

FHA SINGLE FAMILY LOAN SALES QUALIFICATION STATEMENT

**U.S. Department of Housing and Urban Development
Office of Housing
Federal Housing Commissioner**

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PAPERWORK BURDEN DISCLOSURE NOTICE

The reporting burden for this collection of information is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions to reduce this burden, to the Reports Management Officer, REE, Department of Housing and Urban Development, 451 7th Street, SW, Room 4176, Washington, DC 20410-5000. When providing comments, please refer to OMB Approval No. 2502-0576. This collection of information is required to obtain or retain benefits. This agency may not conduct or sponsor, and a person is not required to respond to, a collection information unless that collection displays a valid OMB control number.

HUD's authority to mandate the Qualification Statements comes from the Notice of FHA Accelerated Claim Disposition Demonstration at 67 FR 66038. Authority to sell Single Family Loans comes from Section 204(g) of the National Housing Act (12 U.S.C. § 1710(g)) and 24 CFR 291.90(e).

The collection of Information is necessary to ensure that bidders are qualified to bid on the assets available for sale. HUD will use the information to: (1) monitor program participants' compliance with requirements, and (2) to detect fraud. No assurances of confidentiality are pledged to respondents, although HUD generally discloses this data only in response to a Freedom of Information request to the extent required by law.

The Federal Housing Administration ("FHA"), an organizational unit of the U.S. Department of Housing and Urban Development ("HUD"), is planning to offer a portfolio of defaulted single-family mortgage loans (the "Mortgage Loans") through a sale. A sale may include forward Mortgage Loans, reverse Mortgage Loans, or both; involve pools or sub-pools that require execution of a Qualification Statement addendum; and be a competitive sale by auction or non-competitive direct sale. The sale features, Mortgage Loan characteristics, pool types, and related Qualification Statement documentation requirements will be detailed in the sale-specific materials provided by FHA. FHA may adjust the certifications contained in this Qualification Statement or the Addendum as needed for a future sale.

The undersigned ("Bidder") understands and acknowledges that, before it can register for, or make an offer to bid in _____ [INSERT SALE NAME] (the "Sale"), the Bidder (whether an individual or an entity) must meet the requirements described below as evidenced by execution of this Qualification Statement.

___ (CHECK IF APPLICABLE) In addition, Bidder has executed a Qualification Statement Addendum for Nonprofit Pools and Sub-Pools ("Addendum") to bid on certain Mortgage Loans in the Sale.

The Bidder must execute the Addendum for participation in any nonprofit pools and sub-pools in the Sale. The executed Addendum, if applicable, will be attached to, incorporated in, and made a part of this Qualification Statement.

The information requested herein is being requested for the purpose of providing HUD with information needed to determine whether the Bidder meets the qualification requirements to bid in the Sale. All or part of the information provided on this form may also be subject to disclosure under the Freedom of Information Act, 5 U.S.C. § 552(a) ("FOIA"). Pursuant to HUD's FOIA regulations at 24 C.F.R. § 15.108, you may request confidential treatment of business information submitted in connection with this form and support such request with the facts and the legal justification for such request. Any request for confidential treatment must state that the

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information has not been made public and clearly designate the information that is considered confidential. Should HUD receive a FOIA request for such confidential information, HUD will provide you with notice of the request and an opportunity to object to the disclosure in accordance with HUD's regulations, unless disclosure is required by federal law. Providing the requested information is voluntary; however, failure to furnish all of the requested information may result in the prospective purchaser not being permitted to bid at the Sale and/or not receiving notice of future HUD/FHA sales initiatives.

NOTICE: Anyone who knowingly or willfully makes false or fraudulent statements or representations in connection with the disclosures or certifications herein will be referred to the Office of Inspector General and/or the appropriate law enforcement officials for investigation and legal enforcement and may be subject to fines, imprisonment or both. See 18 U.S.C. §§ 1001, 1010, 1012.

NOTE: The following information is being solicited with respect to the individual or entity that will submit a bid in the Sale to acquire the Mortgage Loans.

I. Bidder Information:

A. _____
Name of Bidder

B. _____
Corporate or Other Entity Type and State of Organization (if applicable)

C. _____
Names of key employees, including officers, directors and other decision-makers, of the Bidder

D. _____
Address of Bidder

City, State, Zip Code

E. _____ F. _____
Phone Fax

G. _____ H. _____
Bidder Tax I.D. E-mail Address

II. Please check the description that best describes Bidder's business designation:

___ Commercial Bank

___ Insurance Company

___ Savings Association/Bank

___ Financial Services Company

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☐ Mortgage Banker ☐ Pension Fund
☐ Investment Bank ☐ Real Estate Company
☐ Hedge Fund ☐ Federal, State, or Local Government
☐ 501(c)(3) Nonprofit ☐ Instrumentality of Government
☐ Joint Venture with a 501(c)(3) Nonprofit ☐ Joint Venture with a Government
☐ Other, please describe

