

Qualification Requirements for Acquisition of Title from a Unit of Local Government

The Department will not convey title to a property to a non-public, third party purchaser, whether through foreclosure or HUD-owned sale, until completing a review of the purchaser's experience, qualifications and capacity to acquire and successfully transform the property into a long-term, viable affordable housing resource.

When the Department conveys title to a property to a unit of local government (ULG), including public housing agencies and State agencies designated by the chief executive officer of the State in which the property is located, either through the Right of First Refusal or a non-competitive sale, any subsequent re-conveyance of title by the ULG to a non-public entity must be through a public disposition process consistent with the disposition procedures of the ULG. The Department requires the ULG to review the experience, qualifications and capacity of the purchaser to own the property. At a minimum, the ULG's review and approval process must consist of the following:

Previous Participation Certification - Review of purchaser's Previous Participation under HUD's Active Partners Performance System (APPS). Purchasers have the option to file the required Previous Participation Certification (aka Form HUD-2530) in electronic or paper format. The paper format can be located and downloaded at www.hudclips.gov. Instructions on registering in the APPS and HUD's Secure System (electronic version) can be found at: <http://www.hud.gov/offices/hsg/mfh/pd/genbkits.cfm>.

Certification of Substantial Compliance – The purchaser must provide certification that any other properties that are owned by the purchaser or its affiliates and are located in the same jurisdiction as the property are in substantial compliance with applicable State and/or local housing statutes regulations, ordinances and codes. The Certification of Substantial Compliance form is attached.

Property Management – The purchaser must identify the proposed management entity and describe the management entity's qualification and experience in managing similar types of properties. Note, if the purchaser proposes to self-manage the property, the purchaser should provide a narrative describing the purchaser's qualifications and experience in managing similar types of properties.

Written Statement of Experience – The purchaser must submit a written statement demonstrating generally five (5) years of experience in successfully owning and managing properties similar to the property being acquired. The statement shall provide the following information for all similar properties to the property being conveyed, not to exceed three (3) specific examples. The written statement should not exceed five (5) pages per property and should address the following:

- The location of other owned multifamily properties.
- The number of units and construction type (garden, walk-up, scattered site, hi-rise) for each property.
- Identify properties that have government assistance and type of assistance, i.e., project-based assistance tenant-based voucher assistance, low-income housing tax credits, etc.
- Identify the initial physical needs of each property and how they were addressed.
- Identify the social needs of each property and how they were addressed.
- Identify the economic needs of each property and how they were addressed.

For the property being sold, provide the following documentation:

- Describe how purchaser will satisfy conditions of the sale, i.e., repair program, income and rent limitations, etc.
- Describe how purchaser will implement a sound financial and physical management program for the property.
- Describe purchaser's methods for responding to the needs of the tenants and working cooperatively with resident organizations.
- Describe how purchaser will provide adequate organizational staff and financial resources to the property.
- Provide a statement of services, maintenance and utilities which purchaser will provide to the property.
- Provide a statement disclosing whether other government assistance will be utilized in conjunction with any project-based Section 8 assistance.

Certification of Substantial Compliance

I Certify to the Seller and the United States Department of Housing and Urban Development (HUD) that any and all projects that are owned by the Purchaser or its affiliates and are located in the same jurisdiction as _____ are in substantial compliance with applicable state and/or local housing statutes, regulations, ordinances and codes and are listed on Schedule A attached hereto.

I understand that the Seller/HUD may, in their discretion, verify the accuracy of this certification and request supporting documentation from the Purchaser. It is understood that if the Seller/HUD determines, in their sole discretion, that such other projects as listed on Schedule A are not in substantial compliance, the Seller will have the right to refuse to sell the project to the Purchaser.

WARNING: It is a crime to knowingly make false statements to the United States in this document or any other document related to this sale. Penalties upon conviction can include a fine or imprisonment. For details see: Title 18 U.S. Code, Section 1001 and Section 1010.

By:

Name:

Title:

Address:

Telephone Number:

Attachment

Certification of Substantial Compliance

Schedule A: All projects owned by high bidder or affiliates and are located in the same jurisdiction as the subject property.

1. List each project name	2. List name of principal or affiliate with ownership of project.	3. List project address