

**ACTION:** Notice.

**SUMMARY:** HUD announces the availability on its Web site of the applicant information, submission deadlines, funding criteria, and other requirements for the FY2010 Lead-Based Paint Hazard Control Grant Program and Lead Hazard Reduction Demonstration Grant Program NOFA. Approximately \$110 million is made available through this NOFA, by the Consolidated Appropriations Act, 2010 (Pub. L. 111-117, approved December 16, 2009). The purpose of these programs is to assist states, Native American Tribes, cities, counties/parishes, or other units of local government undertake comprehensive programs to identify and control lead-based paint hazards in eligible privately owned rental or owner-occupied housing. The Lead Hazard Reduction Demonstration Grant Program is targeted, however, to urban jurisdictions with the greatest lead-based paint hazard control needs.

The notice providing information regarding the application process, funding criteria and eligibility requirements can be found using the Department of Housing and Urban Development agency link on the Grants.gov/Find Web site at <http://www.grants.gov/search/agency.do>. A link to Grants.gov is also available on the HUD Web site at <http://www.hud.gov/offices/adm/grants/fundsavail.cfm>. The Catalogue of Federal Domestic Assistance (CFDA) number for the Lead-Based Paint Hazard Control Program is 14.900. The CFDA number for the Lead Hazard Reduction Demonstration Grant Program is 14.905. Applications must be submitted electronically through Grants.gov.

**FOR FURTHER INFORMATION CONTACT:** For information concerning the Lead-Based Paint Hazard Control Grant Program and Lead Hazard Reduction Demonstration Grant Program, contact Michelle M. Miller, Director, Programs Division, Office of Healthy Homes and Lead Hazard Control, Department of Housing and Urban Development, 451 Seventh Street, SW., Room 8236, Washington DC 20410-3000; telephone number 202-402-5769 (this is not a toll-free number). Persons with speech or hearing impairments may access this telephone number via TTY by calling the toll-free Federal Relay Service during working hours at 800-877-8339.

Dated: September 1, 2010.

**Aaron Santa Anna,**

*Assistant General Counsel for Regulations.*

[FR Doc. 2010-22537 Filed 9-8-10; 8:45 am]

**BILLING CODE 4210-67-P**

## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5407-N-02]

### Notice of HUD-Held Multifamily and Healthcare Loan Sale (MHLS 2010-2)

**AGENCY:** Office of the Assistant Secretary for Housing—Federal Housing Commissioner, HUD.

**ACTION:** Notice of sale of mortgage loans.

**SUMMARY:** This notice announces HUD's intention to sell certain unsubsidized multifamily and healthcare mortgage loans, without Federal Housing Administration (FHA) insurance, in a competitive, sealed bid sale (MHLS 2010-2). Additionally, HUD may extend the sale to include a supplementary pool of unsubsidized multifamily mortgage loan(s), without FHA insurance, limited to not-for-profit organizations and units of State and Local Government. This notice also describes generally the bidding process for the sale and certain persons who are ineligible to bid.

The Qualification Statement in connection with the sale has the following new provisions and revisions: (1) Part II, Number 7 was revised to reflect that the Purchaser must also meet the requirements in Paragraph I of the Qualification Statement to become a qualified bidder with respect to the relevant Mortgage Loans; (2) Part II, Number 8 and Paragraph M were added to allow a limited partner or non-managing member (which may include a tax credit investor) to qualify to bid on a Mortgage Loan(s) in which Purchaser has made a financial investment; (3) paragraph K was revised to allow Purchaser the option to provide a complete listing or organizational chart of known Related Parties or affiliates which HUD will review, pursuant to its 2530 Previous Participation process, to determine whether a Purchaser is a Qualified Bidder; and (4) Paragraph L was added to describe the status of, and limitations on bidding for, a Purchaser who has selected box 8.

The Department has notified units of Local Governments of this planned sale and has provided each jurisdiction with the opportunity to purchase assets directly from the Department. It is anticipated that any direct sales of these notes to units of local governments would be offered and closed in the same timeframe as the competitive sale.

The Department is also in the process of working with the California Housing Finance Agency for the direct sale of The Winery, a multifamily loan. It is anticipated that the sale of this asset

will take place in the same timeframe as the competitive sale.

**DATES:** The Bidder's Information Package (BIP) was made available to qualified bidders on August 11, 2010. Bids will only be accepted during the period from 1 p.m. EDT on September 8, 2010 to 1 p.m. EDT on September 9, 2010. HUD anticipates that awards will be made on or before September 10, 2010. Closings are expected to take place between September 15, 2010 and September 22, 2010.

