

on that CPI survey is applied to the whole CBSA and to any HUD-defined metropolitan area, called "HUD Metro FMR Area" (HMFA), within that CBSA. If the CBSA is not covered by a CPI city-survey, the CBSA uses the relevant regional CPI factor. Almost all non-metropolitan counties use regional CPI factors. For areas assigned the Census Region CPI factor, both metropolitan and non-metropolitan areas receive the same factor.

The tables showing the Renewal Funding Inflation Factors available electronically from the HUD data information page list the inflation factors for the four Census Regions first, followed by an alphabetical listing of each metropolitan area, beginning with Akron, OH, MSA. The inflation factors use the same OMB metropolitan area definitions, as revised by HUD, that are used in the FY 2013 FMRs.

## V. Area Definitions

To make certain that they are referencing the correct inflation factors, PHAs should refer to the Area Definitions Table on the following Web page: [http://www.huduser.org/portal/datasets/rfif/FY2013/FY2013\\_AreaDef.pdf](http://www.huduser.org/portal/datasets/rfif/FY2013/FY2013_AreaDef.pdf). The Area Definitions Table lists areas in alphabetical order by state, and the associated Census Region is shown next to each state name. If the area where a unit is located is not separately listed, the inflation factor for the Census Region that includes that area is used. In the six New England states, the listings are for counties or parts of counties as defined by towns or cities. Any location in these states that are not specifically listed should use the Northeast Census Region inflation factor.

Puerto Rico and the Virgin Islands use the South Region inflation factors. All areas in Hawaii use the Renewal Funding inflation factors listed next "Hawaii," in Appendix A which is based on the CPI survey for the Honolulu metropolitan area. The Pacific Islands use the West Region Renewal Funding inflation factor.

## VI. Environmental Impact

This notice involves a statutorily required establishment of a rate or cost determination which does not constitute a development decision affecting the physical condition of specific project areas or building sites. Accordingly, under 24 CFR 50.19(c)(6), this notice is categorically excluded from environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321).

Dated: May 31, 2013.

**Jean Lin Pao,**

*General Deputy Assistant Secretary for Policy Development and Research.*

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## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5699-N-02]

### Notice of Single Family Loan Sales (SFLS 2013-2)

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

**ACTION:** Notice of sales of mortgage loans.

**SUMMARY:** This notice announces HUD's intention to competitively sell certain unsubsidized single family mortgage loans, in a sealed bid sale offering called SFLS 2013-2, without Federal Housing Administration (FHA) mortgage insurance. This notice also generally describes the bidding process for the sale and certain persons who are ineligible to bid. This is the second sale of Fiscal Year (FY) 2013 and the offerings will be held on June 26 and July 10, 2013.

**DATES:** For this sale action, the Bidder's Information Package (BIP) will be made available to qualified bidders on or about May 22, 2013. Bids for the 2013-2 sale will be accepted on two Bid Dates and must be submitted on those dates, which are currently scheduled for June 26th and July 10th. (Bid Dates) HUD anticipates that award(s) will be made on or about June 27th, 2013 for the first offering and July 11th for the second (the Award Dates).

**ADDRESSES:** To become a qualified bidder and receive the BIP, prospective bidders must complete, execute, and submit a Confidentiality Agreement and a Qualification Statement acceptable to HUD. Both documents are available via the HUD Web site at: <http://www.hud.gov/sfloansales> or via: <http://www.DebtX.com>. Please mail and fax executed documents to SEBA Professional Services: SEBA Professional Services, c/o The Debt Exchange, 133 Federal Street, 10th Floor, Boston, MA 02111, Attention: HUD SFLS Loan Sale Coordinator, Fax: 1-617-531-3499.

**FOR FURTHER INFORMATION CONTACT:** John Lucey, Deputy Director, Asset Sales Office, Room 3136, Department of Housing and Urban Development, 451 Seventh Street SW., Washington, DC 20410-8000; telephone 202-708-2625,

extension 3927. Hearing- or speech-impaired individuals may call 202-708-4594 (TTY). These are not toll-free numbers.

**SUPPLEMENTARY INFORMATION:** HUD announces its intention to sell in SFLS 2013-2 certain unsubsidized non-performing mortgage loans (Mortgage Loans) secured by single family properties located throughout the United States. A listing of the Mortgage Loans is included in the due diligence materials made available to qualified bidders. The Mortgage Loans will be sold without FHA insurance and with servicing released. HUD will offer qualified bidders an opportunity to bid competitively on the Mortgage Loans.

The Loans will be offered on two sale dates. On June 26th, the Department will offer national loan pools for bid. On July 10th, the Department will offer regionally-based pools, with additional purchaser requirements, that are called the Neighborhood Stabilization Outcome pools.

### The Bidding Process

The BIP describes in detail the procedure for bidding in SFLS 2013-2. The BIP also includes a standardized non-negotiable Conveyance, Assignment and Assumption Agreement (CAA Agreement). Qualified bidders will be required to submit a deposit with their bid. Deposits are calculated based upon each qualified bidder's aggregate bid price. HUD will evaluate the bids submitted and determine the successful bid, in terms of the best value to HUD, in its sole and absolute discretion. If a qualified bidder is successful, the qualified bidder's deposit will be non-refundable and will be applied toward the purchase price. Deposits will be returned to unsuccessful bidders. For the 2013-2 sale actions, settlements are expected to take place on or about August 8, 2013, and September 19, 2013.