III. Please select all sources that notified you about HUD's Sale:

☐ Federal Register Notice
☐ HUD Website
☐ HUD Personnel: (please specify) _____
☐ Social Media: (please specify) _____
☐ HUD Contractor Website
☐ HUD Contractor Email
☐ Advertisement: (please specify) _____
☐ Other: (please specify) _____

Bidder Qualification. The Bidder understands that, if it is determined to be a qualified bidder for the Sale, its status as such does not necessarily mean that it will be a qualified bidder for any other mortgage loans or assets offered in any other FHA/HUD sale. The Bidder also understands that its status as a qualified bidder for any other FHA/HUD sale does not necessarily mean that it will be a qualified bidder for the Sale.

ONLY THE NAMED BIDDER IN THIS QUALIFICATION STATEMENT, IF QUALIFIED, WILL BE ALLOWED TO BID IN THE SALE. Upon award as a successful bidder in any of the Sale, Bidder may form a special purpose entity to take ownership of the Mortgage Loans at settlement (the "SPE Acquisition Vehicle").

However, prior to assignment of the Mortgage Loans, the Bidder must certify that significant equity owners or principals of the SPE Acquisition Vehicle fulfill the requirements of a qualified bidder as provided in this Qualification Statement. Additionally, both Bidder and the SPE Acquisition Vehicle will be designated as counterparties with HUD for the Sale.

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Bidder hereby certifies, represents and warrants to FHA/HUD that it is a qualified bidder based upon Bidder's satisfaction of one or more of the following qualifying statements 1 through 6. Bidder must check one or more of the following qualifying statements 1 through 6 to register to bid in the Sale and to qualify as a qualified bidder for the Sale. (CHECK ALL THAT ARE APPROPRIATE):

(☐) 1. Bidder is a corporation, partnership, limited liability company, or business trust with a net worth in excess of \$5,000,000 determined in accordance with Generally Accepted Accounting Principles, consistently applied ("GAAP"), and was not formed for the specific purpose of acquiring an interest in the Mortgage Loans.

(☐) 2. Bidder is a bank (as defined in Section 3(a) (2) of the Securities Act of 1933, as amended (the "Act")), savings and loan association or other institution (as defined in Section 3(a) (5) (A) of the Act), insurance company (as defined in Section 2(a) (13) of the Act), investment company registered under or business development company as defined in the Investment Company Act of 1940, as amended, or a broker or dealer registered under Section 15 of the Securities Exchange Act of 1934, as amended, in each case with a net worth in excess of \$5,000,000 determined in accordance with GAAP.

(☐) 3. Bidder is a trust, with a net worth in excess of \$5,000,000 determined in accordance with GAAP, not formed for the specific purpose of acquiring the Mortgage Loans.

(☐) 4. Bidder is a business entity whose equity owners are entities or individuals that in combination have a net worth in excess of \$5,000,000 determined in accordance with GAAP, not formed for the specific purpose of acquiring the Mortgage Loans.

(☐) 5. Bidder is a unit of federal, state, or local government.

(☐) 6. Bidder satisfies the qualifying statements regarding its entity structure and net worth in the Bidder's executed Addendum, which will be attached to and incorporated in this Qualification Statement.

By executing this Qualification Statement, Bidder certifies, represents and warrants to FHA/HUD that EACH of the initialed statements, A through and including N, is true and correct as to such Bidder.

A. Bidder is an entity that either (i) is in the business of buying, originating or selling mortgage loans of the same type as the Mortgage Loans, or (ii) otherwise deals in assets identical or similar to the Mortgage Loans in the ordinary course of such Bidder's business. Bidder has such knowledge and experience in the origination, sale and/or purchase of performing and non-performing or distressed loans, including, without limitation, loans secured by real estate or other types of collateral, as well as knowledge and experience, by itself or with its advisers, in other financial and business matters, as to enable Bidder to utilize the information made available in connection with the Sale to evaluate the merits and risks of a prospective acquisition of the Mortgage Loans and to make an informed decision with respect thereto.

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B. Bidder acknowledges, understands, and is able to bear the economic risks associated with the acquisition and ownership of the Mortgage Loans, including, without limitation, the risk of a total loss of Bidder's investment in the Mortgage Loans.

C. Bidder acknowledges and agrees that information, including summary data, will be made available to assist Bidder in evaluating the risks involved in acquiring the Mortgage Loans and whether or not it chooses to review any information that is made available to it, Bidder has the ability and shall be responsible for making its own independent investigation and evaluation of the Mortgage Loans and the economic, credit or other risks involved in an acquisition of the Mortgage Loans, including, without limitation, the restrictions on resale or other liquidation upon any of the Mortgage Loans.

