FIELD OFFICE LETTERHEAD

XYZ Mortgage
738 Nickel Street
Atlantic City, NJ 12345-0001

Dear (Insert Name or Associate):

SUBJECT: NOTICE OF INTENT TO COLLECT BY ADMINISTRATIVE OFFSET

FHA Case Number
Mortgagee Loan Number
Property Address

In a letter dated (Insert date), we requested that funds due the Department of Housing and Urban Development (HUD) in the amount of $ (Insert dollar amount) be forwarded to this office. The letter advised you that the funds were being requested as a result of a reconveyance.

We have not received payment of the amount demanded in that letter. Therefore, the Department has elected to exercise its rights pursuant to HUD Regulation 24 CFR 17.72(b) to collect the debt by administrative offset against U.S. Government payments otherwise due your organization. You are hereby notified that the Department intends to collect the debt identified above beginning 31 calendar days from the date of this letter.

If, however, this payment has been made, please provide us with a copy of the front and reverse side of the cancelled check. For identification purposes, return the enclosed copy of this letter with the copy of your cancelled check to:

Department of Housing and Urban Development
Attention: Reconveyance Specialist
Office of Housing
Single Family Post Insurance Division
Single Family Mortgage Insurance Claims Branch
P. O. Box 44807
Washington, DC 20026-4807

Your rights under HUD's administrative offset regulations are identified below:

1. Administrative Review within HUD

You are entitled to a prompt review of this decision by the Regional Director, Office of Housing for the (Insert Field Office), if you so request. The request should be addressed
to: (Insert: Department of Housing and Urban Development, Claims Officer, Regional address), and must be received within 20 calendar days from the date of this letter. The request must explain why you seek review.

1 of 2

APPENDIX 64

2. Agency Records

You may inspect and copy the Department's records relating to the debt. If you intend to exercise this option, you must send a letter to the Department of Housing and Urban Development, Attention: (Insert Claims Officer, Region's address) stating your intention. Your letter must be received within 20 calendar days from the date of this letter. Upon timely receipt of such a letter, you may inspect and copy records relating to the claims in my office, Department of Housing and Urban Development, (Insert Field Office address) from 8:45 a.m. to 5:15 p.m., Monday through Friday except legal holidays.

3. Agreement to Repay

Notwithstanding the Department's decision to collect this receivable by offset against future payments, you may propose a written agreement to repay the debt in lieu of offset. Any such proposal should be addressed to: Department of Housing and Urban Development, Attention: (Insert: Claims Officer, Region's address), and must be received within 20 calendar days from the date of this notice.

I will be available to discuss any questions you have about the reconveyance procedure.

Sincerely,

Chief Property Officer

Enclosure

2 of 2