

Health, 6701 Rockledge Drive, Room 4208, MSC 7814, Bethesda, MD 20892-7814, 301/435-1173, shinowan@drg.nih.gov.

This notice is being published less than 15 days prior to the meeting due to the timing limitations imposed by the review and funding cycle.

Name of Committee: Center for Scientific Review Special Emphasis Panel.

Date: December 22, 2000.

Time: 3:30 p.m. to 4:30 p.m.

Agenda: To review and evaluate grant applications.

Place: NIH, Rockledge 2, Bethesda, MD 20892, (Telephone Conference Call).

Contact Person: Anita Miller Sostek, Scientific Review Administrator, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 3176, MSC 7848, Bethesda, MD 20892, 301/435-1260.

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(Catalogue of Federal Domestic Assistance Program Nos. 93.306, Comparative Medicine, 93.306; 93.333, Clinical Research, 93.333, 93.337, 93.393-93.396, 93.837-93.844, 93.846-93.878, 93.892-93.893, National Institutes of Health, HHS)

Dated: December 6, 2000.

LaVerne Y. Stringfield,

Director, Office of Federal Advisory Committee Policy.

[FR Doc. 00-31825 Filed 12-13-00; 8:45 am]

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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-4639-N-01]

Notice of HUD-Held Multifamily and Healthcare Loan Sale; 2000-1 Sale

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

ACTION: Notice of sale of mortgage loans.

SUMMARY: This notice announces the Department's intention to sell certain unsubsidized multifamily and healthcare mortgage loans, without Federal Housing Administration (FHA) insurance, in a competitive, sealed-bid sale. This notice also describes generally the bidding process to be used in the Multifamily Healthcare Loan Sale 2000-1 (Sale).

DATES: Bid Packages are currently available. It is anticipated that HUD will be accepting bids for the loans in the Sale on December 19, 2000.

ADDRESSES: To become a Qualified Bidder and receive a Bid Package, prospective bidders must submit a completed Confidentiality Agreement and Qualification Statement. Both

documents are available on the FHA Multifamily and Healthcare Loan Sale Page at: www.hud.gov/fha/comp/asset/mfam/mhls.html. The executed Confidentiality Agreement and Qualification Statement must be mailed and faxed to: Secured Capital Corp, 11150 Santa Monica Blvd., Suite 1400, Los Angeles, CA 90025, ATTN: R. Mark Williams, FHA MHLS 2000-1, Facsimile: 310-477-3436. Prospective bidders may make special arrangements to receive the Bid Package and other bid materials through expedited delivery by calling Secured Capital Corp at 310-477-9600.

The Due Diligence Facility is scheduled to be open from November 6, 2000, through December 17, 2000. Qualified Bidders will be able to review the imaged copies of the loan files and other information, to the extent available (Due Diligence Investor Package and Asset Review Files) via computer workstations at the Due Diligence Facility. Qualified Bidders are required to schedule an appointment and post a refundable \$500 deposit before they may visit the facility. Appointments may be scheduled by contacting Daniel H. Lisser at (212) 319-8600 of Secured Capital Corp. Imaged copies of the Due Diligence Investor Package and Asset Review Files on CDs will also be available for purchase by Qualified Bidders in the manner described in the Bid Package.

FOR FURTHER INFORMATION CONTACT:

Office of the Housing-FHA Comptroller, Asset Sales Office, Room 6266, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410; telephone (202) 708-2625.

SUPPLEMENTARY INFORMATION: The Department announces its intention to sell in the Sale certain unsubsidized mortgage loans (Mortgage Loans) secured by multifamily and healthcare properties located throughout the United States. A final listing of the specific Mortgage Loans included in the Sale will be contained in a supplement to the Bid Package. The Mortgage Loans will be sold without FHA insurance. The Department will offer Qualified Bidders an opportunity to bid competitively on the Mortgage Loans.

The Mortgage Loans have been pooled for bidding purposes into 27 Mortgage Loan Pools. Each Mortgage Loan Pool contains Mortgage Loans that generally have similar performance, property type, geographic location, lien position and other characteristics. Qualified Bidders will be permitted to submit bids for any one or more of the individual Mortgage Loans and any one or more

pools of Mortgage Loans. Bidders will be permitted to submit all-or-none pool bids and will also be permitted to establish floors (minimums) and a ceiling (a maximum) with respect to pool bids. The Department will evaluate the bids submitted and use its sole discretion to determine successful bids.

The Bidding Process

The Department will describe in detail the procedure for participating in the Sale in a Bid Package, which will include a standardized nonnegotiable loan sale agreement (Loan Sale Agreement), as well as certain information concerning each of the Mortgage Loans, such as the unpaid principal balance and interest rate. Bid Packages are currently available. Qualified Bidders may receive a Bid Package by contacting Secured Capital as specified in the **ADDRESSES** section, above, of this notice. Qualified Bidders will be required to submit a deposit at the time of bidding as detailed in the Bid Package. HUD anticipates that closings will be held during the first two weeks of January 2001. If a successful bidder fails to close in accordance with the terms of the Loan Sale Agreement, the Department shall be entitled to retain as liquidated damages the deposit received from such bidder.

TO ENSURE A COMPETITIVE BIDDING PROCESS, THE TERMS OF SALE ARE NOT SUBJECT TO NEGOTIATION.

