

U.S. Department of Housing and Urban Development



Homeownership Center
Director's Office

Region VIII, Denver
1670 Broadway Street
Denver, Colorado 80202-4801

Phone: 1-800-543-9378
Fax: 303-672-5040
Web: www.hud.gov

VIA EMAIL to [REDACTED]

February 14, 2024

Mr. Andrew MacArthur
[REDACTED]

Dear Mr. MacArthur,

The U.S. Department of Housing and Urban Development ("HUD" or "Department") is authorized by regulation to issue a limited denial of participation ("LDP") to any participant in its programs whenever the Department has adequate evidence of cause for such an action. The purpose of this letter is to notify you that HUD has adequate evidence from which to conclude that you should be excluded immediately from direct or indirect participation in all programs under the jurisdiction of the Department's Assistant Secretary for Housing. Pursuant to 2 C.F.R. §§ 2424.1110(a)(2), and (7), the reasons for issuing this LDP are as follows: irregularities in your past performance in a HUD program; and making a false certification in connection with a HUD program.

The following specific actions constitute the evidence supporting these conclusions:

On or about April 26, 2023, you were the real estate agent for your client, Bradley Walleen, who signed a Sales Contract to purchase a HUD-owned property located at [REDACTED] ("subject property") for \$242,500. At paragraph 8 on the Sales Contract, he indicated that he was buying as an owner-occupant. On the same day, he signed an Individual Owner-Occupant Certification Addendum to the Sales Contract stating that he would occupy the subject property as his primary residence for at least 12 months. Your signature on both of these documents also indicates that you had advised your client about all terms therein, including the importance of the terms of buying as an owner-occupant. The **Sales Contract** is enclosed as **Exhibit A** and the **Individual Owner-Occupant Certification Addendum** is enclosed as **Exhibit B**.

The sale of the subject property closed, as a cash purchase, on June 9, 2023, as shown by the **Settlement Statement, Exhibit C**.

The property was sold on November 30, 2023, for \$400,000. Photos of the listing show the property was completely remodeled and professionally staged. You were the listing agent for this sale. The **listing showing sale data** is enclosed as **Exhibit D**.

Based on the above facts, we conclude that at the time of closing on the subject property that you knew or should have known that your client did not intend to occupy the subject property

as his primary residence. As his listing agent just a few months after purchase, you knew that he made a false certification in connection with a HUD program and did not honor his contractual obligations to live in the property as his primary residence for 12 months. These actions thwarted the efforts of legitimate owner-occupants to purchase an affordable home and for legitimate investors (i.e., those willing to wait out the owner-occupant bid period to pass without an offer) to have their chance to bid as honest investors. Together, you and your client's actions are considered an irregularity. Therefore, there is adequate evidence to issue an LDP to you.

This LDP is effective as of the date of this notice and will remain in effect for a period of one year or such shorter period as may be approved by this Department based upon resolution of the grounds for the denial. During this time, you are prohibited from participating in all programs under the jurisdiction of the Department's Assistant Secretary for Housing.

Under the LDP regulations, participation in these programs is defined as receipt of any benefit or financial assistance through grants, contractual arrangements, loan guarantees, insurance, or procurement contracts. 2 C.F.R. § 2424.1140(b). This broad definition of participation means that you may not participate in any program under the jurisdiction of the Department's Assistant Secretary for Housing in virtually any capacity including, but not limited to, borrower, real estate agent or broker, purchaser of a HUD-held property or any property with a HUD-insured or Secretary-held mortgage, fee appraiser, consultant, or any other business relationship with a participant in such programs.

This LDP extends to the jurisdiction of this office, which includes the States of Arkansas, Colorado, Iowa, Kansas, Louisiana, Minnesota, Missouri, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, Utah, Wisconsin, and Wyoming. You are advised, however, that other offices of HUD are notified of our action and may act accordingly. See 2 C.F.R. § 2424.1110(c).

You may request an informal conference for reconsideration of this action by writing to this office within 30 days of your receipt of this notice. If an informal conference is requested, you have a right to have it held within 15 days of the Department's receipt of the request. The conference may be held in person or telephonically at the Department's discretion. At the conference, you may be represented by counsel and may present all relevant information and materials to the official designated to conduct the conference. The Department will advise you in writing of its reconsideration decision no later than 20 days after the conference or 20 days after receipt of any materials which you are allowed to submit, whichever is later.

If the post-conference decision modifies or affirms the LDP, you may request a formal hearing before a Departmental hearing officer pursuant to 2 C.F.R. § 2424.1130(a). A written request for a formal hearing must be submitted to the address below within 30 days of receiving the post-conference notice.

You may also request a formal hearing instead of the informal conference, by submitting a written request for the hearing within 30 days of your receipt of this notice. A request for a formal hearing must be sent to:

Debarment Docket Clerk
U.S. Department of Housing & Urban Development
451 Seventh Street, SW
B-133 Portals 200
Washington, DC 20410-0500

This notice shall serve as the Department's complaint in any formal hearing in this matter. You can find the regulations regarding limited denials of participation at 2 CFR Part 2424, Subpart J, and the hearing process regulations at 24 CFR Part 26. All regulations are available online at www.ecfr.gov.

This LDP does not prevent the Department or another entity from seeking other remedies against you under other applicable federal, state or local statutes.

HUD's contact in Denver with regard to this letter is Laura Bullock, Director, Quality Assurance Division, at [REDACTED]

Sincerely,

AMY
TRUJILLO

Digitally signed by AMY TRUJILLO
DN: cn = AMY TRUJILLO, o = U.S. Government, ou = Department of Housing and Urban Development, office = Office of Administration
Date: 2024.12.15 12:25:41 -07'00'

Amy Trujillo
Director
Denver Single Family Homeownership Center

[REDACTED]