This notice provides some of the basic terms of sale. The CAA Agreement, which is included in the BIP, provides comprehensive contractual terms and conditions. To ensure a competitive bidding process, the terms of the bidding process and the CAA Agreement are not subject to negotiation.

### Due Diligence Review

The BIP describes how qualified bidders may access the due diligence materials remotely via a high-speed Internet connection.

### Mortgage Loan Sale Policy

HUD reserves the right to remove Mortgage Loans from SFLS 2013-2 at

any time prior to the Award Date. HUD also reserves the right to reject any and all bids, in whole or in part, and include any Mortgage Loans in a later sale. Deliveries of Mortgage Loans will occur in at least two monthly settlements and the number of Mortgage Loans delivered will vary depending upon the number of Mortgage Loans the Participating Servicers have submitted for the payment of an FHA insurance claim. The Participating Servicers will not be able to submit claims on loans that are not included in the Mortgage Loan Portfolio set forth in the BIP.

There can be no assurance that any Participating Servicer will deliver a minimum number of Mortgage Loans to HUD or that a minimum number of Mortgage Loans will be delivered to the Purchaser.

The 2013–2 sale of Mortgage Loans are assigned to HUD pursuant to section 204(a)(1)(A) of the National Housing Act as amended under Title VI of the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act, 1999. The sale of the Mortgage Loans is pursuant to section 204(g) of the National Housing Act.

#### **Mortgage Loan Sale Procedure**

HUD selected an open competitive whole-loan sale as the method to sell the Mortgage Loans for this specific sale transaction. For the SFLS 2013–2, HUD has determined that this method of sale optimizes HUD'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 HUD to dispose of the Mortgage Loans.

#### **Bidder Ineligibility**

**Note:** Related Entities, as used in this Notice, are defined as (a) two entities that have (i) significant common purposes and substantial common membership or (ii) directly or indirectly substantial common direction or control; or (b) either entity owns (directly or through one or more entities) a 50 percent or greater interest in the capital or profits of the other. For this purpose, entities treated as related entities under this definition shall be treated as one entity.

In order to bid in the 2013–2 sale as a qualified bidder, a prospective bidder must complete, execute and submit both a Confidentiality Agreement and a Qualification Statement acceptable to HUD and applicable to the loan pool being purchased. If any of the following apply to (i) a prospective bidder, (ii) the prospective bidder's significant (>10%) owners and persons with authority or control over the prospective bidder; (iii)

any individuals/entities related to the prospective bidder ("Related Entities" as defined below) or (iv) significant (>10%) owners and person with authority or control of such Related Entities, then the prospective bidder is ineligible to bid on any of the Mortgage Loans included in SFLS:

1. The prospective bidder is an 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 with household to be inclusive of the employee's father, mother, stepfather, stepmother, brother, sister, stepbrother, stepsister, son, daughter, stepson, stepdaughter, grandparent, grandson, granddaughter, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, first cousin, the spouse of any of the foregoing, and the employee's spouse;

2. The prospective bidder is an individual or entity that is currently debarred, suspended, or excluded from doing business with HUD pursuant to the Governmentwide Suspension and Debarment regulations at title 2 of the Code of Federal Regulations, parts 180 and 2424;

3. The prospective bidder is an individual or entity that has been suspended, debarred or otherwise restricted by any Department or Agency of the Federal Government or of a State Government from doing business with such Department or Agency;

4. The prospective bidder is an individual or entity that has been debarred, suspended, or excluded from doing mortgage related business, including having a business license suspended, surrendered or revoked, by any federal, state or local government agency, division or department;

5. The prospective bidder is an individual or entity that knowingly acquired or will acquire prior to the Sale Date material non-public information, other than the information which is made available to the prospective bidder by HUD pursuant to the terms of the Qualification Statement, about Mortgage Loans offered in the sale;

6. The prospective bidder is a 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 single family asset sales;

7. The prospective bidder is an individual or entity that uses the services, directly or indirectly, of any person or entity ineligible under subparagraphs 1 through 3 above to

assist in preparing any of its bids on the Mortgage Loans;

8. The prospective bidder is an 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 single family asset sales;

9. The prospective bidder is an entity or individual that serviced or held any Mortgage Loan at any time during the 2-year period prior to the Award Date;

10. The prospective bidder is an entity or individual that is: (a) Any affiliate or principal of any entity or individual described in the preceding sentence (sub-paragraph 8); (b) any employee or subcontractor of such entity or individual during that 2-year period prior to Award Date; 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; or

12. The prospective bidder is an entity that has had its right to act as a Government National Mortgage Association (Ginnie Mae) issuer and its interest in mortgages backing Ginnie Mae mortgage-backed securities extinguished and terminated by Ginnie Mae.

#### **Freedom of Information Act Requests**

HUD reserves the right, in its sole and absolute discretion, to disclose information regarding SFLS 2013–2, including, but not limited to, the identity of any successful qualified bidder and its bid price or bid percentage for any pool of loans or individual loan, upon the closing of the sale of all the Mortgage Loans. Even if HUD elects not to publicly disclose any information relating to SFLS 2013–2, HUD will 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 SFLS 2013–2 and does not establish HUD's policy for the sale of other mortgage loans.

Dated: June 3, 2013.

**Laura M. Marin,**

*Acting General Deputy Assistant Secretary for Housing.*

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