

Multifamily & Healthcare Loan Sales as of 2/1/2010

General Description of Direct Sales of Secretary-held Multifamily Mortgage Loans to State and Units of Local Government

Authority

HUD has authority under 24 CFR Part 290.30 to sell Secretary-held multifamily mortgages on a competitive basis; under 24 CFR Part 290.31 HUD is also authorized to sell mortgages on a non-competitive or direct sale basis to State or Units of Local Government (ULG).

Section 233 of the 2010 Consolidated Appropriations Act provides HUD the authority to consider the cost of repairs needed to bring the property into such condition as to satisfy minimum State and local code standards and the cost of maintaining the affordability restrictions imposed by the Secretary in determining market value for any Secretary-held multifamily loan for a non-competitive sale to State or ULG.

History

To date, the following cities have participated in these direct loan sales: Chicago, New York, Seattle and Phoenix.

Process

Based on the authorities cited above, State or local governments may submit an expression of interest to HUD to purchase a Secretary-held mortgage note. The letter of interest should be submitted to HUD HQ Office of Multifamily Housing Programs outlining the proposal to purchase the loan including a statement outlining the goal to preserve affordable housing and a plan to bring the property into good physical condition.