

### *Purpose and Description of Data Collection*

Public or private entities regulated by TSA interested in participating in the RSSP may submit an application to the TSA Administrator requesting that TSA provide screening services outside of an existing primary passenger terminal screening area where screening services are currently provided or eligible to be provided under TSA's annually appropriated passenger screening program as a primary passenger terminal screening area. The request may only be submitted to TSA after consultation with the relevant local airport authority. The application is used to identify basic information to grant approval or denial.

The likely respondents to this proposed information collection request are public or private entities regulated by TSA requesting the screening services at an airport that is a commercial service airport (as defined by 49 U.S.C. 47107(7)). TSA estimates the annual respondents for fiscal year 2019 to be no more than 12. The annual burden for the information collection related to providing screening services is estimated to be 154 hours.

### *Use of Results*

TSA will acknowledge receipt of the application, review for completeness, and provide an official response granting approval, or denying the request. If the application is approved by TSA, TSA will enter into a contract with the entity, under which the requesting entity agrees in writing to the scope of the screening services to be provided and agrees to compensate TSA for all reasonable personnel and non-personnel costs, including overtime, of providing the screening services.

Dated: April 30, 2019.

**Christina A. Walsh,**  
TSA Paperwork Reduction Act Officer,  
Information Technology.

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**BILLING CODE 9110-05-P**

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

[Docket No. FR-6162-N-01]

### **Notice of HUD-Held Healthcare Loan Sale (HLS 2019-1)**

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

**ACTION:** Notice of sale of six healthcare mortgage loans.

**SUMMARY:** This notice announces HUD's intention to sell six unsubsidized healthcare mortgage loans, without Federal Housing Administration (FHA) insurance, in a competitive, sealed bid sale on or about June 12, 2019 (HLS 2019-1 or Loan Sale). 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 or about May 15, 2019. Bids for the loans must be submitted on the bid date, which is currently scheduled for June 12, 2019, between certain specified hours. HUD anticipates that an award or awards will be made on or before June 14, 2019. Closing is expected to take place between June 24, 2019 and June 28, 2019.

**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 website at [www.hud.gov/fhaloansales](http://www.hud.gov/fhaloansales). Please fax or email as well as mail executed original documents to: JS Watkins Realty Partners, LLC; JS Watkins Realty Partners, LLC, c/o The Debt Exchange, 133 Federal Street, 10th Floor, Boston, MA 02111, Attention: HLS 2019-1 Sale Coordinator, Fax: 1-978-967-8607, Email: [hls2019-1@debtx.com](mailto:hls2019-1@debtx.com).

**FOR FURTHER INFORMATION CONTACT:** John Lucey, Director, Asset Sales Office, Room 3136, U.S. Department of Housing and Urban Development, 451 Seventh Street SW, Washington, DC 20410-8000; telephone 202-402-3927. 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 HLS 2019-1, six (6) unsubsidized mortgage loans (Mortgage Loans), consisting of five (5) first lien healthcare notes and one (1) associated second lien note secured by assisted living facilities located in various locations in Connecticut, Illinois, Maine, Ohio and Pennsylvania. 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 one or more of the Mortgage Loans.

The Mortgage Loans will be stratified for bidding purposes into several

mortgage loan pools. Each pool will contain Mortgage Loans that generally have similar performance, property type, geographic location, lien position and other characteristics. Qualified bidders may submit bids on one or more pools of Mortgage Loans or may bid on individual loans.

The Qualification Statement describes the entities/individuals that may be qualified to bid on the Mortgage Loans if they meet certain requirements as detailed in the Qualification Statement. Some entities/individuals must meet additional requirements in order to be qualified to bid, including but not limited to:

Any mortgagee/servicer who originated one or more of the Mortgage Loans; a mortgagor or an operator, with respect to any HUD insured or subsidized mortgage loan (excluding the Mortgage Loans being offered in the Loan Sale) who is currently in default, violation, or noncompliance with one or more of HUD's requirements or business agreements; and a limited partner, nonmanaging member, investor and/or shareholder who owns a 1 percent or less interest in one or more of the Mortgage Loans, or in the project securing one or more of the Mortgage Loans; and any of the aforementioned entities'/individuals' principals, affiliates, family members, and assigns.

