamily and healthcare properties located throughout the United States. The Mortgage Loans are comprised of performing and nonperforming mortgage loans. A listing of the Mortgage Loans is included in the BIP.

The Mortgage Loans will be sold without FHA insurance and, except for one Mortgage Loan, with servicing released. HUD will offer qualified bidders an opportunity to bid competitively on the Mortgage Loans.

The Mortgage Loans have been stratified for bidding purposes into 7 mortgage loan pools. Each pool contains Mortgage Loans that generally have similar performance, property type, geographic location, lien position and other characteristics. Qualified bidders may submit bids on one or more pools of Mortgage Loans. A mortgagor who is a qualified bidder may submit an individual bid on its own Mortgage Loan.

The Bidding Process

The BIP describes in detail the procedure for bidding in MHLS 2002-2. The BIP will also include a standardized nonnegotiable loan sale agreement (Loan Sale Agreement) and a loan information CD that contains a spreadsheet with selected attributes for each Mortgage Loan. As part of its bid, each bidder must submit a deposit equal to the greater of \$100,000 or 10% of the bid price. HUD will evaluate the bids submitted and determine the successful bids in its sole and absolute discretion. If a bidder is successful, the bidder's deposit will be non-refundable and will be applied toward the purchase price. HUD anticipates that the awards will be made on or before December 9, 2002 (Award Date). Deposits will be returned to unsuccessful bidders. Closings are scheduled to occur between December 9, 2002 and December 20, 2002. These are the essential terms of sale. The Loan Sale Agreement, which is included in the BIP, contains additional terms and details. To ensure a competitive bidding process, the terms of the bidding

process and the Loan Sale Agreement are not subject to negotiation.

Due Diligence Facility

From October 28, 2002 through December 4, 2002, the due diligence facility for MHLS 2002-2 will be open at 1500 K Street, NW., Suite 625, Washington, DC. Qualified bidders will be able to access loan information at the due diligence facility through computer workstations connected to the due diligence system or remotely via a high speed Internet connection. Qualified bidders may make appointments to visit the facility or obtain user IDs and passwords for remote access by contacting Owusu & Company, HUD's due diligence contractor, at (202) 638-8390.

Mortgage Loan Sale Policy

HUD reserves the right to add Mortgage Loans to or delete Mortgage Loans from MHLS 2002-2 at any time prior to the Award Date. HUD also reserves the right to reject any and all bids, in whole or in part, without prejudice to HUD's right to include any Mortgage Loans in a later sale. Mortgage Loans will not be withdrawn after the Award Date except as is specifically provided in the Loan Sale Agreement.

This notice is to ensure compliance with the Multifamily Mortgage Sale Regulations, 24 CFR 290.30. These regulations were promulgated in consideration of the settlement that HUD entered into in *Walker v. Kemp*, No. C 87 2628 RFP (N.D. Cal.). In settling that matter, HUD agreed that prior to the sale of specific HUD held mortgage loans that may have been receiving some form of subsidy at that time, HUD would consider the effects of the sale upon several issues. These issues include, but are not limited to, the availability of assisted housing for tenants in those projects, the legal protections afforded to those tenants and their rights, HUD's ability to monitor compliance of the properties and the community need for low and moderate income housing. By following the Multifamily Mortgage Sale Regulations, HUD is in compliance with the terms of the settlement.

This is a sale of unsubsidized mortgage loans. Therefore, HUD has determined that, pursuant to the Multifamily Mortgage Sale Regulations, the Mortgage Loans will be sold without FHA insurance. Consistent with HUD's policy as set forth in 24 CFR 290.35, HUD is unaware of any Mortgage Loan that is delinquent and secures a project (1) for which foreclosure appears unavoidable, and (2) in which very-low income tenants reside who are not

receiving housing assistance and who would be likely to pay rent in excess of 30 percent of their adjusted monthly income if HUD sold the Mortgage Loan. If HUD determines that any Mortgage Loans meet these criteria, they will be removed from the sale.

Mortgage Loan Sale Procedure

HUD selected a competitive sale as the method to sell the Mortgage Loans primarily to satisfy the Mortgage Sale Regulations. These regulations require that, except under certain limited circumstances, HUD-held multifamily mortgage loans must be sold on a competitive basis (24 CFR 290.30). This method of sale optimizes HUD's return on the sale of the Mortgage Loans, affords the greatest opportunity for all qualified bidders to bid on the Mortgage Loans, and provides the quickest and most efficient vehicle for HUD to dispose of the Mortgage Loans.

Bidder Eligibility

In order to bid in the sale, a prospective bidder must complete, execute and submit both a Confidentiality Agreement and a Qualification Statement acceptable to HUD. The following individuals and entities are ineligible to bid on any of the Mortgage Loans included in MHLS 2002-2:

(1) Any employee of HUD, a member of such employee's household, or an entity owned or controlled by any such employee or member of such an employee's household;

(2) Any individual or entity that is debarred from doing business with HUD pursuant to Title 24 of the Code of Federal Regulations, part 24;

(3) Any contractor, subcontractor and/or consultant or advisor (including any agent, employee, partner, director, principal or affiliate of any of the foregoing) who performed services for, or on behalf, of HUD in connection with MHLS 2002-2;

(4) Any individual who was a principal, partner, director, agent or employee of any entity or individual described in subparagraph 3 above, at any time during which the entity or individual performed services for or on behalf of HUD in connection with MHLS 2002-2;

(5) Any individual or entity that uses the services, directly or indirectly, of any person or entity ineligible under subparagraphs 1 through 4 above to assist in preparing any of its bids on the Mortgage Loans;

(6) Any individual or entity which employs or uses the services of an employee of HUD (other than in such

employee's official capacity) who is involved in MHLS 2002-2;

(7) Any mortgagor that failed to submit to HUD the 1999, 2000 and 2001 audited financial statements for a project securing a Mortgage Loan on or before November 8, 2002; and

(8) Any individual or entity and any Related Party (as such term is defined in the Qualification Statement) that is a mortgagor in any of HUD's multifamily housing programs that is in default under such mortgage loan or is in violation of any regulatory or business agreements with HUD, unless such default or violation was cured on or before November 15, 2002.

In addition, any entity or individual that served as a loan servicer or performed other services for or on behalf of HUD at any time during the 2-year period prior to October 1, 2002 with respect to any Mortgage Loan is ineligible to bid on such Mortgage Loan. Also ineligible to bid on any Mortgage Loan are: (a) Any affiliate or principal of any entity or individual described in the preceding sentence; (b) any employee or subcontractor of such entity or individual during that 2-year period; or (c) any entity or individual that employs or uses the services of any other entity or individual described in this paragraph in preparing its bid on such Mortgage Loan. Prospective bidders should carefully review the Qualification Statement to determine whether they are eligible to submit bids on the Mortgage Loans in MHLS 2002-2.

Freedom of Information Act Requests

HUD reserves the right, in its sole and absolute discretion, to disclose information regarding MHLS 2002-2, including, but not limited to, the identity of any bidder and their bid price or bid percentage, upon the completion of the sale. Even if HUD elects not to publicly disclose any information relating to MHLS 2002-2, HUD will have the right to disclose any information that HUD is obligated to disclose pursuant to the Freedom of Information Act and all regulations promulgated thereunder.

Scope of Notice

This notice applies to MHLS 2002-2, and does not establish HUD's policy for the sale of other mortgage loans.

Dated: November 18, 2002.

John C. Weicher,

Assistant Secretary for Housing—Federal Housing Commissioner.

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