

yield on all outstanding marketable Treasury obligations of 8- to 12-year maturities, for the 6-month periods of January through June and July through December of each year. Section 221(g)(4) is implemented in the HUD regulations at 24 CFR 221.255 and 24 CFR 221.790.

The Secretary of the Treasury has determined that the interest rate to be borne by debentures issued pursuant to section 221(g)(4) during the 6-month period beginning July 1, 2013, is 1<sup>3</sup>/<sub>4</sub> percent.

The subject matter of this notice falls within the categorical exemption from HUD's environmental clearance procedures set forth in 24 CFR 50.19(c)(6). For that reason, no environmental finding has been prepared for this notice.

**Authority:** Sections 211, 221, 224, National Housing Act, 12 U.S.C. 1715b, 1715l, 1715o; Section 7(d), Department of HUD Act, 42 U.S.C. 3535(d).

Dated: July 18, 2013.

**Carol J. Galante,**

*Assistant Secretary for Housing—Federal Housing Commissioner.*

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**BILLING CODE 4210-67-P**

## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. 5726-N-02]

### Notice of HUD-Held Multifamily & Healthcare Loan Sale, (MHLS 2013-2)

**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 auction (MHLS 2013-2) on July 31, 2013. This notice also describes generally the bidding process for the sale and certain persons who are ineligible to bid.

**DATES:** A Bidder's Information Package (BIP) will be made available on July 1, 2013. Bids for the loans must be submitted on the bid date of July 31, 2013. HUD anticipates that awards will be made on or before August 5th, 2013. Closings are expected to take place between August 13, 2013 and August 20, 2013.

**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 will be available on the HUD Web site at [www.hud.gov/fhaloansales](http://www.hud.gov/fhaloansales). Please mail and fax executed documents to JS Watkins Realty Partners, LLC:

J.S. Watkins Realty Partners, LLC, c/o The Debt Exchange, 133 Federal Street, 10th Floor, Boston, MA 02111, Attention: MHLS 2013-2 Sale Coordinator, Fax: 1-978-967-8607.

**FOR FURTHER INFORMATION CONTACT:** John Lucey, Deputy Director, Asset Sales Office, Room 3136, U.S. 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 2013-2, certain unsubsidized multifamily and healthcare mortgage loans (Mortgage Loans) secured by four (4) healthcare properties located in Texas and Florida and six (6) multifamily properties located Texas, Michigan, Florida, North Carolina and Tennessee. The Mortgage Loans are non-performing mortgage loans. The listing of the Mortgage Loans is included in the BIP. The Mortgage Loans will be sold without FHA insurance and with HUD servicing released. HUD will offer qualified bidders an opportunity to bid competitively on the Mortgage Loans.

Qualified bidders may submit bids on all Mortgage Loans or may bid on individual loans. A mortgagor of one or more Mortgage Loans who is a qualified bidder may submit an individual bid on its own Mortgage Loan. Interested mortgagors should review the Qualification Statement to determine whether they may be eligible to qualify to submit bids on one or more pools of Mortgage Loans or on individual loans in MHLS 2013-2.

### The Bidding Process

The BIP describes in detail the procedure for bidding MHLS 2013-2. The BIP also includes a standardized non-negotiable loan sale agreement (Loan Sale Agreement).

As part of its bid, each bidder must submit a minimum deposit of the greater of 10% of the total bid or \$100,000. HUD will evaluate the bids submitted and determine the successful bid(s) 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, with any amount beyond the purchase price being returned to the bidder. Deposits will be returned to

unsuccessful bidders. Closings are expected to take place between August 13, 2013 and August 20, 2013.

These are the essential terms of sale. The Loan Sale Agreement, which is included in the BIP, contains 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 describes the due diligence process for reviewing loan files in MHLS 2013-2. 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 is provided in the BIP.

### Mortgage Loan Sale Policy

HUD reserves the right to add Mortgage Loans to or delete Mortgage Loans from MHLS 2013-2 at any time prior to the Award Date. HUD also reserves the right to reject any and all bids, in whole or in part, without prejudice to HUD's right to include any Mortgage Loans in a later sale. 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; New Offering Format

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. Depending on the bids received from the competitive closed auction of the healthcare notes, HUD reserves the option to conduct a second tier of bidding utilizing an open English auction for these notes. Specific details of the auction process are provided in the BIP.

