



FEDERAL HOUSING ADMINISTRATION

Expanding Opportunities for Affordable Housing Through HUD Loan and Property Sales

A live and virtual training event for nonprofits and governmental entities

OFFICE OF HOUSING

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT



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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT



Office of Housing



Expanding Opportunities for Affordable Housing Through HUD Loan and Property Sales

A live and virtual training event for nonprofits and governmental entities

April 24, 2023
10:00 am to 5:00 pm
Hybrid Conference

For informational purposes only; see official sale documents for terms and conditions of each sale.



OPENING REMARKS

Julia R. Gordon
Assistant Secretary for
Housing-FHA Commissioner



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WELCOME REMARKS

John W. Lucey

Director, Office of Asset Sales



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Goals and Objectives

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Goals of Conference

- Provide an overview of HUD-held Mortgage Loan and Property Sales and encourage increased participation by nonprofits, and governmental entities.
- Describe enhancements designed to increase participation by nonprofits, and governmental entities.
- Encourage outcomes that prioritize affordable housing opportunities or create other positive outcomes for communities.

Objectives

- Inform participants of the Office of Single Family Asset Management programs for the creation of affordable housing.
- Inform participants of the Office of Asset Sales upcoming loan sale and new award structure.
- Explain desired outcomes for creating affordable housing.
- Explain bidder qualification requirements.
- Share success stories from past nonprofit purchasers.

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Nonprofit Conference Agenda

April 24, 2023
Office of Asset Sales 2023 Nonprofit Conference
Expanding Opportunities for Affordable Housing Through
HUD Loan and Property Sales

Conference Moderator: John W. Lucey, Director, Office of Asset Sales

AGENDA

9:00 am – 10:00 am	Registration and Reception
10:00 am – 10:30 am	Opening Remarks, Julia R. Gordon, Assistant Secretary for Housing-FHA Commissioner
10:30 am – 10:45 am	Welcome Remarks, John W. Lucey
10:45 am – 11:45 am	Session 1, Single Family Property Sales HUD approved nonprofits and governmental entities Claims Without Conveyance of Title (CWCOT) Nonprofit & governmental entities discounts and exclusions HUD Home Store
11:45 am – 11:55 pm	Break
11:55 pm – 12:05 pm	Questions and Answers
12:05 am – 12:20 pm	Nonprofit Success Story – Interview with David Pokorny, Executive Director, Greater Chicagoland Fellowship
12:20 pm – 12:40 pm	Session 2, FHA Loan Sale Overview FHA loan sale goals HUD Vacant Loan Sales (HVLS) sale history Historical nonprofit Participation Direct Sales Multifamily & Healthcare Loan Sales (MHLS)

12:40 pm – 12:55 pm	Nonprofit Success Story – Interview with Marcos Morales, Executive Director, Hogar Hispano, Inc.
12:55 pm – 2:00 pm	Lunch
2:00 pm – 2:20 pm	Session 3, Qualifying & Bidding Bidder qualification process and requirements How to qualify as a Priority Bidder Common mistakes when qualifying Overview of Mission Market electronic bid platform Where to locate qualifying documents
2:20 pm – 3:00 pm	Session 4, HVLS 2023-1 Sale Sale specifics Goals of the sale Bid Rules
3:00 pm – 3:15 pm	Question and Answers
3:15 pm – 3:25 pm	Break
3:25 pm – 3:40 pm	Nonprofit Success Story – Interview with Dina Harris, President & Founder, National Faith Homebuyers
3:40 pm – 4:10 pm	Session 5, Post Award First Look requirement Historic liquidation strategies Post-sale reporting requirements Documentation for First Look
4:10 pm – 4:25 pm	Nonprofit Success Story featuring Hard Bargain, Derrick L. Solomon, Executive Director
4:25 pm – 4:30 pm	Closing Remarks/Final Question and Answers, John W. Lucey
4:30 pm – 5:00 pm	Networking

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Introduction of the Asset Sales Team

Office of Housing/Federal Housing Administration

Office of Asset Sales (OAS)

- Sennai Cham
- Monique Denhart
- Juaneca Harris
- Emily Heller
- John Lucey
- Urmi Patel
- Stacey Rhinehart
- Marlene Robinson
- Kristopher Wenn

HUD OAS Transaction Specialist (TS)

Falcon Capital Advisors

- Anton Conkle
- Glenn Ervin
- Brien Hampton

- Josh Hinman
- Dave Kirk
- Que Lischefske
- Arlene Nunes

Subcontractors to Falcon Capital Advisors

Guidehouse Inc. - Marketing & Due Diligence

- Colleen Burke
- Anahi Beltran
- Brandon Fealk
- Phillip Thigpen

Mission Capital - Bid Model & Technical Support

- Janice Francis
- John Jenkins
- Debbie Johnston
- Spencer Kirsch

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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT



Office of Housing



Session 1

Office of Single Family Asset Management Programs for HUD-approved Nonprofits and Governmental Entities

Presented by: Graham Mayfield

Deputy Director, Office of Single Family Asset Management

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Session 1

Overview & Discussion Topics

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OFFICE OF SINGLE FAMILY ASSET MANAGEMENT



Discussion Topics

- HUD-approved Nonprofits and Governmental Entities
- Claims Without Conveyance of Title (CWCOT)
- Nonprofit and Governmental Entity Discounts & Exclusions
- HUD Home Store
- Key Websites and Online Resources

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Session 1

Programs for HUD-approved Nonprofits and Governmental Entities

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OFFICE OF SINGLE FAMILY ASSET MANAGEMENT

There are currently 3 Nonprofit and Governmental Entity programs within FHA's Office of Single Family Asset Management.

