

Appendix 7

Form Approved
OMB - 2502-0118**INSTRUCTIONS FOR COMPLETING THE PREVIOUS PARTICIPATION CERTIFICATE, FORM HUD-2530**
(Effective January 1, 1981 for HUD Assisted Multifamily Housing Projects.)**PURPOSE:**

Form HUD-2530 must be completed and signed by all parties applying to become principal participants in HUD multifamily housing projects. The purpose of this form is to provide HUD with a certified report of all previous participation in HUD multifamily housing projects by those parties making application for additional participation in another HUD MFH project. This form must also be completed by those who have not previously participated in HUD MFH projects.

Before filing this form with the HUD Area or Service office where your project application will be processed, these instructions and the regulations that apply to this form should be read carefully. A copy of these regulations published at 24 CFR 200.210 to 200.245 can be obtained from the Multifamily Housing Representative at any HUD Area or Service office.

The information requested in this form is necessary in order for HUD to determine if you meet the standards established to ensure that all principal participants in HUD projects will honor their legal, financial and contractual obligations and are acceptable risks from the underwriting standpoint of an insurer, lender or governmental agency.

To assist in this determination, HUD requires that you certify your record of previous participation in HUD projects by completing and signing this form. Before your project application or participation can be approved, HUD approval of your certification is a necessary precondition for your participation in the project and in the capacity that you propose.

If you do not file this certificate, do not furnish the information requested accurately, or do not meet established standards, you will not be approved and you will not be able to participate in the project as you had planned. Alternatively, approval may be withheld for up to 120 days if HUD feels more information is necessary to make an accurate decision.

Note that approval of your certification does not obligate HUD to approve your project application, and it does not satisfy all other HUD program requirements relative to your qualifications.

WHO MUST SIGN AND FILE FORM HUD-2530:

Form HUD-2530 must be signed and filed by all principals and their affiliates who propose participating in the HUD project. Principals may all use, sign, and file on the same form or they may elect to file separate forms if there is more than one. Late comers must file when they decide to join principals who have already filed.

Principals include all individuals, joint ventures, partnerships, corporations, trusts, nonprofit organizations or any other public or private entity that will participate in the proposed project as a sponsor, owner, prime contractor, turnkey developer, or managing agent. In addition, principals include packagers and consultants, defined as individuals or firms providing advisory services in connection with the financing or construction of a project, or with meeting any related HUD requirements. Architects and attorneys who have any interest in the project other than an arms length fee arrangement for professional services are also considered principals by HUD.

In the case of partnerships, all general partners regardless of their percent age interest and limited partners having a 25 percent or more interest in the partnership are considered principals. In the case of public or private corporations or governmental entities, principals include the president, vice president, secretary, treasurer and all other executive officers who are directly responsible to the board of directors, or any equivalent governing body, as well as all directors and each stockholder having a 10 percent or more interest in the corporation.

All firms are defined as any person or business concern that directly or indirectly controls the policy of a principal or has the power to do so. A relative or parent corporation would be an example of an affiliate if one of its subsidiaries was a principal.

EXCEPTION FOR CORPORATIONS - ALL PRINCIPALS AND AFFILIATES MUST PERSONALLY SIGN THE CERTIFICATE EXCEPT IN THE FOLLOWING SITUATION WHEN A CORPORATION OR PUBLIC AGENCY IS A PRINCIPAL. ALL OF ITS OFFICERS, DIRECTORS, COMMISSIONERS, TRUSTEES AND STOCKHOLDERS WITH 10 PERCENT OR MORE OF THE COMMON (VOTING) STOCK MUST SIGN PERSONALLY IF THEY ALL HAVE THE SAME RECORD TO REPORT THE OFFICER WHO IS AUTHORIZED TO SIGN FOR THE CORPORATION OR AGENCY WILL LIST THE NAMES AND TITLE OF THOSE WHO ELECT NOT TO SIGN. HOWEVER, ANY PERSON WHO HAS A RECORD OF PARTICIPATION IN HUD PROJECTS THAT IS SEPARATE FROM THAT OF HIS OR HER ORGANIZATION MUST REPORT THAT ACTIVITY ON THIS FORM AND SIGN HIS OR HER NAME.

