



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

Office of Housing

Special Attention of:

All HUD Employees
All Homeownership Center Directors
All Homeownership Center Deputy Directors
All Real Estate Owned Division Directors
All Regional and Deputy Regional Directors
All Field Office Directors
All M&M Contractors

NOTICE H 2011-19

Issued: August 17, 2011

Expires: August 31, 2012

Cross Reference:

SUBJECT: HUD Employee Purchases of HUD-Owned Single Family Properties

The purpose of this Notice is to clarify which HUD employees and members of HUD employees' households are eligible to purchase the Department's single family Real Estate Owned (REO) properties and to convey the approval and reporting process for these purchases. Purchases are limited to no more than one property every 24 months per eligible employee and household member.

Eligibility Criteria:

HUD employees and members of their households may only purchase HUD REO properties if they (1) do not currently own a home, or they own a home but can demonstrate that they will satisfy the owner-occupant requirement, and (2) will occupy the property as their principal residence for a minimum of two years. The following HUD employees and their household members are prohibited from purchasing HUD REO properties:

- All HUD management personnel who are part of the management chain that has authority over the single family REO disposition process;
- All Headquarters Office of Single Family Asset Management (OSFAM) employees;
- All HUD employees that have direct or indirect responsibilities for policy development, procurement, and disposition of single family REO properties; and
- All Homeownership Centers, Field and Regional Offices' employees that have direct or indirect oversight responsibilities of Management and Marketing (M&M) contractors.

Approval and Reporting Process:

Eligible employees and members of their households should adhere to the following process in order to obtain approval to purchase a single family HUD REO property:

- HUD employees and/or members of their households must execute an owner-occupant certification at the time of purchase. Therefore, purchasers must provide the last four (4) digits of their Social Security Number and their date of birth to allow OSFAM to confirm that they will be owner-occupants of the purchased properties.
- Eligible employees and members of their households are required to obtain approval prior to bidding on a HUD-owned single family home. This authorization is requested through the completion of form [HUD-50001](#), “HUD Employee/Relative Home Purchase Certification,” found on “HUDClips” or at <http://www.hud.gov/offices/adm/hudclips/>. Interested employees seeking approval for themselves or a member of their household must complete the form describing their job and/or relationship to the proposed purchaser, and certify that they have no involvement with the management and oversight of the M&M contractors’ activities. The employee must print and complete Form HUD-50001 by checking the appropriate box, including their telephone and fax numbers, and signing it. The employee must then hand-carry the form to his/her immediate supervisor for signature and email the signed form to the Director of the Office of Single Family Asset Management for signature before the employee or relative is approved to submit a bid.
- If approval to bid on properties is granted, OSFAM will send confirmation by email to the employee with a copy to his/her immediate supervisor. The employee/member of the employee’s household is then eligible to bid under the same terms and conditions as all other owner-occupant bidders. The employee/member of the employee’s household is eligible to bid for a period not to exceed 12 months from the date of the approval and must re-certify in the event of any job change. Bids are submitted electronically and the employment identity of all bidders is not included on the bid form, thereby assuring impartiality in the bid acceptance process.
- OSFAM will track both approved bidders and successful purchasers and will report annually on employee/relative purchasers to the Assistant Secretary for Housing.

If you have questions regarding this Notice, you may contact James McGee of HUD Headquarters at (202) 708-1672, extension 2287.

[Attachment](#)

Carol J. Galante
Acting Assistant Secretary for Housing-
Federal Housing Commissioner