- FHA Mortgagor
 - Eligibility for certain FHA-insured programs under the same provisions as owner-occupants.
- Secondary Financing
 - Eligibility to provide secondary financing to homebuyers utilizing FHA insurance on a first Mortgage when that assistance is secured with a second mortgage or lien.
- HUD Homes
 - Eligibility to purchase homes from HUD at a discount and without representation from a Real Estate broker.

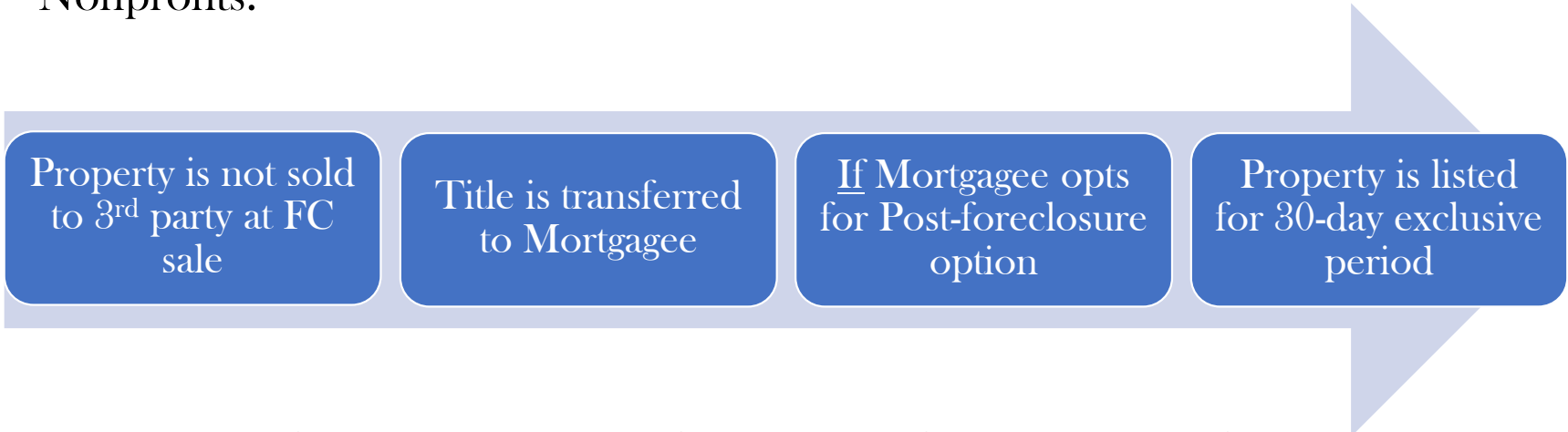
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Session 1

Claims Without Conveyance of Title (CWCOT)

Aligns with the Biden-Harris Administration’s commitment to increase affordable housing supply and expand access to homeownership for low-and moderate-income homebuyers. HUD took a major step forward in May 2022 by enhancing its CWCOT program to include a 30-day Post-Foreclosure Sales Period reserved for Owner-Occupant buyers, Governmental Entities, and HUD-approved Nonprofits.



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Session 1

Nonprofit and Governmental Entity Discounts & Exclusions

HUD's Real Estate Owned ("REO") program offers a variety of discounts for HUD-approved Nonprofits and Governmental Entities.

PROGRAM	PROPERTY TYPE	DISCOUNT	EXCLUSIVE BIDDING	EXCLUSIVE PERIOD
Approved Area of Interest/YES	REO/Uninsurable/In Revitalization Area	30%	Yes	7 Days
Approved Area of Interest/YES	REO/All Others	10%	Yes	7 Days
Approved Area of Interest/NO	REO/Insurable	NA	Yes	30 Days
Approved Area of Interest/NO	REO/Uninsurable	NA	Yes	5 Days
Claims Without Conveyance of Title	All	NA	Yes	30 Days

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Session 1

HUD Home Store



The screenshot shows the HUD.GOV/HUDHomes website. At the top, it displays the date 'SUNDAY, MARCH 26, 2023' and a 'Traducir al español' link. The main header includes the HUD logo and the text 'HUD.GOV/HUDHomes U.S. Department of Housing and Urban Development'. A navigation menu contains links for Home, NAID Portal, Broker Search, BSCA Search, Property Contacts, Bid Results, and Help. Below the menu, a red notice states: 'Principal Brokers and HUD-Approved Nonprofits only: Click here to apply for a NAID, Recertify a NAID and update Real Estate License. If you are a Nonprofit Agency without a NAID, click here for further details and instructions.' The main content area is divided into two sections: 'HUD Homes' and 'HUD Special Programs'. The 'HUD Homes' section provides instructions on how to search for a HUD home, including clicking a state on a map to the right. The 'HUD Special Programs' section lists three options: 'Good Neighbor Next Door', 'HUD-Approved Nonprofits', and '\$1 Homes-Government Sales'. A map of the United States is shown to the right of the text, with states shaded in blue to indicate availability. A legend at the bottom of the map indicates that blue shading means 'Available' and white means 'Not available'. A green arrow points from the 'HUD-Approved Nonprofits' link in the 'HUD Special Programs' section to the corresponding text box on the right.