**ADDRESSES:** To become a qualified bidder and receive the BIP, prospective bidders must complete, execute, and submit a Confidentiality Agreement and a Qualification Statement acceptable to HUD. Both documents are available on the HUD Web site at <http://www.hud.gov/offices/hsg/comp/asset/mfam/mhls.cfm>. Please mail and fax executed documents to KDX Ventures: KDX Ventures, c/o The Debt Exchange, 133 Federal Street, 10th Floor, Boston, MA 02111, Attention: MHLS 2010-2 Sale Coordinator, Fax: 1-617-531-3499.

**FOR FURTHER INFORMATION CONTACT:** John Lucey, Deputy Director, Asset Sales Office, Room 3136, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410-8000; telephone 202-708-2625, extension 3927. Hearing- or speech-impaired individuals may call 202-708-4594 (TTY). These are not toll-free numbers.

**SUPPLEMENTARY INFORMATION:** HUD announces its intention to sell in MHLS 2010-2 certain unsubsidized mortgage loans (Mortgage Loans) secured by multifamily and healthcare properties located throughout the United States. The Mortgage Loans are comprised primarily of non-performing mortgage loans. A final listing of the Mortgage Loans will be included in the BIP. The Mortgage Loans will be sold without FHA insurance and with servicing released. HUD will offer qualified bidders an opportunity to bid competitively on the Mortgage Loans.

The Mortgage Loans will be stratified for bidding purposes into several mortgage loan pools, which may include a supplementary pool of unsubsidized multifamily mortgage loan(s), without Federal Housing Administration (FHA) insurance, limited to not-for-profit organizations and units of State and Local Government. Each pool will contain Mortgage Loans that generally have similar performance, property type, geographic location, lien position and other characteristics. Qualified bidders may submit bids on one or more

pools of Mortgage Loans or may bid on individual loans. A mortgagor, or related party who is a qualified bidder as set forth in the Qualification Statement and whose loan is current may submit an individual bid on its own Mortgage Loan. A tax credit investor who is a qualified bidder may submit a bid(s) in accordance with the terms set forth in the Qualification Statement.

Interested mortgagors or related parties should review the Qualification Statement to determine whether they may also be eligible to qualify to submit bids on one or more pools of Mortgage Loans or on individual loans in MHLS 2010-2.

### The Bidding Process

The BIP will describe in detail the procedure for bidding in MHLS 2010-2. The BIP will also include a standardized non-negotiable loan sale agreement (Loan Sale Agreement). Deposits are calculated based upon each bidder's aggregate bid price. For an aggregate bid price greater than or equal to one hundred thousand dollars (\$100,000), each bidder must submit a deposit equal to the greater of: (1) One hundred thousand dollars (\$100,000); or (2) ten percent (10%) of its bid price. In the event the bidder's aggregate bid price is less than \$100,000, the minimum deposit shall not be less than fifty percent (50%) of its bid price.

HUD will evaluate the bids submitted and determine the successful bids, in terms of the best value to HUD, in its sole and absolute discretion. If a bidder is successful, the bidder's deposit will be non-refundable and will be applied toward the purchase price. Deposits will be returned to unsuccessful bidders. Closings are expected to take place between September 15, 2010 and September 22, 2010.

These are the essential terms of sale. The Loan Sale Agreement, which will be included in the BIP, will contain additional terms and details. To ensure a competitive bidding process, the terms of the bidding process and the Loan Sale Agreement are not subject to negotiation.

### Due Diligence Review

The BIP will describe the due diligence process for reviewing loan files in MHLS 2010-2. Qualified bidders will be able to access loan information remotely via a high-speed Internet connection. Further information on performing due diligence review of the Mortgage Loans will be provided in the BIP.

### Mortgage Loan Sale Policy

HUD reserves the right to add Mortgage Loans to or remove Mortgage Loans from MHLS 2010-2 at any time prior to the Award Date, without prejudice to HUD's right to include any Mortgage Loans in a later sale. HUD also reserves the right to reject any and all bids, in whole or in part. Mortgage Loans will not be withdrawn after the Award Date except as is specifically provided in the Loan Sale Agreement.

This is a sale of unsubsidized mortgage loans, pursuant to Section 204(a) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act of 1997, 12 U.S.C. 1715z-11a(a).

### Mortgage Loan Sale Procedure

HUD selected a competitive sale as the method to sell the Mortgage Loans. This method of sale optimizes HUD's return on the sale of these Mortgage Loans, affords the greatest opportunity for all qualified bidders to bid on the Mortgage Loans, and provides the quickest and most efficient vehicle for HUD to dispose of the Mortgage Loans. HUD's intention to limit a supplementary pool to not-for-profit organizations and units of State and Local Government enables HUD to ensure certain projects maintain affordability after the sale.

