

policy related to recombinant DNA and human gene therapy activities.

Dated: August 1, 1996.

Harold Varmus,
Director, NIH.

[FR Doc. 96-20776 Filed 8-14-96; 8:45 am]

BILLING CODE 4140-01-M

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of the Assistant Secretary for Housing-Federal Housing Commissioner; Notice of Sale of Single Family Mortgage Loans

[Docket No. FR-4121-N-01]

AGENCY: Office of the Assistant Secretary for Housing-Federal Housing Commissioner, (HUD).

ACTION: Notice of sale of single family mortgage loans.

SUMMARY: This notice announces the Department's intention to sell approximately 17,500 Secretary-held single family mortgage loans (the "loans") in a sealed bid auction. The loans were insured under various sections of the National Housing Act (the Act) and thereafter assigned to the Department pursuant to Section 230 of the Act. The loans are secured by single family properties located nationwide. This notice also describes the bidding process for these loans.

DATES: Bid Packages will be available to eligible bidders on or about July 15, 1996. The auction is currently scheduled for September 4, 1996.

ADDRESSES: Bid packages will be available from FHA's Financial Advisor, Merrill Lynch & Co. ("Merrill") 250 Vesey St., New York, NY 10281. Bid Packages will be made available only to parties who complete a Confidentiality Agreement and Qualification Statement and are deemed eligible bidders by Merrill. Interested parties can obtain a Confidentiality Agreement and Qualification Statement by calling 1-(800) 363-4704. Merrill will forward Bidding Materials to eligible bidders via overnight courier. Asset files for the loans included in the sale are available for review by eligible bidders who visit the due diligence facility located at 1730 M Street NW., Washington, DC 20036. To schedule a visit to the due diligence facility or to order supplemental information on the loans, eligible bidders should contact Susan Munson at (202) 530-1253. This is not a toll-free number. The due diligence facility will be open between the hours of 8:00 a.m. and 8:00 p.m., Monday through Saturday. The facility will open on or

about July 12, 1996 and will close on or about August 22, 1996. The last telephone number is not a toll-free number.

FOR FURTHER INFORMATION CONTACT:

Joseph McCloskey, Director, Single Family Servicing Division, Office of Insured Single Family Housing, Room 9178, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410; telephone (202) 708-1672. For hearing or speech-impaired individuals, this number may be accessed via PT (text telephone) by calling the Federal Information Relay Service at 1-800-877-8339 (this is a toll-free number).

SUPPLEMENTARY INFORMATION: The Department intends to sell approximately 17,500 Single Family loans in this auction. The loans are secured by single family properties and are performing and non-performing. The loans will be divided into one million dollar loan blocks, which will be further arranged into groups. A list of specific loans and loan block and group descriptions will be contained in the Bid Package. No loans will be sold individually. The loans will be sold without Federal Housing Administration (FHA) insurance. The Department will offer interested parties an opportunity to bid competitively on loan pools which they may create from combinations of loan blocks, subject to conditions set forth in the bid package. The Department shall use its sole discretion to evaluate and determine winning bids.

The Bidding Process

These are the essential terms of sale. The Loan Sale Agreement will provide additional details. To ensure a competitive bidding process, the terms of sale are not subject to negotiation.

The Department will describe in detail the procedure for participating in the Single Family Loan Sale in a Bid Package, which will include bid forms, a nonnegotiable loan sale agreement prepared by the Department (Loan Sale Agreement), specific bid instructions, as well as pertinent information on the loans such as total outstanding unpaid principal balances and interest rate ranges, maturity rates, geographic locations and performance. The bid packages also include computer diskettes containing data on all of the mortgage loans.

Bid Packages will be available approximately 6 weeks prior to the Bid Date. The Bid Package will also include instructions for Bidder Registration and will contain procedures for obtaining supplemental information about the

loans. Any interested party may request a copy of the Bid Package by sending a written request together with a duly executed Confidentiality Agreement and Qualification Statement to the address specified in the **ADDRESSES** section, above, of this notice.

Prior to the Bid Date a Bid Package Supplement will be mailed to all eligible bidders. It will contain the final list of loans to be conveyed to the successful bidder(s).

Each bidder must include with its bid a deposit equal to 10% of the amount of its bid(s). If a successful bidder fails to abide by the terms of the Loan Sale Agreement, including paying the Department any remaining sums due pursuant to the Loan Sale Agreement and closing within the time period provided by the Loan Sale Agreement, the Department shall retain and accept any deposit as liquidated damages.

Due Diligence Facility

An investor due diligence period will take place prior to the Bid Date. During the investor due diligence period, eligible bidders may, for a non-refundable fee of \$500, review all asset file documents which have been imaged onto a database by visiting the due diligence facility located at 1730 M Street N.W., Washington, D.C. 20036 and/or via modem a *limited number of identified asset files*. Finally, bidders may purchase a CD Rom disc containing substantial due diligence materials such as 36 month payment histories and Brokers' Price Opinions at a cost of \$500.

Specific instructions for ordering information in electronic format or making an appointment to visit the due diligence facility will be included in the Bid Package. The Department reserves the right to charge a reasonable fee to cover its costs in duplicating and forwarding any information requested by an interested party.

FHA Reservation of Rights

The Department reserves the right to delete loans from the Loan Sale at any time prior to the bid date for any reason and without prejudice to its right to include any loans in a later sale. The Department also reserves the right to terminate this sale at any time prior to the bid date.

The Department reserves the right to use its sole discretion to evaluate and determine winning bids. The Department reserves the right at its sole discretion and for any reason whatsoever to reject any and all bids.