EXEMPTIONS: The names of the following parties do not need to be listed on Form HUD-2530: Public Housing Agencies; tenants; owners of less than five condominium or cooperative units; and all other interests acquired by inheritance or court order.

WHERE AND WHEN FORM HUD-2530 MUST BE FILED:

The form must be filed with the HUD Area or Service office where your project application will be processed at the same time you file your project application.

This form must be filed with applications for projects, or when otherwise required in the situations listed below:

- Projects to be financed with mortgages insured under the National Housing Act (FHA);
- Projects to be financed according to Section 202 of the Housing Act of 1958 (Elderly and Handicapped);
- Public Housing projects to be financed according to the United States Housing Act of 1937.

- Projects in which 20 percent or more of the units are to receive a subsidy as described in 24 CFR 200.213.
- Purchase of a project subject to a mortgage insured or held by the Secretary of HUD.
- Purchase of a Secretary-owned project.
- PROPOSED SUBSTITUTION OR ADDITION OF A PRINCIPAL OR PRINCIPAL PARTICIPATION IN A DIFFERENT CAPACITY FROM THAT PREVIOUSLY APPROVED FOR THE SAME PROJECT.
- PROPOSED ACQUISITION BY AN EXISTING LIMITED PARTNER OF ADDITIONAL INTEREST IN A PROJECT RESULTING IN A TOTAL INTEREST OF 25 PERCENT OR MORE, OR PROPOSED ACQUISITION BY A STOCKHOLDER OF ADDITIONAL INTEREST IN A PROJECT RESULTING IN A TOTAL INTEREST OF 10 PERCENT OR MORE.
- Projects with U.S.D.A., Farmers Home Administration, or with state or local government housing finance agencies that include rental assistance under Section 8 of the Housing Act of 1937. For projects of this type, Form HUD-2530 should be filed with the appropriate applications directly to those agencies.

REVIEW OF ADVERSE DETERMINATION

If approval of your participation in a HUD project is denied, withheld or conditionally granted on the basis of your record of previous participation, you will be notified by the field office. You may request reconsideration by the HUD Review Committee. Alternatively, you may request a hearing before a Hearing Officer. Either request must be made in writing within 30 days from your receipt of the notice of determination.

If you do request reconsideration by the Review Committee and the reconsideration results in an adverse determination you may then request a hearing before a Hearing Officer. The Hearing Officer will issue a report to the Review Committee. You will be notified of the final ruling by certified mail.

INSTRUCTIONS FOR COMPLETING FORM HUD-2530:

General Instructions: Either type or print neatly in ink when filling out this form. **BE SURE TO MARK ANSWERS IN ALL BLOCKS OF THE FORM. IF THE FORM IS NOT FILLED OUT COMPLETELY, IT WILL DELAY APPROVAL OF YOUR APPLICATION.**

If you need more space, attach extra sheets to the form. Be sure to type "Continued on Attachments" wherever appropriate on Form HUD-2530. Also, sign each attachment page that is attached if it refers to you or your record.

Sign the certificate **ONLY** after you have read it carefully. File the original with the HUD Area or Service office that has jurisdiction over the project at the same time the initial project or other application forms are filed by the HUD Area or Service office. You need to submit only one copy of Form HUD-2530 to HUD; additional copies are not necessary.

If you have many projects to list and expect to be applying frequently for participation in HUD projects, you should consider filing a Master List. See Master List instructions below under "Instructions for Completing Schedule 3."

Any questions you have regarding the form or how to complete it can be answered by your HUD Area or Service office Multifamily Housing Representative.

Block Instructions

BLOCK 1: Fill in the name of the agency to which you are applying, for example "HUD Area or Service office, Farmers Home Administration District office, or the name of a state or local housing finance agency. Below that fill in the name of the city where the office is located.

