FHA SINGLE FAMILY LOAN SALES 2013-2 (SFLS 2013-2)
QUALIFICATION STATEMENT

The Federal Housing Administration ("FHA"), an organizational unit of the U.S. Department of Housing and Urban Development ("HUD"), is planning to offer a portfolio of defaulted single-family mortgage loans (the "Mortgage Loans") through a competitive auction. HUD intends to offer qualified bidders the opportunity to bid in sealed bid auction to be conducted on or about June 19, 2013 referred to as the Single Family Loan Sale 2013-2 (the "Sale"), to acquire the Mortgage Loans via whole loan sale.

The undersigned ("Bidder") understands and acknowledges that, before it can register for, or make an offer to bid in the Sale, the Bidder (whether an individual or an entity) must meet the requirements described below as evidenced by execution of this Qualification Statement. The information requested herein is being requested for the purpose of providing HUD with information needed to determine whether the Bidder meets the qualification requirements to bid in the Sale. All or part of the information provided on this form may also be subject to disclosure under the Freedom of Information Act, 5 U.S.C. § 552(a). Pursuant to HUD's FOIA regulations at 24 C.F.R. § 15.108, you may request confidential treatment of business information submitted in connection with this form and support such request with the facts and the legal justification for such request. Any request for confidential treatment must state that the information has not been made public and clearly designate the information that is considered confidential. Should HUD receive a FOIA request for such confidential information, HUD will provide you with notice of the request and an opportunity to object to the disclosure in accordance with HUD's regulations, unless disclosure is required by federal law. Providing the requested information is voluntary; however, failure to furnish all of the requested information may result in the prospective purchaser not being permitted to bid at the Sale and/or not receiving notice of future HUD/FHA sales initiatives.

NOTICE: Anyone who knowingly or willfully makes false or fraudulent statements or representations in connection with the disclosures or certifications herein will be referred to the Office of Inspector General and/or the appropriate law enforcement officials for investigation and legal enforcement and may be subject to fines, imprisonment or both. See 18 U.S.C. §§ 1001, 1010, 1012.

NOTE: The following information is being solicited with respect to the individual or entity that will submit a bid in the Sales to acquire the Mortgage Loans.

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I. Bidder Information:

A._____
Name of Bidder

B._____
Corporate or Other Entity Type and State of Organization (if applicable)

C. _____
Address of Bidder

D. _____
City, State, Zip Code

E. _____ F. _____
Phone Fax

G. _____ H. _____
Bidder Tax I.D. E-mail Address

II. Please circle the description that best describes Bidder's business designation:

Commercial Bank

Savings Association/Bank

Mortgage Banker

Investment Bank

Hedge Fund

Insurance Company

Financial Services Company

Pension Fund

Real Estate Company

Other, please describe _____

III. Please circle the primary notification source to indicate how you learned about HUD's Single Family Loan Sale:

a) Federal Register Notice

b) HUD Website

c) HUD Personnel: (please specify) _____

d) Social Media: (please specify) _____

e) DebtX Website

f) DebtX Email

g) Advertisement: (please specify) _____

h) Other: (please specify) _____

Bidder Qualification. The Bidder understands that, if it is determined to be a qualified bidder for the Sales, its status as such does not necessarily mean that it will be a qualified bidder for any other mortgage loans or assets offered in any other FHA/HUD sale. The Bidder also understands that its status as a qualified bidder for any other FHA/HUD sale does not necessarily mean that it will be a qualified bidder for the Sales.

ONLY THE NAMED BIDDER IN THIS QUALIFICATION STATEMENT, IF QUALIFIED, WILL BE ALLOWED TO BID IN THE SALES. Upon award as a successful bidder in any of the Sales, Bidder may form a special purpose entity to take ownership of the Mortgage Loans at settlement (the "SPE Acquisition Vehicle"). However, the Bidder will remain the counterparty with HUD on sale.

Any significant equity owners of the SPE Acquisition Vehicle must either be a qualified bidder or have satisfied any requirements HUD may establish for such SPE Acquisition Vehicles prior to the settlement date.

Bidder hereby certifies, represents and warrants to FHA/HUD that it is a qualified bidder based upon Bidder's satisfaction of one or more of the following qualifying statements 1 through 4. Bidder must check one or more of the following qualifying statements 1 through 4 to register to bid in the Sales and to qualify as a qualified bidder for the Sales. (CHECK ALL THAT ARE APPROPRIATE):

(_____) 1. Bidder is a corporation, partnership, limited liability company, or business trust with a net worth in excess of $5,000,000 determined in accordance with Generally Accepted Accounting Principles, consistently applied ("GAAP"), and was not formed for the specific purpose of acquiring an interest in the Mortgage Loans.

