

NARA General Records Schedule. Schedule 15 Item 1a, permits HUD to delete when no longer for agency use. Longer retention periods exist for original content in source systems.

#### **ADMINISTRATIVE, TECHNICAL, AND PHYSICAL SAFEGUARDS:**

Automated records are maintained in secured areas within the system. Access is limited to authorized personnel with a need-to-know based on unique FHA Connection User IDs and confidential passwords. Physical entry by unauthorized person is restricted though the use of locks, guards, passwords, and/or other security measures. Paper records are maintained and secured, limited access and monitored areas.

#### **RECORD ACCESS PROCEDURES:**

For information, assistance, or inquiry about records, contact Marcus Smallwood, Acting, Chief Privacy Officer 451 Seventh Street SW., Room 10139, Washington, DC 20410, telephone number (202) 708-3054. When seeking records about yourself from this system of records or any other Housing and Urban Development (HUD) system of records, your request must conform with the Privacy Act regulations set forth in 24 CFR part 16. You must first verify your identity, meaning that you must provide your full name, address, and date and place of birth. You must sign your request, and your signature must either be notarized or submitted under 28 U.S.C. 1746, a law that permits statements to be made under penalty of perjury as a substitute for notarization. In addition, your request should:

- a. Explain why you believe HUD would have information on you.
- b. Identify which Office of HUD you believe has the records about you.
- c. Specify when you believe the records would have been created.
- d. Provide any other information that will help the Freedom of Information Act (FOIA), staff determine which HUD office may have responsive records.

If your request is seeking records pertaining to another living individual, you must include a statement from that individual certifying their agreement for you to access their records. Without the above information, the HUD FOIA Office may not conduct an effective search, and your request may be denied due to lack of specificity or lack of compliance with regulations.

#### **CONTESTING RECORD PROCEDURES:**

The Department's rules for contesting contents of records and appealing initial denials appear in 24 CFR part 16,

Procedures for Inquiries. Additional assistance may be obtained by contacting Marcus Smallwood, Acting, Chief Privacy Officer, 451 Seventh Street SW., Room 10139, Washington, DC 20410, or the HUD Departmental Privacy Appeals Officers, Office of General Counsel, Department of Housing and Urban Development, 451 Seventh Street SW., Washington DC 20410.

#### **NOTIFICATION PROCEDURES:**

Individuals seeking notification of and access to any record in this system of records, or seeking to contest its content, may submit a request in writing to the component's FOIA Officer, whose contact information can be found at <http://www.hud.gov/foia> under "contact" if an individual believes more than one component maintains Privacy Act records about him or her, the individual may submit the request to the Chief Privacy Officer, HUD, 451 Seventh Street SW., Room 10139, Washington, DC 20410.

#### **EXEMPTIONS PROMULGATED FOR THE SYSTEM:**

None.

#### **HISTORY:**

None.

Dated: May 4, 2017.

**Helen Goff Foster,**

*Senior Agency Official for Privacy.*

[FR Doc. 2017-11935 Filed 6-7-17; 8:45 am]

**BILLING CODE 4210-67-P**

## **DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

[Docket No. FR-6034-N-02]

### **Notice of HUD Vacant Loan Sales (HVLS 2017-2)**

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

**ACTION:** Notice of sales of reverse mortgage loans.

**SUMMARY:** This notice announces HUD's intention to competitively offer multiple residential reverse mortgage pools consisting of approximately 885 reverse mortgage notes secured by properties with an aggregate broker price opinion of approximately \$120 million. The sale will consist of due and payable Secretary-held reverse mortgage loans. The mortgage loans consist of first liens secured by single family, vacant residential properties, where all borrowers are deceased and no borrower is survived by a non-borrowing spouse. The Department has verified the death of borrowers by obtaining a death

certificate or a notice of death for each and verified vacancy through its review of interior Broker Price Opinions (BPOs), where available and, where unavailable, exterior BPOs. This notice also describes the bidding process for the sale and certain persons who are ineligible to bid. This is the second sale offering of its type and the sale will be held on June 21, 2017.