Interested entities/individuals who fall into one of these categories should review the Qualification Statement to determine whether they are eligible to qualify to submit a bid on the Mortgage Loans. Other entities/individuals not described herein may also be restricted from bidding on the Mortgage Loans, as fully detailed in the Qualification Statement.

### **The Bidding Process**

The BIP describes in detail the procedure for bidding in HLS 2019-1. 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 One Hundred Thousand Dollars (\$100,000) or ten percent (10%) of the aggregate bid prices for all of such Bidder's bids. In the event the Bidder's aggregate bid is less than One Hundred Thousand Dollars (\$100,000), the minimum deposit shall be not less than fifty percent (50%) of the Bidder's aggregate bid. 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 after notification to successful bidders on or before June 17, 2019. Closings are expected to take place between June 24, 2019 and June 28, 2019.

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 HLS 2019–1. 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 HLS 2019–1 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 the Mortgage Loans in a later sale. The Mortgage Loans will not be withdrawn after the award date except as is specifically provided for 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**

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 most efficient vehicle for HUD to dispose of the Mortgage Loans.

#### **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 among those INELIGIBLE to bid on the Mortgage Loans being sold in HLS 2019–1:

1. A mortgagor or operator, including its principals, affiliates, family members, and assigns, with respect to one or more of the Mortgage Loans being offered in the Loan Sale, or an Active Shareholder (as such term is defined in the Qualification Statement);

2. With respect to any other HUD multifamily and/or healthcare mortgage loan not offered in the Loan Sale, any mortgagor or operator, including any Related Party of either, that has failed to file financial statements or is otherwise in default under such mortgage loan or is in violation or noncompliance of any regulatory or business agreements with HUD and that fails to cure such default or violation by no later than June 1, 2019;

3. Any individual or entity that is debarred, suspended, or excluded from doing business with HUD pursuant to Title 2 of the Code of Federal Regulations, part 2424;

4. 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 HLS 2019–1;

5. Any employee of HUD, a member of such employee's family, or an entity owned or controlled by any such employee or member of such an employee's family;

6. Any individual or entity that uses the services, directly or indirectly, of any person or entity ineligible under provisions (3) through (5) above to assist in preparing its bid on any Mortgage Loan;

7. An FHA-approved mortgagee, including any principals, affiliates, or assigns thereof, that has received FHA insurance benefits for one or more of the Mortgage Loans being offered in the Loan Sale;

8. An FHA-approved mortgagee and/or loan servicer, including any principals, affiliates, or assigns thereof, that originated one or more of the Mortgage Loans being offered in the Loan Sale if the Mortgage Loan defaulted within two years of origination and resulted in the payment of an FHA insurance claim;

9. Any affiliate, principal or employee of any person or entity that, within the two-year period prior to June 1, 2019, serviced any Mortgage Loan or performed other services for or on behalf of HUD;

10. Any contractor or subcontractor to HUD that otherwise had access to information concerning any Mortgage Loan on behalf of HUD or provided services to any person or entity which, within the two-year period prior to June

1, 2019, had access to information with respect to the Mortgage Loan on behalf of HUD; and/or

11. Any employee, officer, director or any other person that provides or will provide services to the prospective bidder with respect to the Mortgage Loans during any warranty period established for the Loan Sale, that serviced the Mortgage Loans or performed other services for or on behalf of HUD or within the two-year period prior to June 1, 2019, provided services to any person or entity which serviced, performed services or otherwise had access to information with respect to any Mortgage Loan for or on behalf of HUD.

Other entities/individuals not described herein may also be restricted from bidding on the Mortgage Loans, as fully detailed in the Qualification Statement.

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 HLS 2019–1.

#### **Freedom of Information Act Requests**

HUD reserves the right, in its sole and absolute discretion, to disclose information regarding HLS 2019–1, including, but not limited to, the identity of any successful bidder and its bid price or bid percentage for the Mortgage Loans, upon the closing of the sale of the Mortgage Loans. Even if HUD elects not to publicly disclose any information relating to HLS 2019–1, 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 HLS 2019–1 and does not establish HUD's policy for the sale of other mortgage loans.

Dated: April 25, 2019.

**Brian D. Montgomery,**

*Assistant Secretary for Housing—Federal Housing Commissioner.*

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