BLOCK 2: Fill in the name of the project, such as "Greenwood Apts." If the name has not yet been selected, write "Name unknown."

Below that, fill in the HUD contract or project identification number, the Farmers Home Administration project number, or the state or local housing finance agency project or contract number. Include ALL project or contract identification numbers that are relevant to the project. Below that, fill in the name of the city in which the project is located, and the ZIP Code of the site location.

BLOCK 3: Fill in the dollar amount requested in the proposed mortgage or the annual amount of rental assistance requested.

BLOCK 4: Fill in the number of apartment units proposed, such as "100 units." For hospital projects or nursing homes, fill in the number of beds proposed, such as "100 beds."

BLOCK 5: If known, fill in the section of the Housing Act under which the application is filed. If unknown, write "Unknown."

BLOCK 6: Check the appropriate box to indicate whether your application involves an EXISTING project, a REHABILITATION, or a PROPOSED new project.

BLOCK 7: Alphabetically list the full names, last name first, of all principals (including corporations) and affiliates and their addresses. Definitions of all those who are considered principals and affiliates are given above in the section titled "Who Must Sign and File Form HUD-2530."

BLOCK 8: Below the name of each principal, fill in the role that each party filled will perform. The following is a list of the possible roles that the principals may perform: Sponsor, Owner, Prime Contractor, Turnkey Developer, Managing Agent, Packager, Consultant, General Partner, Limited Partner (include percentage), Executive Officer, Director, Trustee, or Major Stockholder.

Below the name of each affiliate, write the name of the person or firm of affiliation, such as "Affiliate of Smith Construction Co."

INSTRUCTIONS FOR COMPLETING THE PREVIOUS PARTICIPATION CERTIFICATE - FORM HUD-2530 (Continued)

BLOCK 9 - Fill in the percentage ownership in the proposed project that each principal is expected to have. Beside the name of those parties who will not be owners, write "None."

BLOCK 10 - Fill in the social security or IRS employer number of every party listed, including affiliates.

INSTRUCTIONS FOR COMPLETING SCHEDULE A -

No Previous Record - EVEN IF YOU HAVE NEVER PARTICIPATED IN A HUD PROJECT BEFORE, YOU MUST COMPLETE FORM HUD-2530. If you have no record of previous projects to list, fill in your name in Column 1 of Schedule A, and write across the form by your name - "No previous participation, first experience."

Frequent Filer's Master List System - If you expect to file this form frequently and you have a long list of previous projects to report on Schedule A, you should consider filing a Master List. By doing so, you will avoid having to list all your previous projects each time you file a new application.

To make a Master List, use Form HUD-2530. On page 1, in Block 1, you should fill in (in capital letters) the words "MASTER LIST." In Blocks 2 through 8 fill in "N.A." meaning Not Applicable. Complete Blocks 7 through 10.

In the box below the statement of certification, fill in the names of all parties who wish to file a Master List together (type or print neatly). Beside each name, every party must sign the form. In the box titled "Proposed Role," fill in "N.A." Also, fill in the date you sign the form and provide a telephone number where you can be reached during the day.

SCHEDULE A, ON THE REVERSE SIDE OF THE FORM MUST BE FILLED OUT COMPLETELY ACCORDING TO THE INSTRUCTIONS BELOW UNDER "All Others." CHECK TO BE SURE THAT SCHEDULE A IS COMPLETE, ACCURATE AND THE CERTIFICATE ON THE FRONT OF FORM 2530 IS PROPERLY DATED AND SIGNED, BECAUSE IT WILL SERVE AS A LEGAL RECORD OF YOUR PREVIOUS EXPERIENCE.

File one copy of the Master List with each HUD Area or Service office where you do business and mail one copy to:

HUD-2530 MASTER LISTS
Previous Participation Branch - Housing
Department of Housing and Urban Development
451 Seventh Street, S.W.
Washington, D.C. 20410

Once you have filed a Master List, you do not need to complete Schedule A when you submit Form HUD-2530. Instead, write the name of the participant in Column 1 of Schedule A and beside that write - "See Master List on file." Also give the date that appears on the Master List that you submitted. Below this, report all changes and additions that have occurred since the date of the Master List. Be sure to include any mortgage defaults, assignments or foreclosures not listed previously.