**DATES:** For this sale action, the Bidder's Information Package (BIP) was made available to qualified bidders on May 23, 2017. Bids for the HVLS 2017-2 sale will be accepted on the Bid Date of June 21, 2017 (Bid Date). HUD anticipates that award(s) will be made on or about June 26, 2017 (the Award Date).

**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 via the HUD Web site at: <http://www.hud.gov/sfloansales> or via: <http://www.verdiasassetsales.com>

Please mail and fax executed documents to Verdi Consulting, Inc.: Verdi Consulting, Inc., 8400 Westpark Drive, 4th Floor, McLean, VA 22102.

**Attention:** HUD SFLS Loan Sale Coordinator.

**Fax:** 1-703-584-7790.

**FOR FURTHER INFORMATION CONTACT:** John Lucey, 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 HVLS 2017-2 due and payable Secretary-held reverse mortgage loans. The loans consist of first liens secured by single family, vacant residential properties, where all borrowers are deceased and no borrower is survived by a non-borrowing spouse.

A listing of the mortgage loans is included in the due diligence materials made available to qualified bidders. The mortgage loans will be sold without Federal Housing Administration (FHA) insurance and with servicing released. HUD will offer qualified bidders an opportunity to bid competitively on the mortgage loans. The loans are expected to be offered in five regional pools.

#### **The Bidding Process**

The BIP describes in detail the procedure for bidding in HVLS 2017-2. The BIP also includes a standardized non-negotiable Conveyance, Assignment

and Assumption Agreement for HVLS 2017–2 (CAA). Qualified bidders will be required to submit a deposit with their bid. Deposits are calculated based upon each qualified bidder's aggregate bid price.

HUD will evaluate the bids submitted and determine the successful bid, in terms of the best value to HUD, in its sole and absolute discretion. If a qualified bidder is successful, the qualified bidder's deposit will be non-refundable and will be applied toward the purchase price. Deposits will be returned to unsuccessful bidders.

This notice provides some of the basic terms of sale. The CAA, which is included in the BIP, provides comprehensive contractual terms and conditions. To ensure a competitive bidding process, the terms of the bidding process and the CAA are not subject to negotiation.

#### **Due Diligence Review**

The BIP describes how qualified bidders may access the due diligence materials remotely via a high-speed Internet connection.

#### **Mortgage Loan Sale Policy**

HUD reserves the right to remove mortgage loans from HVLS 2017–2 at any time prior to the Award Date. HUD also reserves the right to reject any and all bids, in whole or in part, and include any reverse mortgage loans in a later sale. Deliveries of mortgage loans will occur in conjunction with settlement and servicing transfer, approximately 30 to 45 days after the Award Date.

The HVLS 2017–2 reverse mortgage loans were insured by and were assigned to HUD pursuant to section 255 of the National Housing Act, as amended. The sale of the reverse mortgage loans is pursuant to section 204(g) of the National Housing Act.

#### **Mortgage Loan Sale Procedure**

HUD selected an open competitive whole-loan sale as the method to sell the mortgage loans for this specific sale transaction. For HVLS 2017–2, HUD has determined that this method of sale optimizes HUD's return on the sale of these loans; affords the greatest opportunity for all qualified bidders to bid on the mortgage loans; provides the quickest and most efficient vehicle for HUD to dispose of the mortgage loans, which are currently accruing significant holding costs; and serves as the most appropriate vehicle for reducing both the costs borne by the Department and the number of Secretary-held loans.

#### **Bidder Ineligibility**

In order to bid in HVLS 2017–2 as a qualified bidder, a prospective bidder must complete, execute and submit both a Confidentiality Agreement and a Qualification Statement acceptable to HUD. In the Qualification Statement, the prospective bidder must provide certain representations and warranties regarding the prospective bidder, including but not limited to (i) the prospective bidder's board of directors, (ii) the prospective bidder's direct parent, (iii) the prospective bidder's subsidiaries, (iv) any related entity with which the prospective bidder shares a common officer, director, subcontractor or sub-contractor who has access to Confidential Information as defined in the Confidentiality Agreement or is involved in the formation of a bid transaction (collectively the "Related Entities"), and (v) the prospective bidder's repurchase lenders. The prospective bidder is ineligible to bid on any of the reverse mortgage loans included in HVLS 2017–2 if the prospective bidder, its Related Entities or its repurchase lenders, is any of the following, unless other exceptions apply as provided for in the Qualification Statement.

