



U.S. Department of Housing and Urban Development

Minneapolis Field Office
920 Second Avenue South Suite 1300
Minneapolis, Minnesota 55402-4012
<http://www.hud.gov/local/min/minhome.html>

MEMORANDUM FOR: Minnesota Multifamily HUB Lenders

**SUBJECT: HUD-2530
Circular 03-07**

DATE: April 16, 2003

Our office has been receiving an increasing number of HUD-2530 Previous Participation Certifications with either incorrect or omitted information. Incomplete HUD-2530's delay the processing of applications since they must be sent back to applicants to make the proper revisions. The approval of HUD-2530's, whether it originates from our office or Headquarters, must be obtained prior the issuance of any commitment.

This memorandum is intended to provide additional assistance in avoiding the common pitfalls of the Previous Participation Certification form. When submitting a HUD-2530, applicants should closely review the form's instructions, which provide the information necessary to complete the Certification form.

In addition, the attached "Supplemental 2530 Checklist" highlights some of the most error-prone areas of HUD-2530. Please advise all applicants to review the "Supplemental 2530 Checklist" before submitting HUD-2530's. This should help ensure the proper completion of the form and speed the processing of applications.

Questions relating to this circular's application to specific projects should be directed to either Tim Gruenes at (612) 370-3051 x2252 or Del Relopez at (612) 370-3051 x2274.

Supplemental 2530 Checklist

2530 (page 1)

- ___ **Has a separate 2530 been completed and signed by all principal participants (e.g. the Mortgager Entity, the Management Agent, and the General Contractor), including their affiliates, in the proposed project?**

HUD-2530 must be completed and signed by all parties applying to become principal participants, including their affiliates and those who have no previous participation, in HUD multifamily projects. Page 1 of the HUD-2530 instructions discusses the entities / individuals that are considered principal participants in projects, and who should be included on the 2530 form.

- ___ **Has the most recent edition of the 2530 form been used?**

The most recent version is in "landscape" format, dated 05/2001.

- ___ **Has the "Proposed Principal Participants" section been filled out completely, including:**

___ Names and addresses of all principals and affiliates.

___ The social security number of all principals and affiliates.

___ On the Mortgagor's 2530, all expected ownership interests must be listed, including their percentage ownership in the project. The first entry should always be the actual Mortgagor (entity that will be first on the note) and the total ownership percentage should add up to 100%.

- ___ **Has each entity / individual signed and dated the front page?**

If the 2530 was submitted for a corporation and everyone has the same participation history then one individual can sign for everyone.

2530, Schedule A (page 2)

- ___ **Has a separate Schedule A been completed by each entity / individual?**

- ___ **Does Schedule A state No Previous Participation, First Experience next to the stated name if the entity / individual has not been involved in HUD/USDA-FmHA, State and Local Housing Finance Agency programs?**

Supplemental 2530 Checklist, continued

2530, Schedule A (page 2)

___ **Has the entity / individual listed every project that has involved HUD/USDA-FmHA, State and Local Housing Finance Agency programs?**

___ **Have Management Ratings and Physical Inspection Ratings been provided for every HUD insured property?**

Not all properties will have recent Management Reviews, however, each HUD project should have a REAC Physical Inspection each year - REAC ratings are 1 to 100 (number rating should be listed).

Additional materials to be attached to 2530

___ **Has verification of the participant's Social Security Number been included with the 2530?**

Verification of a Social Security number can include a photocopy of a Social Security card, a previous tax return, etc.

___ **Has authorization to sign for the entity been included with the 2530, if applicable?**

If a person is signing on behalf of the entity, a document (listing the individual who signs) evidencing the legal authority to sign needs to be included with the form.