HUD-Approved Nonprofits

The Federal Housing Administration (FHA) offers nonprofit organizations the opportunity to purchase HUD homes at a discount. With this discount, nonprofit organizations invest in their communities through property rehabilitation and resales to low-to-moderate income families. FHA requires all nonprofits to obtain approval. Information about FHA's Nonprofit programs, and the nonprofit approval process, is [here](#).

Other HUD Special Programs

- ▶ [Good Neighbor Next Door](#)
- ▶ [\\$1 Homes-Government Sales](#)

To search for eligible properties, click on a state in the map to the right, or select the appropriate Buyer Type in Search Properties below.

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Session 1

Key Websites and Online Resources

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OFFICE OF SINGLE FAMILY ASSET MANAGEMENT

FHA Single Family Housing Policy Handbook 4000.1

- Most recent version published January 18, 2023, and effective April 18, 2023.
- I.B.4.a - Program Overview
- I.B.4.b - Application and Approval Process
- <https://www.hud.gov/sites/dfiles/OCHCO/documents/4000.1hsg-011823.pdf>

HUD Home Store

- www.HUDHomestore.gov

HUD-approved Nonprofit Roster

- <https://entp.hud.gov/idapp/html/fl7npdata.cfm>

FHA Resource Center

- www.HUD.gov/answers
- 1-800-CALL FHA (1-800-225-5342)
- answers@HUD.gov

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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT



Office of Housing



Break:
We will return in
10:00
Minutes

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Questions & Answers

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Before



After



Greater Chicagoland Fellowship West Chicago, Illinois

MISSION: To Our mission is to provide affordable housing to lower income individuals and or families.



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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT



Office of Housing



Session 2

Office of Asset Sales Mortgage Loan Sales

Presented by:

- Emily Heller
- Sennai Cham
- Marlene Robinson

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Session 2

Mortgage Loan Sale Overview & Discussion Topics

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OFFICE OF ASSET SALES



Discussion Topics

- HUD-Held Mortgage Loan Sale Goals & Sale History
- Historical Nonprofit and Governmental Entity Participation
- Direct Sales
- Multifamily Healthcare Sales (MHLS)

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Session 2

Goals of HUD-held Mortgage Loan Sales

- Allows HUD to accept assignment of and sell defaulted forward mortgages prior to foreclosure and property conveyance and to sell certain HUD-held home equity conversion mortgages (HECMs).
- Allows HUD to target sale of HUD-held HECM secured by vacant or abandoned real property.
- Maximizes recoveries and mitigates long-term losses to the Mutual Mortgage Insurance Fund (“MMI Fund”) on behalf of the U.S. taxpayer through sales usually structured as a competitive market auction.
- Promotes HUD's mission objective outcomes - introduction of First Look requirement with HVLS 2022-2 Part 2.

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Session 2

Mortgage Loan Sale History and Evolution



SFLS 2010 to 2016

Beginning in 2010, 108,616 loans were purchased through Single Family Loan Sales (“SFLS”).



HVLS 2017 to Present

The first HUD-held Vacant Loan Sale (HVLS) took place in 2017 and has been the focus of recent loan sale initiatives.

The Department has awarded 9,326 HECM notes, with an Updated Loan Balance (ULB) of \$2.1 billion, across nine sales since 2017.



MHLS 2010 to Present

Since 2010, HUD has conducted 19 sales, selling 203 notes securing 124 multifamily and 79 healthcare assets with about \$1.8 billion in UPB.



Direct Sales 2013 to Present

Direct Sales to Units of Local Government Entities.
Loans sold directly to a Government Entity, which may choose to partner with Nonprofits, with Office of Management Budget (“OMB”) approval.
Inquiries can be made either by the Government Entity or by HUD.
HUD has executed 4 Single Family Direct Sales and awarded 831 loans with an Unpaid Principal Balance of \$196 million.