### Bidder Eligibility

In order to bid in the sale, a prospective bidder must complete, execute and submit both a Confidentiality Agreement and a Qualification Statement acceptable to HUD. Not-for-profit organizations and units of State and Local Government must complete, execute and submit both a Confidentiality Agreement and Qualification Statement for Non-Profits, Units of State and Local Government acceptable to HUD. The following individuals and entities are ineligible to bid on any of the Mortgage Loans included in MHLS 2010-2:

(1) Any employee of HUD, a member of such employee's household, or an entity owned or controlled by any such employee or member of such an employee's household;

(2) any individual or entity that is debarred, suspended, or excluded from doing business with HUD pursuant to Title 24 of the Code of Federal Regulations, Part 24, and Title 2 of the Code of Federal Regulations, Part 2424;

(3) any contractor, subcontractor and/or consultant or advisor (including any agent, employee, partner, director, principal or affiliate of any of the

foregoing) who performed services for or on behalf of HUD in connection with MHLS 2010-2;

(4) any individual who was a principal, partner, director, agent or employee of any entity or individual described in subparagraph 3 above, at any time during which the entity or individual performed services for or on behalf of HUD in connection with MHLS 2010-2;

(5) any individual or entity that uses the services, directly or indirectly, of any person or entity ineligible under subparagraphs 1 through 4 above to assist in preparing any of its bids on the Mortgage Loans;

(6) any individual or entity which employs or uses the services of an employee of HUD (other than in such employee's official capacity) who is involved in MHLS 2010-2;

(7) any mortgagor (or affiliate of a mortgagor) that failed to submit to HUD on or before July 30, 2010, audited financial statements for fiscal years 2005 through 2009 for a project securing a Mortgage Loan;

(8) any individual or entity and any Related Party (as such term is defined in the Qualification Statement) of such individual or entity that is a mortgagor in any of HUD's multifamily housing or healthcare programs and that is in default under such mortgage loan or is in violation of any regulatory or business agreements with HUD, unless such default or violation was cured on or before July 30, 2010. This paragraph does not pertain to a tax credit investor;

(9) any entity or individual that serviced or held any Mortgage Loan at any time during the 2-year period prior to July 30, 2010, is ineligible to bid on such Mortgage Loan or on the pool containing such Mortgage Loan, but may bid on loan pools that do not contain Mortgage Loans that they have serviced or held at any time during the 2-year period prior to July 30, 2010; and

(10) also ineligible to bid on any Mortgage Loan are: (a) Any affiliate or principal of any entity or individual described in the preceding sentence (paragraph 9); (b) any employee or subcontractor of such entity or individual during that 2-year period; or (c) any entity or individual that employs or uses the services of any other entity or individual described in this paragraph in preparing its bid on such Mortgage Loan.

In addition, to be eligible to bid in HUD's supplementary pool of unsubsidized multifamily mortgage loan(s) for sale(s) limited to not-for-profit organizations and units of State and Local Government, a prospective

bidder must qualify as one or more of the following:

(1) An entity that is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C.A. § 501(c)(3)); and/or

(2) an entity that is unit of general local government or State agency.

Prospective bidders should carefully review the Qualification Statement, as revised, to determine whether they are eligible to submit bids on the Mortgage Loans in MHLS 2010-2.

#### Freedom of Information Act Requests

HUD reserves the right, in its sole and absolute discretion, to disclose information regarding MHLS 2010-2, including, but not limited to, the identity of any successful bidder and its bid price or bid percentage for any pool of loans or individual loan, upon the closing of the sale of all the Mortgage Loans. Even if HUD elects not to publicly disclose any information relating to MHLS 2010-2, HUD will have the right to disclose any information that HUD is obligated to disclose pursuant to the Freedom of Information Act and all regulations promulgated thereunder.

#### Scope of Notice

This notice applies to MHLS 2010-2 and does not establish HUD's policy for the sale of other mortgage loans.

Dated: August 18, 2010.

