

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5368-N-01]

Public Housing Mortgage Program: Notice of Web Publication**AGENCY:** Office of the Assistant Secretary for Public and Indian Housing, HUD.**ACTION:** Notice.

SUMMARY: Public housing agencies (PHAs) are authorized, by statute, to mortgage their public housing real estate assets to secure financing to undertake development and rehabilitation of low-income housing with HUD approval. HUD has currently allowed PHAs to exercise this authority on a case-by-case basis. To streamline this process, HUD has posted on its Web site a proposed notice that proposes the terms and conditions by which PHAs may undertake such financing with HUD approval. HUD invites PHAs and interested members of the public to review this proposed notice and submit comments in accordance with the procedures provided in this **Federal Register** notice. HUD is seeking public comments on this proposed notice as it proceeds to formalize final guidance for the exercise of this financing authority.

DATES: *Comment Due Date:* January 31, 2010.

ADDRESSES: Interested persons are invited to submit comments regarding the public housing mortgage program notice, which can be found at: <http://www.hud.gov/offices/pih/programs/ph/capfund/phmp.cfm>, by the due date. Comments may be submitted via mail to: PHMP Comments, C/o Dominique Blom, Deputy Assistant Secretary, Office of Public Housing Investments, Room 4134, Department of Housing and Urban Development, 451 7th Street, SW., Washington, DC 20410.

Comments may also be submitted via e-mail to:

PHMP_Notice_Comments@hud.gov.

No Facsimile Comments. Facsimile (FAX) comments are not acceptable.

Public Inspection of Public Comments. All properly submitted comments and communications submitted to HUD will be available for public inspection and copying in Room 4134 at HUD Headquarters. Due to security measures at the HUD Headquarters building, an advance appointment to review the public comments must be scheduled by calling the contact person listed below. Individuals with speech or hearing impairments may access this number via TTY by calling the Federal

Information Relay Service, toll-free, at 800-877-8339.

FOR FURTHER INFORMATION CONTACT: Kevin Gallagher, Capital Program Division, Office of Public and Indian Housing, Department of Housing and Urban Development, 451 7th Street, SW., Washington, DC 20410-8000; telephone number 202-402-4192 (this is not a toll-free number). Hearing- or speech-impaired individuals may access this number through TTY by calling the toll-free Federal Information Relay Service at 800-877-8339.

SUPPLEMENTARY INFORMATION:**I. Background**

Section 30 of the United States Housing Act of 1937 (1937 Act) (42 U.S.C. 1437z-2), entitled "Public Housing Mortgages and Security Interest," authorizes PHAs, subject to HUD approval, to pledge or mortgage public housing projects or other property of the PHA and specifically provides as follows:

(a) GENERAL AUTHORIZATION—The Secretary may, upon such terms and conditions as the Secretary may prescribe, authorize a public housing agency to mortgage or otherwise grant a security interest in any public housing project or other property of the public housing agency.

Since 2005, HUD has allowed PHAs to exercise this authority by entering into property mortgages to obtain financing for development and rehabilitation of dwelling units. HUD has posted, on its Web site, a proposed notice, providing more information and procedures for PHAs obtaining HUD approval to enter into such financing arrangements. This proposed notice, upon which HUD invites comment, is available at <http://www.hud.gov/offices/pih/programs/ph/capfund/phmp.cfm>. HUD seeks comments on any issues raised by this proposed notice, and particularly on the provisions regarding precedence of security interests for dwelling and non-dwelling units.

As will be seen upon review of this proposed notice, HUD proposes to consider allowing lenders to take a first lien position on public housing non-dwelling property, allowing them, if necessary, to foreclose on the property and extinguish any HUD interest. HUD believes that this approach for non-dwelling units will incentivize private market participation. For dwelling units, a declaration of restrictive covenants will constitute first lien position, and, while the property can be foreclosed upon, the property will be required to continue to be operated in accordance with public housing requirements, including eligibility

restrictions. While HUD is implementing the Public Housing Mortgage program on a case-by-case basis, proposals for transactions in which HUD permits potential foreclosure on dwelling units, without further HUD review of the foreclosure action, will receive additional scrutiny and a higher level of review as HUD has not approved transactions utilizing this aspect of the program and is mindful the risks involved.

While HUD seeks comments on any issues raised by this notice, HUD is particularly interested in the provisions regarding precedence of security interests for dwelling and non-dwelling units.

Dated: December 4, 2009.

Deborah Hernandez,

General Deputy Assistant Secretary for Public and Indian Housing.

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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5373-N-01]

Notice of Sale of HUD-Held Multifamily and Healthcare Loans**AGENCY:** Office of the Assistant Secretary for Housing—Federal Housing Commissioner, HUD.**ACTION:** Notice of sale of Secretary-held mortgage loans.

SUMMARY: This notice announces HUD's intention to sell certain unsubsidized Healthcare and unsubsidized Multifamily mortgage loans, without Federal Housing Administration (FHA) insurance, through several different sales activities. This notice also generally describes the process for bidding on loans and defines certain persons who are eligible and ineligible to bid. The sales activities announced by today's **Federal Register** Notice include direct sales of Multifamily notes to units of local government, a competitive sale of Healthcare notes on December 16th and a competitive sale of Multifamily notes that will be scheduled for a later date.

DATES: The sales of the direct loans to units of local government will close by December 16, 2009. The Bidder's Information Package (BIP) for the competitive sale of the Healthcare notes was made available to qualified bidders on or about November 20, 2009. Bids for Healthcare loans must be submitted on the bid date, which is currently scheduled for December 16, 2009. HUD anticipates that awards of the