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Session 2

HVLS Loan Sales

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OFFICE OF ASSET SALES

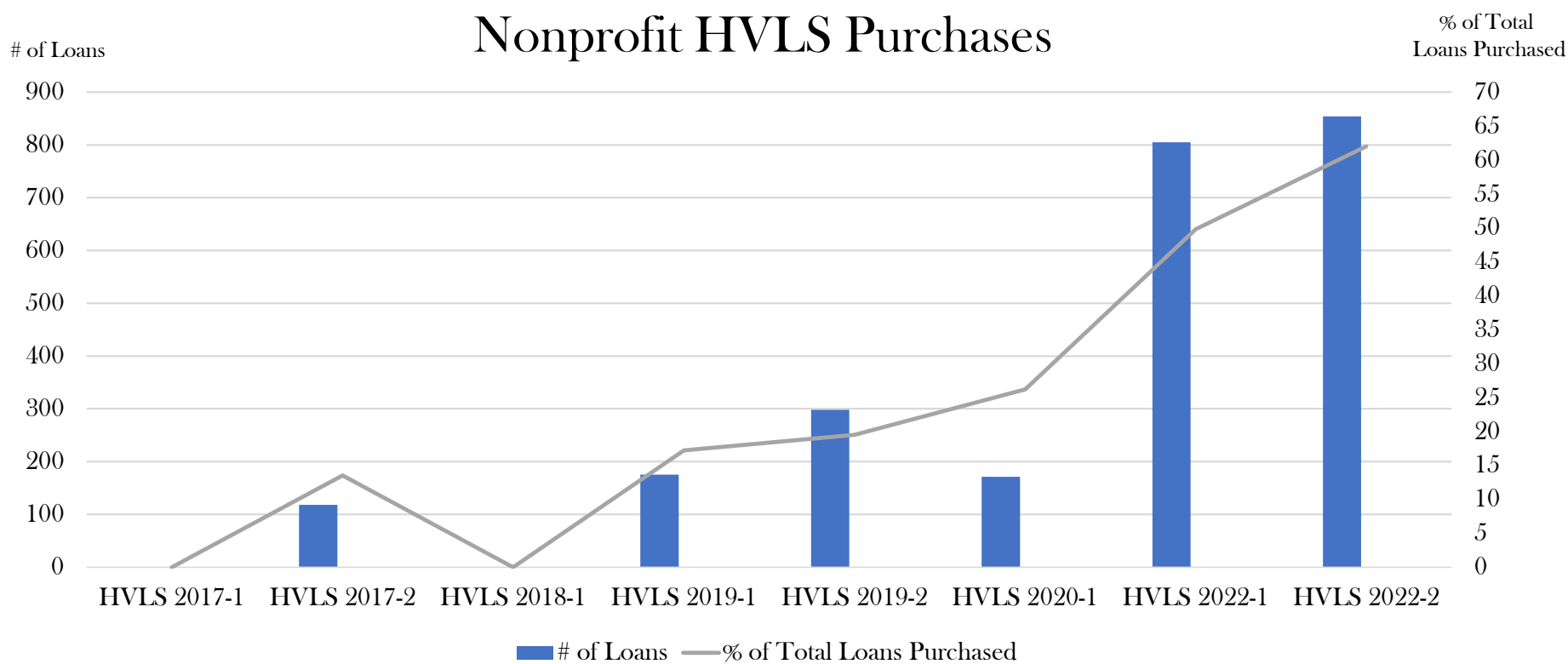
- HVLS sales initiated in 2017 to address the increasing inventory of assigned HECM loans secured by vacant real property.
- Characteristics of due and payable HECM loans that we sell:
 - Borrower/Co-borrower is deceased with no surviving Eligible Non-Borrowing Spouse.
 - Property is Vacant.
 - Heirs of Borrower(s) have not paid off the HECM Mortgage Loan.
- Since 2017, HUD has held 9 HVLS sales.
 - Based on nonprofit and governmental entity interest, HUD offered nonprofit and governmental entity set aside and carve-out pools beginning with HVLS 2019-1.
 - Priority awards for qualifying nonprofits and governmental entities were expanded from 10% to up to 50% for the loans offered in HVLS 2022-1.

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Session 2

HVLS Nonprofit Participation - Loans Sold



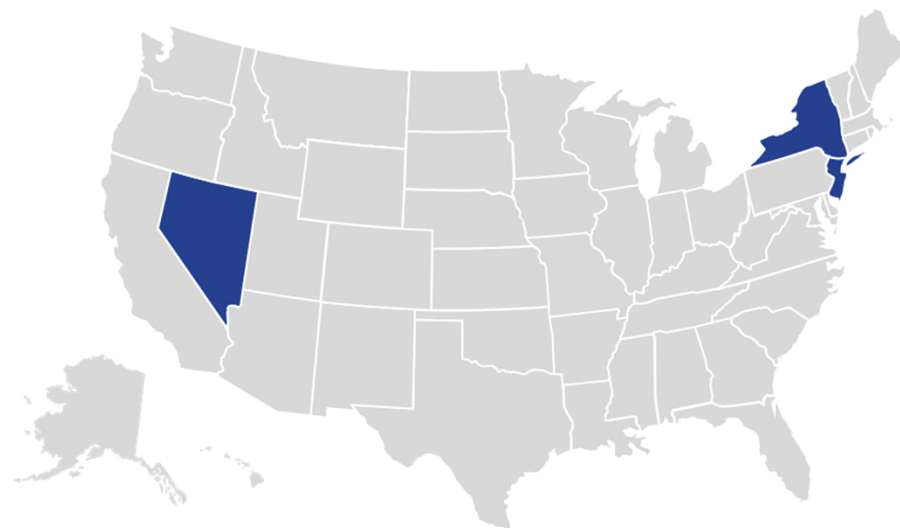
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Session 2

Direct Sales

- Mortgage Loans sold directly to a governmental entity or its partnering nonprofit.
- Office of Management Budget (OMB) approval is required.
- 4 Single Family Direct Sales have been executed to date.



Direct Sale	# of Loans Awarded	Settlement Date	UPB \$
New York State	70	May 2021	10,700,000
New York City	24	June 2016	9,107,552
Nevada	220	June 2014	37,469,103
New Jersey	517	2013	138,529,365

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Session 2

Multifamily and Healthcare Loan Sales (MHLS)

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- HUD also sells loans that secure multifamily and healthcare properties as defined below:
 - Multifamily: 5+ residential units
 - Healthcare
 - Nursing Homes
 - Assisted Living Facilities
 - Hospitals
 - Skilled Nursing (medical care) Facilities
- Since 2010, FHA has sold around 203 multifamily and healthcare loans totaling \$1.8 billion in UPB.

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Session 2

Multifamily and Healthcare Loan Sales (MHLS)

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- Outcomes for Multifamily Purchasers:
 - Purchasers have restructured the debt, foreclosed (when necessary), and renovated/refurbished units to maintain the stock of affordable rental housing in the geographic area.
- Outcomes for Healthcare Purchasers:
 - Continued operations as a healthcare facility.
 - Renovated or refurbished for alternative uses:
 - Community centers
 - Drug treatment facilities
 - Housing the homeless

The next upcoming MHLS sale is expected in the summer of 2023.