(_____) 2. Bidder is a bank (as defined in Section 3(a) (2) of the Securities Act of 1933, as amended (the "Act")), savings and loan association or other institution (as defined in Section 3(a) (5) (A) of the Act), insurance company (as defined in Section 2(a) (13) of the Act), investment company registered under or business development company as defined in the Investment Company Act of 1940, as amended, or a broker or dealer registered under Section 15 of the Securities Exchange Act of 1934, as amended, in each case with a net worth in excess of $5,000,000 determined in accordance with GAAP.

(_____) 3. Bidder is a trust, with a net worth in excess of $5,000,000 determined in accordance with GAAP, not formed for the specific purpose of acquiring the Mortgage Loans.

(_____) 4. Bidder is a business entity whose equity owners are entities or individuals that in combination have a net worth in excess of $5,000,000.

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By executing this Qualification Statement, Bidder certifies, represents and warrants to FHA/HUD that EACH of the initialed statements, A through and including K, is true and correct as to such Bidder.

_____ A. Bidder is an entity that either (i) is in the business of buying, originating or selling mortgage loans of the same type as the Mortgage Loans or (ii) otherwise deals in assets identical or similar to the Mortgage Loans in the ordinary course of such Bidder's business. Bidder has such knowledge and experience in the origination, sale and/or purchase of performing and non-performing or distressed loans, including, without limitation, loans secured by real estate or other types of collateral, as well as knowledge and experience, by itself or with its advisers, in other financial and business matters, as to enable Bidder to utilize the information made available in connection with the Sales to evaluate the merits and risks of a prospective acquisition of the Mortgage Loans and to make an informed decision with respect thereto.

_____ B. Bidder acknowledges, understands and is able to bear the economic risks associated with the acquisition and ownership of the Mortgage Loans, including, without limitation, the risk of a total loss of Bidder's investment in the Mortgage Loans.

_____ C. Bidder acknowledges and agrees that information, including summary data, will be made available to assist Bidder in evaluating the risks involved in acquiring the Mortgage Loans and whether or not it chooses to review any information that is made available to it, Bidder has the ability and shall be responsible for making its own independent investigation and evaluation of the Mortgage Loans and the economic, credit or other risks involved in an acquisition of the Mortgage Loans, including, without limitation, the restrictions on resale or other liquidation upon any of the Mortgage Loans.

_____D. Bidder acknowledges and agrees that (i) the proposed sale of the Mortgage Loans is not intended to constitute the sale of a "security" within the meaning of the Act or any applicable federal or state securities laws, (ii) no inference that the Mortgage Loans is a "security" under such federal or state securities laws shall be drawn from any of the certifications, representations or warranties made by Bidder in this Qualification Statement for purposes of qualifying Bidder as a qualified bidder at the Sales, (iii) it is not contemplated that any filing will be made with the Securities and Exchange Commission or pursuant to the Blue Sky or securities laws of any jurisdiction.

Note: Related Entities is defined as: (a) two entities that have (i) significant common purposes and substantial common membership or (ii) directly or indirectly substantial common direction or control; or (b) Either entity owns (directly or through one or more entities) a 50 percent or greater interest in the capital or profits of the other. For this purpose, entities treated as related entities under this definition shall be treated as one entity.

If a Bidder or Related Entity cannot certify to Section E, subsection(s) (i)-(iii) below, please describe and explain in an attached document not to exceed one page the debarment, suspension, or other exclusion and any extenuating circumstances or other information that may render such debarment, suspension or exclusion immaterial for the purposes of qualifying for the Sale. Please provide a copy of any order or agreement imposing such debarment, suspension or exclusion.

***Additionally*, certifications in Section E, subsection (vi) below is made based on currently available information about the Mortgage Loan Pools to be offered in the Sale. However, if upon review of due diligence materials Bidder or Related Entity becomes unable to certify to Section E, subsection (vi), Bidder will notify HUD, will deem itself ineligible, and will not Bid on the Mortgage Loans.**

_____ E. Bidder represents and warrants that it, or its significant (>10%) owners and persons with authority or control or any entities related to Bidder ("Related Entities") or significant (>10%) owners and person with authority or control of such Related Entities, are not any of th**e** following:

_____ i. 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 Title 2 of the Code of Federal Regulations, Parts 180 and 2424;

_____ ii. 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;

_____iii. 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; or

_____ iv. an entity or individual is ineligible to bid on any included Mortgage Loan because it is an entity or individual that:

(a) serviced or held any Mortgage Loan at any time during the 2-year period prior to the bid is ineligible to bid on such Mortgage Loan or on the pool containing such Mortgage Loan, or

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

The certification in Section F, subsection (iii) below is made based on currently available information about the Mortgage Loan Pools to be offered in the Sale. However, if upon review of due diligence materials Bidder or Related Entity becomes unable to certify to Section F, subsection (iii), Bidder will notify HUD, will deem itself ineligible, and will not Bid on the Mortgage Loans.