____ D. Bidder acknowledges and agrees that (i) the proposed sale of the Mortgage Loans is not intended to constitute the sale of a "security" within the meaning of the Act or any applicable federal or state securities laws, (ii) no inference that the Mortgage Loans is a "security" under such federal or state securities laws shall be drawn from any of the certifications, representations or warranties made by Bidder in this Qualification Statement for purposes of qualifying Bidder as a qualified bidder at the Sale, (iii) it is not contemplated that any filing will be made with the Securities and Exchange Commission or pursuant to the Blue Sky or securities laws of any jurisdiction.

If a Bidder cannot certify to Section E, subsection(s) (i)-(v) below, please describe and explain in an attached document not to exceed one page the debarment, suspension, or other exclusion and any extenuating circumstances or other information that may render such debarment, suspension or exclusion immaterial for the purposes of qualifying for the Sale. Please provide a copy of any order or agreement imposing such debarment, suspension or exclusion.

E. Bidder represents and warrants that it, Bidder's board of directors, direct parent, Bidder's subsidiaries, as applicable, and any related entity with which the Bidder shares a common officer, director, contractor or sub-contractor who has access to the Confidential Information as defined in the Confidentiality Agreement or is involved in the formation of a bid in connection with this transaction (collectively known as "Related Entities"), and its repurchase lender(s) for the Mortgage Loan Pools, are not any of the following:

____ i. 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;

ii. an individual or entity that is currently suspended, debarred or otherwise restricted by any department or agency of the federal

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government or of a state government from doing business with such department or agency;

iii. an individual or entity that is currently 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;

iv. an entity that has had its right to act as a Government National Mortgage Association (“Ginnie Mae”) issuer terminated and its interest in mortgages backing Ginnie Mae mortgage-backed securities extinguished by Ginnie Mae; or

v. an individual or entity that is in violation of its neighborhood stabilizing outcome obligations or post-sale reporting requirements under a Conveyance, Assignment and Assumption Agreement executed for a past sale.

The certifications in Section F subsections (iii), (iv), (v) and (vi) and Section G below are made based on currently available information about the Mortgage Loans to be offered in the Sale. However, if upon review of due diligence materials Bidder (or Related Entity or repurchase lender, as applicable) becomes unable to certify to Section F, subsections (iii), (iv), (v), or (vi) or Section G, Bidder will notify HUD and deem itself ineligible, and will not bid on the Mortgage Loans.

F. Bidder represents and warrants that it, its Related Entities and Repurchase Lender(s), are not, and will not knowingly use the services, directly or indirectly, of any person or entity that is, any of the following (and to the extent that any such individual or entity would prevent Bidder from making the following representations, such individual or entity has been removed from participation in all activities related to this Sale and has no ability to influence or control individuals involved in formation of a bid for this Sale):

i. an employee of HUD’s Office of Housing, 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;

ii. a contractor, subcontractor and/or consultant or advisor (including any agent, employee, partner, director, or principal of any of the foregoing) who performed services for or on behalf of HUD in connection with the Sale;

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iii. an individual or entity that knowingly acquired or will acquire prior to the Sale date material non-public information, other than that information which is made available to Bidder by HUD pursuant to the terms of this Qualification Statement, about Mortgage Loans offered in the Sale;

iv. an individual or entity that knowingly uses the services, directly or indirectly, of any person or entity ineligible under Section E above or this Section F to assist in preparing any of its bids on the Mortgage Loans;

v. an individual or entity which knowingly employs or uses the services of an employee of HUD's Office of Housing (other than in such employee's official capacity); or

vi. (INSERT "N/A" IF NOT APPLICABLE) For any Sale involving forward Mortgage Loans, the FHA-approved participating servicer that contributed forward Mortgage Loans to the pool on which the Bidder is placing a bid.

G. Bidder represents and warrants that it and its Related Entities are not, and will not knowingly directly or indirectly use the services of, an individual or entity that is ineligible to bid on any included Mortgage Loan or on the pool containing such Mortgage Loan because the individual or entity is any of the following (and to the extent that any such individual or entity would prevent Bidder from making the following representations, such individual or entity has been removed from participation in all activities related to this Sale and has no ability to influence or control individuals involved in formation of a bid for this Sale):

i. (INSERT "N/A" IF NOT APPLICABLE) With respect to any reverse Mortgage Loans in the Sale:

(a) serviced or held any reverse Mortgage Loan at any time during the six-month period prior to the bid, or

(b) is (1) any principal of any entity or individual described in the preceding sentence; (2) any employee or subcontractor of such entity or individual during that six-month period; or (3) 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 any such reverse Mortgage Loan.

ii. (INSERT "N/A" IF NOT APPLICABLE) With respect to any forward Mortgage Loans in the Sale:

(a) serviced or held any forward Mortgage Loan at any time during the two-year period prior to the bid, or

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(b) is (1) any principal of any entity or individual described in the preceding sentence; (2) any employee or subcontractor of such entity or individual during that two-year period; or (3) 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 any such forward Mortgage Loan.