Before



After



Hogar Hispano Phoenix, Arizona

MISSION: To lead public and private resources that create and preserve affordable housing solutions for underserved low-and moderate-income people and communities of color.



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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT



Office of Housing



Lunch:
We will return in
65:00
Minutes

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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT



Office of Housing



Session 3

Qualifying as an Eligible Bidder

Presented by:

- Marlene Robinson
- Emily Heller
- Brandon Fealk

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Session 3

Nonprofit and Government Bidder Qualification and the Bid Process

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Discussion Topics

- Eligible Bidder Qualification Process and Requirements
- How to Qualify as a Priority Bidder
- Overview of Mission Market
- Where to Locate Required Documents

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Session 3

Eligible Bidder Qualification

An Eligible Bidder is a person or entity that has:

- Submitted the executed Confidentiality Agreement and Qualification Statement Documents on <https://market.missioncap.com/>:
 - HUD Confidentiality Agreement.
 - HUD Qualification Statement (“HUD Form 9611”) and, if applicable, the Nonprofit and Government Pools and Subpools Addendum (“HUD Form 9612”) certifying that they meet HUD’s bidder qualification requirements and Housing Mission Supplemental Certification.
 - Other forms and documents, as requested
- Eligible Bidders will have access to offering materials, including due diligence materials and legal documents via the Mission Market platform.
- In order to place a bid, Eligible Bidders must have submitted a Bid Terms Acknowledgement Form (“BTAF”), Bidder Authorized User Form (“BAUF”), and Conveyance, Assignment, and Assumption Agreement (“CAA”).



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Session 3

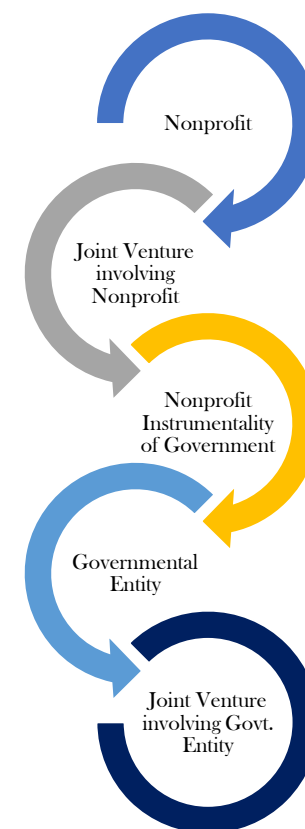
Nonprofit and Governmental Eligible Bidder Qualification

Nonprofit and Governmental Entity Qualification Statement Addendum (form HUD 9612)

(Section 1):

• Entity Structure (Subsection A)

- Bidder is a nonprofit that is tax-exempt under Section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C.A. § 501(c)(3))
- Bidder is a joint venture involving a 501(c)(3) organization (a “Nonprofit Joint Venture”), and the 501(c)(3) organization’s control over the Nonprofit Joint Venture is sufficient for a determination that Nonprofit Joint Venture operates in a manner consistent with the 501(c)(3) organization’s charitable purpose.
- Bidder is a Nonprofit Instrumentality of Government. This is a 501(c)(3) organization that was established by a governmental body or with governmental approval under special law to serve a particular public purpose or is designated an instrumentality by law.
- Bidder is a Governmental Entity or an Instrumentality of Government. Governmental Entity refers to any federal, state, or local government agency or instrumentality. An Instrumentality of Government refers to an entity that was established by a governmental body or with governmental approval or under special law to service a particular public purpose or designated by law and does not have a 501(c)(3) tax-exempt status.
- Bidder is a joint venture involving a Governmental Entity that has been established in order to carry out the Governmental Entity’s purpose (a “Governmental Joint Venture”).



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Session 3

Nonprofit and Governmental Eligible Bidder Qualification

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- **Net Worth Requirement (Subsection B)**
 - **Net Worth:** Bidder has a net worth of at least \$3 million
 - **Net Worth Alternatives**
 - **Irrevocable Letter of Credit:** from a financial institution the long-term senior unsecured debt of which shall have a credit rating of not less than “A” from Standard & Poor’s Corporation and not less than “A2” from Moody’s Investors Service, Inc.
 - **Performance Bond:** The Performance Bond shall be supported by corporate sureties whose names appear on the list contained in Treasury Department Circular 570, individual sureties, or by other acceptable security such as postal money order, certified check, cashier’s check, irrevocable letter of credit, or, in accordance with Treasury Department regulations, certain bonds or notes of the United States.
 - Bidder must be able to show evidence that the Irrevocable Letter of Credit or Performance Bond is in place within two (2) business days of the notice that it is the high bidder and must be valid through thirty (30) days after the final settlement date for all loans purchased.

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Session 3

Nonprofit and Governmental Eligible Bidder Qualification

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- **Determination of IRS Tax-Exempt Status (Section 2)**
 - Bidder must submit an Internal Revenue Service (“IRS”) Determination Letter providing an effective date of tax-exempt status that is at least two years prior to the execution date of the Addendum, or the reason such a letter is not applicable (e.g., Governmental Entity or its Instrumentality of Government that is not a Section 501(c)(3) organization).
- **Organizational Chart (Section 3)**
 - A Nonprofit must submit an organizational chart that graphically depicts the board of directors, employees, and all entities and contemplated partners and their respective ownership percentages within the Bidder. This chart should show the contractual or equity relationships.
 - Provide an organizational chart that graphically depicts the ownership and equity structure of the Bidder. This must include all Bidder components including the board of directors, primary employees, officers, funding partners, asset managers, contractors, servicer and subservicers, and all entities and contemplated partners and their respective **ownership percentages** within the Bidder.