1. An individual or entity that is currently debarred, suspended, or excluded from doing business with HUD pursuant to the Governmentwide Suspension and Debarment regulations at 2 CFR parts 180 and 2424;

2. An individual or entity that is currently suspended, debarred or otherwise restricted by any department or agency of the federal government or of a state government from doing business with such department or agency;

3. An individual or entity that is currently debarred, suspended, or excluded from doing mortgage related business, including having a business license suspended, surrendered or revoked, by any federal, state or local government agency, division or department;

4. An entity that has had its right to act as a Government National Mortgage Association ("Ginnie Mae") issuer terminated and its interest in mortgages backing Ginnie Mae mortgage-backed securities extinguished by Ginnie Mae;

5. An individual or entity that is in violation of its neighborhood stabilizing outcome obligations or post-sale reporting requirements under a Conveyance, Assignment and Assumption Agreement executed for any previous mortgage loan sale of HUD;

6. An employee of HUD's Office of Housing, 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 with household to be inclusive of the employee's father, mother, stepfather, stepmother, brother, sister, stepbrother, stepsister, son, daughter, stepson, stepdaughter, grandparent, grandson, granddaughter, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, first cousin, the spouse of any of the foregoing, and the employee's spouse;

7. A contractor, subcontractor and/or consultant or advisor (including any agent, employee, partner, director, or principal of any of the foregoing) who performed services for or on behalf of HUD in connection with the sale;

8. An individual or entity that knowingly acquired or will acquire prior to the sale date material non-public information, other than that information which is made available to Bidder by HUD pursuant to the terms of this Qualification Statement, about mortgage loans offered in the sale;

9. An individual or entity that knowingly uses the services, directly or indirectly, of any person or entity ineligible under 1 through 10 to assist in preparing any of its bids on the mortgage loans; or

10. An individual or entity which knowingly employs or uses the services of an employee of HUD's Office of Housing (other than in such employee's official capacity).

The Qualification Statement has additional representations and warranties which the prospective bidder must make, including but not limited to the representation and warranty that the prospective bidder or its Related Entities are not and will not knowingly use the services, directly or indirectly, of any person or entity that is, any of the following (and to the extent that any such individual or entity would prevent the prospective bidder from making the following representations, such individual or entity has been removed from participation in all activities related to this sale and has no ability to influence or control individuals involved in formation of a bid for this sale):

(1) An entity or individual is ineligible to bid on any included reverse mortgage loan or on the pool containing such reverse mortgage loan because it is an entity or individual that:

(a) Serviced or held such reverse mortgage loan at any time during the six-month period prior to the bid, or

(b) is any principal of any entity or individual described in the preceding sentence;

(c) any employee or subcontractor of such entity or individual during that six-month period; or

(d) 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 reverse mortgage loan.

#### Freedom of Information Act Requests

HUD reserves the right, in its sole and absolute discretion, to disclose information regarding HVLS 2017–2, including, but not limited to, the identity of any successful qualified 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 SFLS 2017–2, HUD will 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 HVLS 2017–2 and does not establish HUD's policy for the sale of other mortgage loans.

Dated: June 2, 2017.

**Genger Charles,**

*General Deputy Assistant Secretary for Housing.*

[FR Doc. 2017–11944 Filed 6–7–17; 8:45 am]

**BILLING CODE 4210–67–P**

## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR–6037–N–01]

### Section 8 Housing Assistance Payments Program-Fiscal Year (FY) 2017 Inflation Factors for Public Housing Agency (PHA) Renewal Funding

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

**ACTION:** Notice.

**SUMMARY:** This notice establishes Renewal Funding Inflation Factors (RFIF) to adjust Fiscal Year (FY) 2017 renewal funding for the Tenant-based Rental Assistance (TBRA), or Housing Choice Voucher (HCV), Program of each public housing agency (PHA), as required by the Consolidated Appropriations Act, 2017. The notice apportions the expected percent change in national Per Unit Cost (PUC) for the HCV program, 3.97%, to each PHA based on the change in Fair Market

Rents (FMR) for their operating area to produce the FY 2017 RFIFs. HUD's FY 2017 methodology differs in part from that used in FY 2016; HUD improved the national PUC forecast by removing the reliance on historical PUC data and independently projecting growth in gross rents and tenant incomes.