IF YOU HAVE WITHDRAWN FROM A PROJECT SINCE THE DATE THE MASTER LIST WAS FILED, BE SURE TO NAME THE PROJECT, GIVE THE PROJECT IDENTIFICATION NUMBER, THE MONTH AND YEAR YOUR PARTICIPATION BEGAN AND/OR ENDED.

All Others - Complete Schedule A on the reverse side of Form HUD-2530. All Multifamily Housing projects in which you have previously participated as a state or local government housing finance agencies MUST be listed.

In Column 2 of Schedule A, list all of your previous projects. In addition, list the project or contract identification of each previous project. **THE PROJECT OR CONTRACT IDENTIFICATION OF ALL PREVIOUS PROJECTS MUST BE INCLUDED ON YOUR CERTIFICATION CANNOT BE PROCESSED.** Also give the name of all projects, the dates in which they are located and the government agency (HUD, USDA-FmHA or state or local housing finance agency) that was involved. At the end of your list of projects in Column 2 of Schedule A, draw a straight line across the page to separate your record of projects from that of others signing this form who have a different record to report.

In Column 3 of Schedule A, list your role in all previous projects to list of all possible roles is given in the instructions to Block 3. Give the month and year your participation began and/or ended because you do not want your record confused with possible problems caused by others for which you are not responsible.

In Column 4 of Schedule A, you must indicate all defaults, mortgage relief, assignments and foreclosures. Write "Default," "Assignment," or "Foreclosure" and give the date it occurred. If a default has been cured by payment, write the word "Cured" after the word default. If there were none of these on a project, write "None."

CERTIFICATION - AFTER YOU HAVE COMPLETED ALL OTHER PARTS OF FORM HUD-2530, INCLUDING SCHEDULE A, READ THE CERTIFICATION CAREFULLY. In the box below the statement of certification, fill in the name of all principals and affiliates (type or print neatly). Beside the name of each principal and affiliate, each party must sign the form, with the exception in some cases of individuals associated with a corporation (see "Exception for Corporations" in the section of the instructions titled "Who Must Sign and File Form HUD-2530"). Beside each signature, fill in the role of each party (the same as shown in Block 3). In addition, each person who signs the form should fill in the date that he or she signs, as well as providing a telephone number where he or she can be reached during business hours. By providing a telephone number where you can be reached, you will help to prevent any possible delay caused by mailing and processing time in the event HUD has any questions.

If you cannot certify and sign the certificate as it is printed because some statements do not correctly describe your record, do not become discouraged. On the one hand, the certificate use a pen and strike through those parts that differ with your record, then sign and certify to that part you permitted in return and which does describe you or your record.

Attach a signed letter, note or explanation of the times you have struck out on the certification and report the facts of your correct record. Item A(2)(a) relates to felony convictions within the past 10 years. If you have been convicted of a felony within 10 years, strike out all of A(2)(a) on the certificate and attach your statement giving your explanation. A felony conviction will not cause your participation to be disapproved unless there is a criminal record or other evidence that your previous conduct or manner of doing business has been such that your participation in the project would make it an unacceptable risk from the underwriting standpoint of a lender, lender or governmental agency.

PRIVACY ACT INFORMATION AND AUTHORITY

Form HUD-2530 is authorized by law (42 USC 3535(a) and 42 USC 1701 et seq.) and 24 CFR 200.217. This information is collected to evaluate your record with respect to established standards of performance, responsibility and eligibility. HUD must have your social security number (SSN) for identification of your records. HUD may use your SSN for automated processing of your records and to make requests for information about you and your previous records with other public agencies and private sector sources.

Disclosure is not mandatory but you cannot be approved for participation unless you disclose the requested information.

Information HUD has about you may be given to other Federal, State and local agencies for checking on your previous participation record for business practices, for law violations and for other lawful purposes.