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Session 3

Additional Requirements to Qualify as a Priority Bidder in HVLS 2023-1

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- All Priority Bidders must certify that they have a **Housing Mission** as defined below:
 - **Housing Mission:** Bidder has a purpose directly related to HUD's mission to create strong, sustainable, inclusive communities and quality affordable homes for all. Specifically related to a Bidder's established objectives or activities to increase affordable housing supply, expand opportunity for homeownership, or revitalize a community.
- Acceptable entity structures:
 - Bidder is a 501(c)(3) Nonprofit organization with a **Housing Mission**.
 - Bidder is a Nonprofit Instrumentality of Government with a **Housing Mission**.
 - Bidder is an Instrumentality of Government with a **Housing Mission**.
 - Bidder is a joint venture involving 501(c)(3) Nonprofit organizations or Instrumentalities of Government with **Housing Missions**.
- **Housing Mission Supplemental Certification - Required in addition to Nonprofit and Government Qualification Statement Addendum**
 - Housing Mission will be determined by presentation of the following:
 - NTEE L Code on IRS Form 1023.
 - Statements on IRS Form Series 1023 and 990.
 - Statement describing its direct experience and impact on affordable housing or community revitalization through housing-related activities.

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Session 3

Bidder Documentation

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- Eligible Bidders will gain electronic access to the following documents via the Mission Market site:
 - Bidder Information Package and Supplements
 - Loan sale agreement is called the Conveyance Assignment and Assumption Agreement (“CAA”)
 - Due Diligence Files
 - Aggregate Loan Database (“ALD”)
 - Collateral Files
 - Servicing Files
 - Broker’s Price Opinion (“BPO”) Report
 - Inspection Reports
 - Loan Summary and Transaction History Report

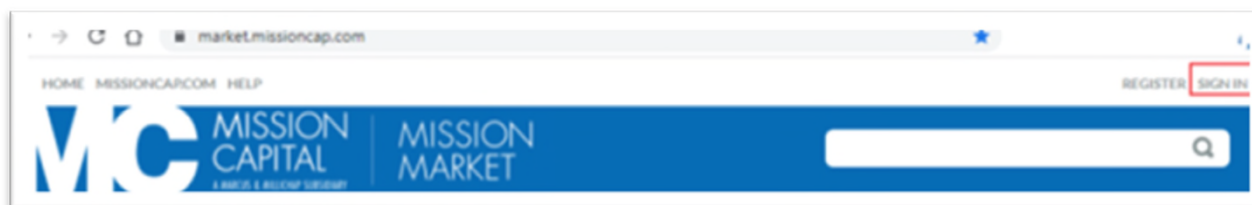
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Session 3

Mission Market: How to Access Required Documents?

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- Mission Market is the online platform where individual users will download and submit qualification documents required to become an Eligible Bidder and submit a Bids Form.
- The individual user who registers as primary for the Eligible Bidder on Mission Market must be the person who will sign all the qualification documents.
- If an individual user joins the transaction with multiple entities, either as a primary or an affiliate, they cannot join with the same email address.
- Any technical issues when uploading qualification documents must be immediately reported to the Falcon Asset Sales Team at HUDSales@falconassetsales.com or by contacting either 212-274-2027 or 844-709-0763.

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Session 3

Bidder Resources

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- Resources are available for completion of the Confidentiality Agreement, Qualification Statement (“form HUD 9611”), Nonprofit and Governmental Entity Qualification Statement Addendum (“form HUD 9612”), and Housing Mission Supplemental Certification.
- Once approved, there will be training videos for Eligible Bidders regarding where to access and how to fill out Bid Form(s).
 - Before submitting your bid on May 23rd, 2023, it is recommended that you watch the training videos.

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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT



Office of Housing



Session 4

HVLS 2023-1 Sale

Presented by: Emily Heller

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Session 4

HVLS 2023-1 Sale

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OFFICE OF ASSET SALES



Discussion Topics

- HVLS 2023-1 Sale
- Goals of HVLS 2023-1
- Bid Rules

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Session 4

HVLS 2023-1 Sale

Upcoming Tuesday, May 23, 2023 Sale

- Approximately 1,200 loans.
- Loans available in 46 U.S. states and Puerto Rico.
 - Top 5 States:

State	% of Loans Offered
California	11%
Florida	10%
Louisiana	6%
Texas	6%
Connecticut	5%

- Eligible Bidders may submit bids from 9:00 a.m. to 12:00 p.m. ET on May 23, 2023.
- Loans will be offered in one single pool and awarded on a loan-by-loan basis. To facilitate due diligence, the data room (where bidders can view available data and due diligence documents) is structured similarly to past transactions and will include six (6) regions containing the loans in subfolders arranged by state.

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Session 4

Goals of HVLS 2023-1

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Goals of the Upcoming Sale

- Award up to 50% of offered mortgage loans to Priority Bidders.
- Increase new nonprofit and governmental entity participation.
- Achieve the desired affordable housing outcomes through the Purchasers - strengthened through the REO Property First Look requirement (introduced in HVLS 2022-2 Part 2).
 - REO Property First Look Requirement: All Purchasers must offer REO Property to Owner-Occupant Buyers, governmental entities, including their instrumentalities, and Eligible Nonprofit Organizations for at least a 30-day priority purchase period.
- Provide opportunities for nonprofits and governmental entities that have a Housing Mission.
 - Diversity of geographies.
 - Number of loans (minimum of 5).
 - Broad range of property values that secure the loans.

