

## INTRODUCTION

HUD is announcing the sale of approximately 26 Multifamily and Healthcare mortgage loans with an aggregate unpaid principal balance (UPB) of approximately \$306.1 million.

The portfolio includes non-performing mortgage loans secured by first liens on multifamily and healthcare properties, including one assisted living facility. The aforementioned mortgage loans were assigned to the U.S. Department of Housing and Urban Development (“HUD”) under provisions of the National Housing Act. The mortgage loans are being sold servicing-released, without FHA insurance and, except as otherwise expressly provided in the loan sale agreement for MHLS 2010-1 (“Loan Sale Agreement”), without any representation or warranty, whether express, implied or created by operation of law.

## SALE SCHEDULE

Due Diligence & Bidder Information Package (BIP) available online:	<b>February 24, 2010</b>
Due Diligence Ends:	<b>March 23, 2010</b>
Bid Day:	<b>March 24, 2010</b>
Bid Award Announcement:	<b>March 25, 2010</b>
Closings:	<b>April 1 – April 9, 2010</b>

*All dates are subject to change at HUD’s sole and absolute discretion.*

(1)

## BIDDER QUALIFICATION

To qualify, interested parties must submit an executed Confidentiality Agreement and Qualification Statement. Once qualified, parties will have access to information about the loans and be eligible to submit bids to acquire the loans. Information concerning the mortgage loans will be furnished only to, and bids will be accepted only from, bidders who certify that they have: (i) such knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks; and (ii) the resources to bear the risks of a purchase of the mortgage loans and meet the other criteria required to become a Qualified Bidder.

This is a notice of a sale of mortgage loans. It is not an offer to sell or a solicitation of offers to buy the loans. The purchase of mortgage loans involves risk, and Qualified Bidders should, along with their advisors, undertake such investigation as they deem advisable to evaluate the risks associated with such purchase.

## DUE DILIGENCE

Qualified Bidders will be provided access to review the Asset Review Files on-line at the MHLS 2010-1 website at [www.debt.com](http://www.debt.com). During the due diligence period, Qualified Bidders may submit any questions they may have in writing in the method described in the Bidder Information Package. HUD will make every attempt to answer such questions within forty-eight (48) hours, whenever possible. Access to due diligence information will be available to Qualified Bidders as follows:

February 24, 2010 – March 23, 2010

All Qualified Bidders will receive, free of charge, access to the Bidder Information Package, Payment Histories, Asset Summary Reports and Selected Attributes Loan Data (SALD) for the portfolio via the MHLS 2010-1 website at [www.debt.com](http://www.debt.com).

The MHLS 2010-1 due diligence options and procedures will be further described in the Bidder Information Package.

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## PORTFOLIO (as of 1/31/10)

<b>Approximate UPB:</b>	<b>\$306.1 million</b>
<b>Number of Loans:</b>	<b>26</b>
Healthcare Loans:	1
Multifamily Loans:	25

## THE BID PROCESS

HUD will offer the loans individually and in pools, by collateral type, loan type, and geography. The loans will be sold in a sealed-bid auction format. Qualified bidders will be able to submit bids on: (i) individual loans and (ii) loan pools. Borrowers with a performing loan(s) may bid on their own loan(s) provided they are a Qualified Bidder. Details on the bidding process will be provided in the Bidder Information Package. HUD reserves the right to accept or reject any and all bids, and to terminate the sale, in whole or in part, at any time at its sole and absolute discretion.

## FURTHER INFORMATION

For further information concerning MHLS 2010-1, please visit the HUD Asset Sale website at:

[www.hud.gov/fhaloansales](http://www.hud.gov/fhaloansales)

Or the Transaction Specialist’s designated website at:

[www.debt.com](http://www.debt.com)

The HUD website provides information about MHLS 2010-1, current and past HUD Sales, general information about HUD, and answers to Frequently Asked Questions. The Transaction Specialist’s designated website will provide more detailed information about the loans in the sale and qualification documents.

If you have any questions concerning MHLS 2010-1, including questions about the Bidder Information package, please contact the MHLS 2010-1 Sale Coordinator for HUD’s Transaction Specialist, KDX Ventures, Inc., at:

Telephone Number: 1-202-775-0518  
Facsimile Number: 1-978-967-8607  
E-mail: [mhls2010-1@debt.com](mailto:mhls2010-1@debt.com)

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## BIDDER INFORMATION PACKAGE

Bidder Information Packages will be available on the MHLS 2010-1 website free of charge to qualified bidders. The Bidder Information Packages will contain background information on the HUD Multifamily and Healthcare Loan Sale, summary information on the loan portfolio, detailed bidding instructions, due diligence instructions, the Loan Sale Agreement, post-sale servicing requirements, and general information about HUD.

## TO OBTAIN A BIDDER INFORMATION PACKAGE

To become a Qualified Bidder and receive the Bidder Information Package, interested parties must complete (without alteration) and submit an executed Confidentiality Agreement and Qualification Statement. These documents are available on the Transaction Specialist's designated website at:

[www.debttx.com](http://www.debttx.com)

Mail originals and fax/email copies of the executed Confidentiality Agreement and Qualification Statement to:

**KDX Ventures, Inc.**  
c/o The Debt Exchange  
133 Federal Street, 10<sup>th</sup> Floor  
Boston, MA 02110  
Attention: MHLS 2010-1 Sale Coordinator  
Fax: 1-978-967-8607

Qualified Bidders will receive a password that will permit them to access the Bidder Information Package through the MHLS 2010-1 website at [www.debttx.com](http://www.debttx.com).

## DISCLAIMER

*No representation or warranty, whether express, implied or created by operation of law, is made by HUD, KDX Ventures, Inc., or any of their respective affiliates, contractors, subcontractors, directors, officers, partners, employees, counsel, advisors or agents, as to the accuracy or completeness of the information contained herein or made available to Qualified Bidders in connection with MHLS 2010-1, and no legal liability with respect thereto is assumed or may be implied.*

*KDX Ventures, Inc. has acted solely as Transaction Specialist to HUD and has not audited or independently verified any portion of the financial information contained herein or made available to bidders in connection with MHLS 2010-1. No person has been authorized to make any written or oral representation as to the accuracy or completeness of the information contained in or the materials referred to in this announcement and, if given or made, any such representation must not be relied upon. The purchase of mortgage loans involves risk, and Qualified Bidders should, along with their advisors, undertake such investigation as they deem advisable to evaluate the risks associated with such purchase.*

*This announcement is not an offer to sell or a solicitation of an offer to buy mortgage loans. Information concerning the mortgage loans will be furnished only to, and bids will be accepted only from, bidders who certify that they have: (i) such knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks; and (ii) the resources to bear the risks of a purchase of the mortgage loans and meet the other criteria required to become a qualified bidder. Except as otherwise expressly provided in the Loan Sale Agreement, the mortgage loans are being sold "as is," "where is," "with all faults," and without any recourse whatsoever.*



**U.S. DEPARTMENT OF  
HOUSING AND  
URBAN DEVELOPMENT**  
Announces:

**Multifamily and Healthcare  
Loan Sale 2010-1**

Bid Date:  
**March 24, 2010**

Approximate UPB:  
**\$306,100,000**  
**26 loans**

Transaction Specialist:  
**KDX Ventures, Inc.**