The Department reserves the right to conduct a "best and final" round among top bidders for loan blocks or pools

which it will select in its sole discretion, wherein bidders will be given the opportunity to increase their bids. A best and final round shall not be construed as a rejection of any bid or preclude the Department from accepting any bid made by a bidder.

Ineligible Bidders

Notwithstanding a bidder's qualification as an eligible investor and approved servicer the following individuals and entities (either alone or in combination with others) are ineligible to bid on any one or combination of the single family Loan pools included in the Sale:

(1) Any employee of the Department or an entity controlled by an FHA employee or by a member of such employee's household;

(2) Any individual or entity that is debarred from doing business with the Department pursuant to 24 CFR Part 24;

(3) Any contractor, subcontractor and/or consultant (including any agent of the foregoing) who performed services for, or on behalf of, the Department in connection with this Single Family Loan Auction; or

(4) Any individual that was a principal and/or employee of any entity or individual described in paragraph (3) above at any time during which the entity or individual performed services for, or on behalf of, the Department in connection with this Auction.

Number of Bids

A bidder may bid on as many blocks as the bidder chooses.

Each bidder assumes all risks of loss relating to its failure to deliver, or cause to be delivered, on a timely basis and in the manner specified by the Department, each bid form, earnest money deposit, and Loan Sale Agreement required to be submitted by the bidder.

Ties for High Bidder

If a tie continues after the best and final offers are submitted or the bidders do not respond within the time period established by the Department, the successful bidder will be determined by lottery. Notwithstanding the above, the Department reserves the right to withdraw any pool(s) of single family loans subject to tie bids.

Single Family Loan Sale Procedure

The Department has selected a competitive sealed bid auction as the method to sell the blocks of Single Family Mortgage Loans. This method of sale optimizes the Department's return on the sale of these loans affords the greatest opportunity for all interested

investors to bid on the defaulted loans, and provides the quickest and most efficient vehicle for the Department to dispose of the blocks of loans.

Single Family Loan Sale Policy

Post Sale Servicing Requirements

The loans will be sold with servicing released by FHA. The loans must be serviced by a FHA approved mortgagee for the remaining lives of the loans, unless the Mortgagor consents to a modification or the loan is refinanced or satisfied of record.

Successful bidders, or purchasers of these Mortgage Loans, and their successors, will be responsible for servicing the Loans in accordance with the applicable provisions of the Loan Sale Agreement. The Department intends to take any and all steps possible to ensure enforcement of these provisions.

Scope of Notice

This notice applies to the Single Family Loan Sale Number 3, and does not establish Departmental procedures and policies for the sale of other mortgage loans. If there are any conflicts between the Notice and the Bid Package, including the Loan Sale Agreement, the contents of the Bid Package prevail.

Dated: August 9, 1996.

Nicolas P. Retsinas,
Assistant Secretary for Housing-Federal
Housing Commissioner
[FR Doc. 96-20835 Filed 8-14-96; 8:45 am]
BILLING CODE 4210-27-P

Office of the Assistant Secretary for Housing-Federal Housing Commissioner

[Docket No. FR-4051-N-02]

Mortgagee Review Board Administrative Actions

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

ACTION: Notice.

SUMMARY: In compliance with Section 202(c) of the National Housing Act, notice is hereby given of the cause and description of administrative actions taken by HUD's Mortgagee Review Board against HUD-approved mortgagees.

FOR FURTHER INFORMATION CONTACT: William Heyman, Director, Office of Lender Activities and Program Compliance, 451 Seventh Street, S.W., Washington, D.C. 20410, telephone (202) 708-1515. (This is not a toll-free numbers.) A telecommunications device

for hearing- and speech-impaired individuals (TTY) is available at 1-800-877-8339 (Federal Information Relay Service).

SUPPLEMENTARY INFORMATION: Section 202(c)(5) of the National Housing Act (added by Section 142 of the Department of Housing and Urban Development Reform Act of 1989 (Pub. L. 101-235), approved December 15, 1989, requires that HUD "publish in the Federal Register a description of and the cause for administrative action against a HUD-approved mortgagee" by the Department's Mortgagee Review Board. In compliance with the requirements of Section 202(c)(5), notice is hereby given of administrative actions that have been taken by the Mortgagee Review Board from April 1, 1996 through June 30, 1996.

1. Southland Financial, Inc.; Fullerton, California

Action: Withdrawal of HUD-FHA mortgagee approval and proposed civil money penalty in the amount of \$50,000.

Cause: A HUD monitoring review that disclosed violations of HUD-FHA requirements including: failure to timely remit to HUD-FHA Up-Front Mortgage Insurance Premiums (UFMIPs) and to remit late charges and interest penalties; failure to timely submit loans for mortgage insurance endorsement; and failure to maintain an adequate Quality Control Plan.

2. Stevens Financial Corporation; Brea, California

Action: Withdrawal of HUD-FHA mortgagee approval and proposed civil money penalty of \$50,000.

Cause: A HUD monitoring review that disclosed violations of HUD-FHA requirements including: failure to timely remit Up-Front Mortgage Insurance Premiums (UFMIPs) to HUD-FHA and to remit late charges and interest penalties; improperly using current UFMIP funds to pay the UFMIPs for older loans where the UFMIP has not been remitted to HUD-FHA; commingling borrowers' UFMIPs with company operating funds; failure to timely submit loans to HUD-FHA for mortgage insurance endorsement; submitting alleged false information to HUD-FHA to obtain branch office approvals; paying compensation to lenders not approved by HUD-FHA, and to HUD-FHA approved loan correspondents not sponsored by the company for the origination of HUD-FHA insured mortgages; and failure to implement and maintain an adequate Quality Control Plan.