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Session 4

HVLS 2023-1 Sale

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Bid Rules

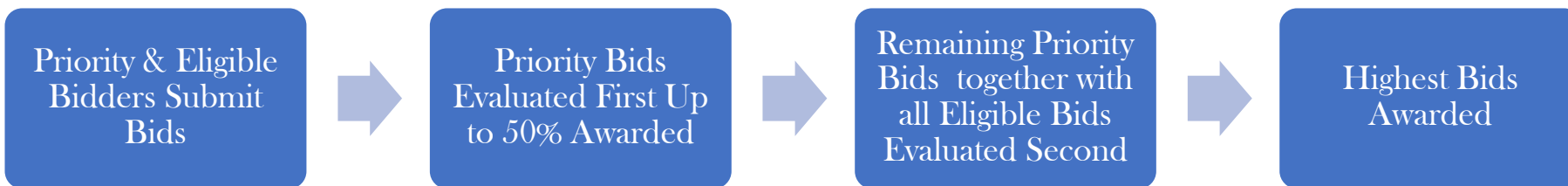
- Bids will be accepted through the Mission Market Bidding Platform between 9:00 a.m. and 12:00 p.m. ET.
- Each Eligible Bidder will be provided a Priority Bid Form or Eligible Bid Form.
 - Priority Bid Form: Submitted by Qualified Nonprofit 501(c)(3) organizations and Government Entities with a Housing Mission, who want to be awarded mortgage loans on a priority basis.
 - Eligible Bid Form: All Eligible Bidders.
- Each Eligible Bidder can bid up to 100% of the offered loans.
- Priority Bidders may be awarded loans on a priority basis up to 50%.
- Priority Bid Forms must include bids on a minimum of 5 loans and Highest Bidders will be awarded a minimum of 5 loans in a Priority pools.
- Eligible Bid Forms must include bids on a minimum of 20 loans and Highest Bidders will be awarded a minimum of 20 loans in Eligible pools.

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Session 4

HVLS 2023-1 Sale



***Priority Bidders may be awarded up to 50% in the first round and potentially more in the second round if they are the absolute highest bidder on the remaining loans**

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Session 4

HVLS 2023-1 Sale

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New Deposit Process

- HVLS 2023-1 bidders will no longer be required to submit pre-bid deposits equal to 10% of their bid amount or \$5 million.
- Following the bid evaluation process, HUD will contact each bidder to immediately submit a 10% deposit based on the estimated aggregate bid amount of loans selected as competitive.
- If the deposit is not received during the specified time period, the bidder will forfeit the loans and will be prohibited from participating in future sales

For informational purposes only; see official sale documents for terms and conditions of each sale.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT



Office of Housing



Questions & Answers

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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT



Office of Housing



Break:
We will return in
10:00
Minutes

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National Faith Home Buyers Detroit, Michigan

MISSION: To assist families in purchasing a home by providing education and services that will allow families to become financially independent and make smart financial choices.



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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT



Office of Housing



Session 5

Post Award

Presented by:

- Emily Heller
- Sennai Cham
- Marlene Robinson

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Session 5

Post Award

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OFFICE OF ASSET SALES



Discussion Topics

- First Look Requirement
- HVLS 2023-1 Desired Outcomes
- Post-Sale Reporting
- Documentation (Exhibit H)

For informational purposes only; see official sale documents for terms and conditions of each sale.



Session 5

First Look Requirement

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REO Property First Look Requirement

- **Requirement:** All Purchasers must offer REO Property initially to First Look Offerees for at least a 30-day priority purchase period from date listed and within 120 days after recordation and foreclosure.
 - **First Look Offerees:** Owner-Occupant Buyers, governmental entities, including their instrumentalities, and Eligible Nonprofit Organizations.
- **Procedures:** Purchasers must actively market the REO Property to the First Look Offerees located in the REO Property's Metropolitan Statistical Area (MSA) by:
 - Auction or other sale platform with an existing first look capability; or
 - Multiple Listing Service (MLS).
- Detailed procedures are provided in the CAA.
- All Purchasers must report on the REO Property First Look Requirement outlined in the CAA for each of the mortgage loans through the Post-Sale Report and Follow Up Report.

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Session 5

HVLS 2023-1 Desired Outcomes

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Desired Outcomes

- HUD encourages all Purchasers to utilize loans purchased in HVLS transactions to achieve outcomes that further HUD’s mission to create strong, sustainable, inclusive communities and quality affordable homes for all (“Mission Outcomes”).
- Mission Outcomes are described in detail in the CAA and remain the same as those specified in HVLS 2022-2 including:
 - Increasing Affordable Housing Supply/Revitalizing Communities
 - Expanding Opportunities for Homeownership
- All Purchasers must report on the achievement of all outcomes to include the desired Mission Outcomes outlined in the CAA for each of the mortgage loans through the Post-Sale Report or Follow Up Report.