### 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. The following individuals and

entities are ineligible to bid on any of the Mortgage Loans included in MHLS 2013-2:

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 24;

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 2013-2;

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 2013-2;

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 2013-2;

7. Any affiliate, principal or employee of any person or entity that, within the two-year period prior to July 1, 2013, serviced any of the Mortgage Loans or performed other services for or on behalf of HUD;

8. Any contractor or subcontractor to HUD that otherwise had access to information concerning the Mortgage Loans on behalf of HUD or provided services to any person or entity which, within the two-year period prior to July 1, 2013, had access to information with respect to the Mortgage Loans on behalf of HUD;

9. Any employee, officer, director or any other person that provides or will provide services to the potential bidder with respect to such Mortgage Loans during any warranty period established for the Loan Sale, that serviced any of the Mortgage Loans or performed other services for or on behalf of HUD or within the two-year period prior to July 1, 2013, provided services to any person or entity which serviced, performed services or otherwise had access to information with respect to the Mortgage Loans for or on behalf of HUD;

10. Any mortgagor or operator that failed to submit to HUD on, or before July 15th, 2013 audited financial statements for fiscal years 2010 through 2012 (for such time as the project has been in operation or the prospective bidder served as operator, if less than three (3) years) for a project securing a Mortgage Loan;

11. 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 and/or healthcare housing programs and that is in default under such mortgage loan or is in violation of any regulatory or business agreements with HUD and fails to cure such default or violation by no later than July 15, 2013.

The Qualification Statement provides further details pertaining to eligibility requirements. Prospective bidders should carefully review the Qualification Statement to determine whether they are eligible to submit bids on the Mortgage Loans in MHLS 2013-2.

#### Freedom of Information Act Requests

HUD reserves the right, in its sole and absolute discretion, to disclose information regarding MHLS 2013-2, 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 2013-2, 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 2013-2 and does not establish HUD's policy for the sale of other mortgage loans.

Dated: July 18, 2013.

**Carol J. Galante,**

*Assistant Secretary for Housing—Federal Housing Commissioner.*

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## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5693-N-04]

### Implementation of the Privacy Act of 1974, as Amended; Action To Modify and Terminate an Existing System of Records Publication

**AGENCY:** Office of the Chief Information Officer, HUD.

**ACTION:** Notice Modification and Termination.

**SUMMARY:** Pursuant to the Privacy Act of 1974 (U.S.C. 552a(e)(4)), as amended, and Office of Management and Budget (OMB), Circular No. A-130, the Department of Housing and Urban Development (HUD), Office of Assets Sales provides notice that it wishes to alter the "Delinquent/Default/Assigned/Temporary Mortgage Assistance Payments Program" system of records publication. Subsequent modifications include a system name change to "Federal Housing Administration Loan Sale File", the removal and addition of new data disclosure requirements, and refinement to the categories of: "Individuals Covered by the System" and "Records Maintained by the System". Consequent changes meet the threshold requirements for filing a report with OMB and Congress. All revisions are conducted to reflect the present status of the information contained in this system. This notice supersedes and terminates the "Delinquent/Default/Assigned/Temporary Mortgage Assistance Payments Program" system of records. The record system will continue to be utilized in the marketing of housing assets, to identify qualified potential purchasers, and to solicit bids for assets.

This system supports HUD's FHA Single Family Asset Sales liquidation functions. As such, potential investors will be granted preview rights to sample mortgage records pursuant to an executed agreement. A more detailed description of the purpose of the system is contained in the purpose section of this notice.

**DATES:** *Effective Date:* This notice shall become effective, without further notice August 23, 2013, unless comments are received during or before this period which would result in a contrary determination.

*Comments Due Date:* August 23, 2013.

**FOR FURTHER INFORMATION CONTACT:** Donna Robinson-Staton, Chief Privacy Officer, 451 Seventh Street SW., Washington, DC 20410 (Attention: Capitol View Building, 4th Floor), telephone number: (202) 402-8073. [The