_____ H. (INSERT "N/A" IF NOT APPLICABLE) For any Sale involving forward Mortgage Loans, Bidder represents and warrants that it will not release or disclose to any FHA-approved participating servicer, Bidder's information reflecting or evidencing the submission of its bid for such Mortgage Loans or other information used in preparing its bid for such Mortgage Loans.

_____ I. Bidder represents and warrants that it has full authority to deliver this Qualification Statement and that the individual executing this Qualification Statement has full authority to do so on behalf of Bidder and all principals thereof.

_____ J. Within the past 10 years, neither Bidder, nor any person or entity controlling Bidder, (i) has had entered against it an order for relief under the United States Bankruptcy Code, as amended, or under any other law relating to bankruptcy, insolvency or reorganization or relief of creditors, (ii) has failed to pay, or admitted in writing its inability to pay, its debts generally as they become due, (iii) has made a general assignment for the benefit of its creditors, (iv) has had appointed, or applied for, sought, consented to, or acquiesced in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its assets or properties, (v) has instituted any proceeding seeking to have entered against it an order for relief under the United States Bankruptcy Code, as amended, to adjudicate it insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or failed to file an answer or other pleading (within the time frame by which such answer or other pleading is due) denying the material allegations of any such proceeding filed against it, or (vi) has taken any corporate, partnership or similar (as applicable) action to authorize any matter described in any of clauses (i) through (v) of this paragraph.

_____ . Bidder understands that the above certifications, representations, and warranties are made for the purpose of qualifying Bidder as a qualified bidder at the Sale. Bidder hereby represents that the above certifications and all information provided herein are true and correct in all material respects as of the date hereof and will be true and correct in all material respects as of the time of Sale, and understands that FHA/HUD is relying upon the truthfulness and correctness of such statements.

_____ L. Bidder acknowledges and agrees that:

_____ i. (INSERT "N/A" IF NOT APPLICABLE) For any Sale involving reverse Mortgage Loans, after purchase, the reverse Mortgage Loans must be serviced by Bidder or a servicer that either: (a) meets the criteria in L.ii. below; or (b) is not

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currently 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.

_____ ii. (INSERT “N/A” IF NOT APPLICABLE) For any Sale involving forward Mortgage Loans, after purchase, the forward Mortgage Loans must be serviced by a servicer that meets the following qualifications: (a) an FHA-approved mortgagee, or a Fannie Mae or Freddie Mac approved servicer that is capable of servicing in accordance with FHA guidelines; and, (b) in good standing with and rated average or above average by the applicable agencies.

M. Bidder acknowledges and agrees that FHA/HUD has the right to request additional or updated information at any time, including, without limitation, financial statements and/or confirmation of the representations, warranties and certifications made herein. Bidder authorizes, and has the authority to authorize, FHA/HUD and its agents to conduct credit and other investigations of Bidder through appropriate third-party reporting agencies. Bidder further acknowledges and agrees that FHA/HUD may, in its sole discretion, refuse to qualify any prospective bidder who, in FHA/HUD’s sole judgment, does not have the requisite knowledge and experience to evaluate the merits and risks of purchasing and to make an informed decision with respect to the purchase of the Mortgage Loans.

N. Bidder hereby certifies that to the best of Bidder’s knowledge all the information stated herein, as well as any information provided in the accompanying documents (if applicable), including any executed Addendum that is attached to, incorporated in, and made a part of this Qualification Statement, is true, accurate, and complete. Submission of false information in connection with this application is grounds for rejecting your bid or invalidating the Conveyance, Assignment and Assumption Agreement. Bidder further certifies that Bidder has read the Warnings set forth below.

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WARNING: Any person who knowingly presents materially false, fictitious, or fraudulent statements in a matter within the jurisdiction of HUD is subject to penalties, sanctions, or other regulatory actions, including but not limited to:

- (i) Fines and imprisonment under 18 U.S.C. §§ 287, 1001, 1010, 1012, which provides for fines of a maximum of \$25,000 for individual and \$500,000 for organizations or imprisonment for up to 5 years or both; or
- (ii) Civil penalties and damages under 31 U.S.C. § 3729, of not less than \$5,000 and not more than \$10,000 plus 3 times the amount of damages which the government sustains; and
- (iii) Administrative sanctions, claims, and penalties by HUD pursuant to 24 C.F.R. Parts 24, 28, and 30.

The Bidder and the person signing on behalf of the Bidder certify that the information provided on this form and in any accompanying documentation is true and accurate.

Dated: _____, 202__

BIDDER: _____
(Print or Type Name of Bidder)
By: _____
Name (Printed): _____
Title: _____