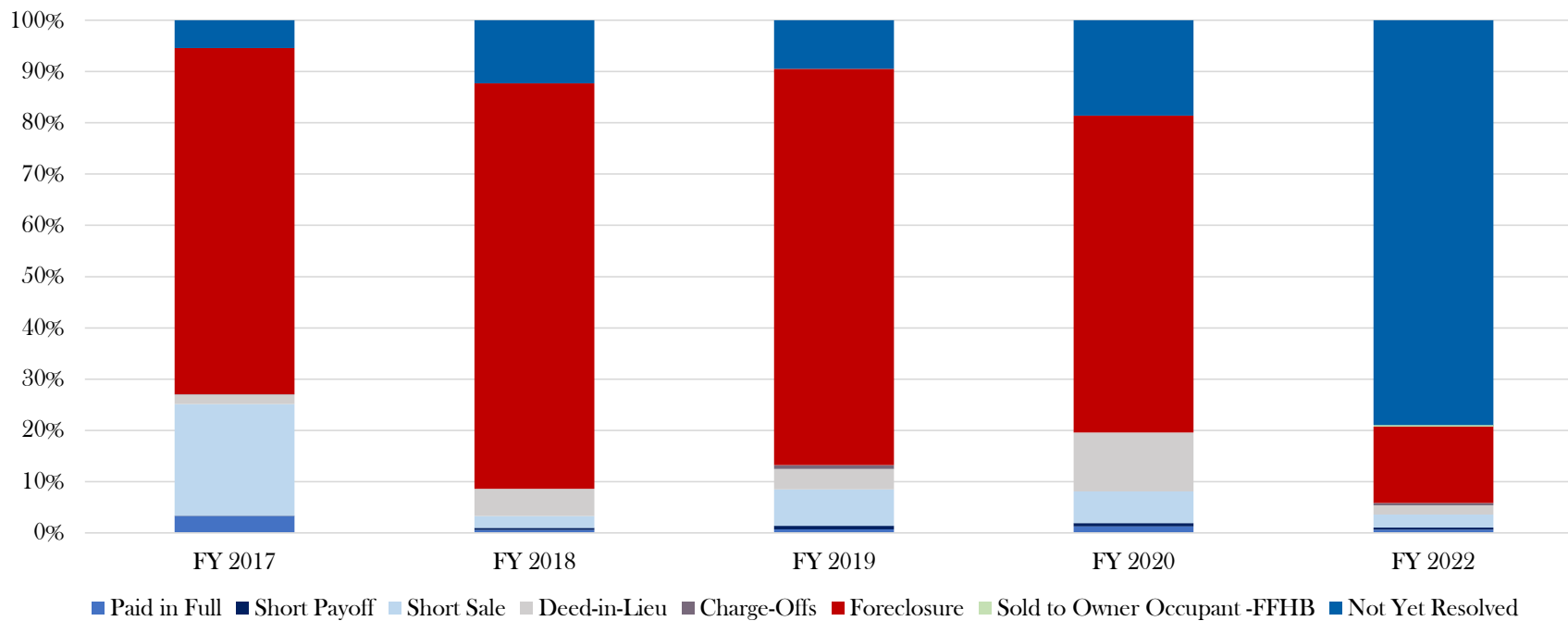
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Session 5

Post-Sale Reporting of Historic Liquidation Strategies By Sale Year

Status Outcome by Sale Fiscal Year



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Session 5

Post-Sale Reporting

Post-Sale Reporting Requirements

Post-sale reporting provides transparency for taxpayers and other stakeholders and assists HUD in designing program refinements.

Post-sale reporting requirements are included in the Conveyance Assignment and Assumption Agreement (“CAA”) between HUD and the Purchasers.

Purchasers provide quarterly reporting on a loan-by-loan basis and self-certifications regarding compliance with post-sale requirements through HUD’s web portal.

The loan-by-loan data includes information on the asset after sale, including:

- Status: e.g. Foreclosed REO, Deed-in-Lieu, Short Sale
- Property Outcome: e.g. Sold to Owner Occupant that is a first-time home buyer; sold to an investor
- REO Property First Look Requirement: Date of First Look Offering, Sale to First Look Offeree
- Mission Outcomes: Achievement of Mission Outcomes
- Data supporting affordability of the purchaser’s real estate owned property

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Session 5

Post Sale Reporting Documentation

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- In accordance with the CAA, purchasers are required to retain documentation that supports the status of loans and outcomes of loans.
- Purchasers are required to provide documentation when it is requested by HUD or its contractor acting on behalf of HUD.
- The documentation helps HUD to validate the statuses and outcomes reported by Purchasers.
- Validation of the outcomes lends to the credibility of the information that HUD reports to the FHA Commissioner, Congress, and the public.

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Session 5

Documentation (Exhibit H)

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To improve documentation

- Exhibit H has been updated with information about documentation.
- OAS will provide training for purchasers after HVLS 2023-1 to review exhibits and address issues with documentation.



Before



After



Hard Bargain Association Franklin, Tennessee

MISSION: To preserve the historic Hard Bargain Neighborhood by renovating existing homes, building high quality affordable housing, and enriching the lives of its neighbors.



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CLOSING REMARKS

John W. Lucey

Director, Office of Asset Sales

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Resources

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HVLS 2023-1

Please visit our Office of Asset Sales Sale Announcements Webpage.

- https://www.hud.gov/program_offices/housing/comp/asset

Entities interested in participating in the HVLS 2023-1 sale can contact the Office of Asset Sales' Single Family Loan Sale Transaction Specialist for more information by:

- Phone at 1-844-709-0763
- Email at HUDSales@falconassetsales.com
- Website at <http://www.falconassetsales.com>

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