_____F. Bidder represents and warrants that it, nor any member of the its significant (>10%) owners and persons with authority or control or any entities related to Bidder ("Related Entities") or significant (>10%) owners and person with authority or control of such Related Entities who will have access to Confidential Information or will be involved in the formation of a bid, 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 member of Bidder would prevent Bidder from making the

following representations, such member 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):

_____ i. 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;

_____ ii. 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 Sales;

_____ iii. 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;

_____ iv. an individual or entity that knowingly uses the services, directly or indirectly, of any person or entity ineligible under section E above to assist in preparing any of its bids on the Mortgage Loans;

_____ v. 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); or

_____ vi. 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.

_____G. Bidder represents and warrants that it will not release or disclose to any FHA approved mortgagees who have agreed to participate in the Sales by assigning loans to HUD (Participating Servicers") Bidder's information reflecting or evidencing the submission of its bid or other information used in preparing its bid.

_____H. Bidder represents and warrants that it has full authority to deliver this Qualification Statement and that the individual executing this Qualification Statement has full authority to do so on behalf of Bidder and all principals thereof.

_____I. Within the past ten (10) years, neither Bidder, nor any person or entity controlling Bidder, (i) has had entered against it an order for relief under the United States Bankruptcy Code, as amended, or under any other law relating to bankruptcy, insolvency or reorganization or relief of creditors, (ii) has failed to pay, or admitted in writing its inability to pay, it debts generally as they become due, (iii) has made a general assignment for the benefit of its creditors, (iv) has had appointed, or applied for, sought, consented to, or acquiesced in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its assets or properties, (v) has instituted any proceeding seeking to have entered against it an order for relief under the United States Bankruptcy Code, as amended, to adjudicate it insolvent, or seeking

dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or failed to file an answer or other pleading (within the time frame by which such answer or other pleading is due) denying the material allegations of any such proceeding filed against it, or (vi) has taken any corporate, partnership or similar (as applicable) action to authorize any matter described in any of clauses (i) through (v) of this paragraph.

_____J. Bidder understands that the above certifications, representations, and warranties are made for the purpose of qualifying Bidder as a qualified bidder at the Sales. Bidder hereby represents that the above certifications and all information provided herein are true and correct in all material respects as of the date hereof and will be true and correct in all material respects as of the time of Sale, and understands that FHA/HUD is relying upon the truthfulness and correctness of such statements.

_____K. Bidder acknowledges and agrees that after purchase the Mortgage Loans must be serviced by a servicer that meets the following qualifications: (i) an FHA-approved mortgagee, or a Fannie Mae or Freddie Mac approved servicer; and, (ii) in good standing with and rated average or above average by the applicable Agencies.

Bidder acknowledges and agrees that FHA/HUD has the right to request additional or updated information at any time, including, without limitation, financial statements and/or confirmation of the representations, warranties and certifications made herein. Bidder authorizes, and has the authority to authorize, FHA/HUD and its agents to conduct credit and other investigations of Bidder through appropriate third-party reporting agencies. Bidder further acknowledges and agrees that FHA/HUD may, in its sole discretion, refuse to qualify any prospective bidder who, in FHA/HUD's sole judgment, does not have the requisite knowledge and experience to evaluate the merits and risks of purchasing and to make an informed decision with respect to the purchase of the Mortgage Loans.

Bidder hereby certifies that to the best of Bidder's knowledge all the information stated herein, as well as any information provided in the accompanying documents (if applicable), is true, accurate, and complete. Submission of false information in connection with this application is grounds for rejecting your bid or invalidating the Conveyance, Assignment and Assumption Agreement. Bidder further certifies that Bidder has read the Warnings set forth below.

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WARNING: Any person who knowingly presents materially false, fictitious, or fraudulent statements in a matter within the jurisdiction of HUD is subject to penalties, sanctions, or other regulatory actions, including but not limited to:

- **(i) Fines and imprisonment under 18 USC 287, 1001, 1010, 1012, which provides for fines of a maximum of $25,000 for individual and $500,000 for organizations or imprisonment for up to 5 years or both; or**
- **(ii) Civil penalties and damages under 31 USC 3729, of not less than $5,000 and not more than $10,000 plus 3 times the amount of damages which the government sustains; and**
- **(iii) Administrative sanctions, claims, and penalties by HUD pursuant to 24 CFR Part 24, 28, and 30.**

Dated:_____, 2013

BIDDER:_____
(Print or Type Name of Bidder)

By:_____

Printed Name: _____

Print Title: _____