**DATES:** *Effective Date:* June 19, 2017.

#### FOR FURTHER INFORMATION CONTACT:

Miguel A. Fontanez, Director, Housing Voucher Financial Division, Office of Public Housing and Voucher Programs, Office of Public and Indian Housing, telephone number 202–402–4212; or Peter B. Kahn, Director, Economic and Market Analysis Division, Office of Policy Development and Research, telephone number 202–402–2409, for technical information regarding the development of the schedules for specific areas or the methods used for calculating the inflation factors, Department of Housing and Urban Development, 451 7th Street SW., Washington, DC 20410. Hearing- or speech-impaired persons may contact the Federal Relay Service at 800–877–8339 (TTY). (Other than the “800” TTY number, the above-listed telephone numbers are not toll free.)

#### SUPPLEMENTARY INFORMATION:

##### I. Background

Division K, Title II of the Consolidated Appropriations Act, 2017 requires that the HUD Secretary, for the calendar year 2017 funding cycle, provide renewal funding for each public housing agency (PHA) based on validated voucher management system (VMS) leasing and cost data for the prior calendar year and by applying an inflation factor as established by the Secretary, by notice published in the **Federal Register**. This notice provides the FY 2017 inflation factors and describes the methodology for calculating them. Tables in PDF and Microsoft Excel formats showing Renewal Funding Inflation Factors (RFIF) will be available electronically from the HUD data information page at: <https://www.huduser.gov/portal/datasets/rfif/rfif.html>.

##### II. Methodology

RFIFs are used to adjust the allocation of Housing Choice Voucher (HCV) program funds to PHAs for local changes in rents, utility costs, and tenant incomes. To calculate the RFIFs, HUD first forecasts a national inflation factor, which is the annual change in the national average Per Unit Cost (PUC). HUD then calculates individual area inflation factors, which are based on the annual changes in the two-

bedroom Fair Market Rent (FMR) for each area. Finally, HUD adjusts the individual area inflation factors to be consistent with the national inflation factor.

HUD has refined its methods for predicting inflation factors over time. In FY 2012, HUD changed from using a Consumer Price Index (CPI) historical gross rent index-based factor known as Annual Adjustment Factors to using a forecasting model that was based on historical levels of PUC and incorporated forecasted economic indices as explanatory variables to predict future levels of PUC. HUD continued to use the forecasting model adopted in FY 2012 through FY 2016 to calculate a national PUC inflation factor. Consistent with HUD's statement in the FY 2016 Renewal Funding Inflation Factor Notice that it planned to change its inflation factor methodology in FY 2017, HUD has now implemented a revised methodology to calculate a national PUC inflation factor that does not rely on historical values of PUC. See 81 FR 22296.

The objective of the revised methodology is to determine the amount by which baseline funding for HCVs currently under lease needs to increase to maintain the same number and quality of leased vouchers. The prior methodology had the disadvantage of incorporating the lower per-unit costs calculated during economic downturns into future projections, which resulted in a failure to account for higher per-unit costs during economic recoveries. The revised methodology instead calculates a “notional” PUC by taking the difference between national gross rent and 30 percent of national average HCV tenant income, as described below. The inflation factor is then calculated as the annual change in notional PUC.

The notional PUC is calculated following the same basic formula that is used to calculate the voucher subsidy. The monthly subsidy is the difference between total monthly gross rent (which is the total of the unit's contract rent plus utilities expenses required to make the unit habitable—principally electricity and/or heating fuel) and the monthly tenant rent contribution (which is calculated as 30% of monthly tenant income). However, the change in the notional PUC is calculated using forecasts incorporating economic indicators, in part using the same methodology used to calculate the national FMR trend factor, so that it reflects forward-looking cost projections rather than backward-looking data. The base level of the notional PUC is the two-bedroom national average FMR less 30 percent of the national average tenant