Due Diligence Facility

During the approximately four-week period prior to the Bid Date, a Due Diligence Facility will be open to Qualified Bidders. At the Due Diligence Facility, the Department will provide access to computer workstations at which Qualified Bidders may view available information about the Mortgage Loans, including environmental and title reports and market data. The Department reserves the right to charge a reasonable fee to recover its costs in duplicating and forwarding any information requested by a Qualified Bidder. Qualified Bidders are required to post a refundable deposit of \$500 towards such costs prior to visiting the Due Diligence Facility. Appointments to visit the Due Diligence Facility may be scheduled by contacting Daniel H. Lisser at (212) 319-8600 of Secured Capital Corp.

Mortgage Sale Policy

The Department reserves the right to remove Mortgage Loans from the Sale at any time prior to the Award Date. The Department also reserves the right, in its sole discretion, and for any reason

whatsoever, to terminate the Sale, in whole or in part, prior to the Award Date and to reject any and all bids, without prejudice to the Department's right to include any Mortgage Loans in a later sale.

The regulations applicable to the sale of the HUD-held multifamily mortgages (Multifamily Mortgage Sale Regulations) (24 CFR 290.30 *et seq.*) were promulgated in consideration of the settlement that the Department entered into in *Walker v. Kemp*, No. C 87 2628 (RFP) (N.D. Cal.). In settling the matter, the Department agreed, with regard to specific mortgage loans, to consider, prior to the sale of such mortgage loans, certain factors pertaining to the protection of tenant interests in projects securing subsidized and unsubsidized HUD-held mortgage loans.

This is a sale of unsubsidized mortgage loans. Therefore, the Department has determined that, pursuant to the Multifamily Mortgage Sale Regulations, the Mortgage Loans may be sold without FHA insurance. Consistent with HUD's policy as set forth in 24 CFR 290.35(b), the Department knows of no Mortgage Loan that is delinquent and secures a project (1) for which foreclosure appears unavoidable, and (2) in which reside very low-income tenants 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 (24 CFR 290.35(b)). If the Department determines that any Mortgage Loans meet these criteria, they will be removed from the Sale.

Mortgage Loan Sale Procedure

The Department selected a competitive sale as the method to sell the Mortgage Loans primarily to satisfy the Multifamily 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 the Department's return on the sale of these 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 the Department to dispose of the Mortgage Loans.

Replacement of Reserve Funds

Depending upon the Mortgage Loan, amounts in reserve for replacement accounts will, in HUD's discretion, be refunded to the Mortgagor, applied against the Mortgagor's outstanding

arrearage, or credited against the amounts due by the Successful Bidder.

Timely Bids and Deposits

Each Qualified Bidder assumes all risks of loss relating to its failure to deliver, or cause to be delivered, on a timely basis and in the manner specified by the Department, its bid form, deposit and Loan Sale Agreement required to be submitted by the bidder.

Ties for High Bidder

In the event there is a tie for a high bid, the Department, through its transaction specialist, will contact the Qualified Bidders who submitted the tie bids and afford each of them an opportunity to submit a best and final bid. The successful bidder will be the one with the highest bid.

Status of Mortgage Loans

The Mortgage Loans contained within the Sale are comprised of performing, subperforming and nonperforming loans.

Ineligible Bidders

The following individuals and entities (either alone or in combination with others) are ineligible to bid on any one or combination of the Mortgage Loans included in the Sale:

- (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 24 CFR part 24;
- (3) Any contractor, subcontractor and/or consultant or adviser (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 the Sale;
- (4) Any individual that was a principal, partner, director, agent or employee of any entity or individual described in paragraph (3) above at any time during which the entity or individual performed services for or on behalf of HUD in connection with the Sale;
- (5) Any individual or entity that uses the services, directly or indirectly, of any person or entity ineligible under paragraphs (1) through (4) above, to assist in preparing its bid on any Mortgage Loan(s); and
- (6) Any individual or entity that employs or uses the services of an employee of HUD (other than in such employee's official capacity) who is involved in the Sale.
- (7) Mortgagors who have not submitted their project's audited

financial statements for fiscal years 1998 and 1999.

Furthermore, 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 two-year period prior to October 23, 2000 with respect to any Mortgage Loan(s) is ineligible to bid on such Mortgage Loan(s) or provide services to Bidder with respect to such Mortgage Loans during the Warranty Period established for the Sale. The following also are ineligible to bid on such Mortgage Loan(s): (a) Any employee, affiliate or principal of such entity or individual described in the preceding sentence, (b) any contractor, subcontractor or other person or entity which, during that two-year period prior to October 23, 2000, either had access to information concerning or provided any services with respect to any such Mortgage Loan(s) or provided services to such person or entity with respect to such Mortgage Loans, 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(s).

Freedom of Information Requests

The Department reserves the right, in its sole and absolute discretion, to disclose information regarding the Sale, including, but not limited to, the identity of bidders and the bid price or bid percentage, upon the consummation of the Sale. Even if the Department elects not to publicly disclose any information relating to the Sale, the Department will have the right to disclose any information the Department is obligated to disclose pursuant to the Freedom of Information Act and all regulations promulgated thereunder.

Scope of Notice

This notice applies to the Sale, and does not establish the Department's policy for the sale of any other mortgage loans.

Dated: December 8, 2000.

William C. Apgar,

Assistant Secretary for Housing-Federal Housing Commissioner.

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