**David H. Stevens,**

*Assistant Secretary for Housing—Federal Housing Commissioner.*

[FR Doc. 2010-22399 Filed 9-8-10; 8:45 am]

BILLING CODE 4210-67-P

## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5432-N-01]

### Statutorily Mandated Designation of Difficult Development Areas and Qualified Census Tracts for 2011

**AGENCY:** Office of the Assistant Secretary for Policy Development and Research, HUD.

**ACTION:** Notice.

**SUMMARY:** This document designates "Difficult Development Areas" (DDAs) for purposes of the Low-Income Housing Tax Credit (LIHTC) under Section 42 of the Internal Revenue Code of 1986 (IRC) (26 U.S.C. 42). The United States Department of Housing and Urban Development (HUD) makes new DDA designations annually. The designations of "Qualified Census Tracts" (QCTs) under IRC Section 42

published October 6, 2009, remain in effect.

**FOR FURTHER INFORMATION CONTACT:** For questions on how areas are designated and on geographic definitions, contact Michael K. Hollar, Senior Economist, Economic Development and Public Finance Division, Office of Policy Development and Research, Department of Housing and Urban Development, 451 Seventh Street, SW., Room 8234, Washington, DC 20410-6000; telephone number 202-402-5878, or send an e-mail to [Michael.K.Hollar@hud.gov](mailto:Michael.K.Hollar@hud.gov). For specific legal questions pertaining to Section 42, contact Branch 5, Office of the Associate Chief Counsel, Passthroughs and Special Industries, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC 20224; telephone number 202-622-3040, fax number 202-622-4753. For questions about the "HUB Zones" program, contact Mariana Pardo, Assistant Administrator for Procurement Policy, Office of Government Contracting, Small Business Administration, 409 Third Street, SW., Suite 8800, Washington, DC 20416; telephone number 202-205-8885, fax number 202-205-7167, or send an e-mail to [hubzone@sba.gov](mailto:hubzone@sba.gov). A text telephone is available for persons with hearing or speech impairments at 202-708-8339. (These are not toll-free telephone numbers.) Additional copies of this notice are available through HUD User at 800-245-2691 for a small fee to cover duplication and mailing costs.

*Copies Available Electronically:* This notice and additional information about DDAs and QCTs are available electronically on the Internet at <http://www.huduser.org/datasets/qct.html>.

#### SUPPLEMENTARY INFORMATION:

#### This Document

This notice designates DDAs for each of the 50 states, the District of Columbia, Puerto Rico, American Samoa, Guam, the Northern Mariana Islands, and the U.S. Virgin Islands. The designations of DDAs in this notice are based on final Fiscal Year (FY) 2010 Fair Market Rents (FMRs), FY2010 income limits, and 2000 Census population counts, as explained below. In accordance with the Gulf Opportunity Zone Act of 2005 (GO Zone Act) (Pub. L. 109-135, approved December 21, 2005), as amended by the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act of 2007, (Pub.L.110-28, approved, May 25, 2007), GO Zone DDAs expire on December 31, 2010. Thus, this notice does not designate GO Zone DDAs.

#### 2000 Census

Data from the 2000 Census on total population of metropolitan areas and nonmetropolitan areas are used in the designation of DDAs. The Office of Management and Budget (OMB) first published new metropolitan area definitions incorporating 2000 Census data in OMB Bulletin No. 03-04 on June 6, 2003, and updated them periodically through OMB Bulletin No. 09-01 on November 20, 2008. The FY2010 FMRs and FY2010 income limits used to designate DDAs are based on these new metropolitan statistical area (MSA) definitions, with modifications to account for substantial differences in rental housing markets (and, in some cases, median income levels) within MSAs.

#### Background

The U.S. Department of the Treasury (Treasury) and its Internal Revenue Service (IRS) are authorized to interpret and enforce the provisions of the IRC, including the LIHTC found at Section 42. The Secretary of HUD is required to designate DDAs and QCTs by IRC Section 42(d)(5)(B). In order to assist in understanding HUD's mandated designation of DDAs and QCTs for use in administering IRC Section 42, a summary of the section is provided. The following summary does not purport to bind Treasury or the IRS in any way, nor does it purport to bind HUD, since HUD has authority to interpret or administer the IRC only in instances where it receives explicit statutory delegation.

#### Summary of the Low-Income Housing Tax Credit

The LIHTC is a tax incentive intended to increase the availability of low-income housing. IRC Section 42 provides an income tax credit to owners of newly constructed or substantially rehabilitated low-income rental housing projects. The dollar amount of the LIHTC available for allocation by each state (credit ceiling) is limited by population. Each state is allowed a credit ceiling based on a statutory formula indicated at IRC Section 42(h)(3). States may carry forward unallocated credits derived from the credit ceiling for one year; however, to the extent such unallocated credits are not used by then, the credits go into a national pool to be redistributed to states as additional credit. State and local housing agencies allocate the state's credit ceiling among low-income housing buildings whose owners have applied for the credit. Besides IRC Section 42 credits derived from the