



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410

MEMORANDUM FOR: All Multifamily Hub Directors
All Multifamily Program Center Directors
All OMHAR Regional Office Directors
All OMHAR Participating Administrative Entities

FROM: Shaun Donovan, Deputy Assistant Secretary for
Multifamily Housing Programs, HT

Ira Peppercorn, Director, Office of Multifamily
Housing Assistance Restructuring, V

SUBJECT: Guidance on Previous Participation for OMHAR Projects

Purpose: This memorandum provides guidance on ensuring that all OMHAR project Principals are appropriately screened (“red flag check”) through the Previous Participation “2530” system. For most transactions, this will occur through an abbreviated process (not using the HUD-2530 form) described below. Formal 2530 clearance, including submission of completed HUD-2530 forms from all Principals, will be required for OMHAR transactions involving transfers and/or where the new financing requires 2530 clearance.

Abbreviated Process for Evaluating Ownership History: For all assigned OMHAR projects (except those requiring formal 2530 clearance), Participating Administrative Entities (PAEs) are required to obtain the names and tax identification (TIN) numbers for the ownership entity as well as social security (SSN) numbers of all Principals in the ownership entity. Owners are not permitted to provide this information on the HUD-2530 form. The PAE should obtain a certification from the owner that the names (full first and last as well as middle initial) and SSN and/or TIN numbers for each Principal are correct. The PAE will then provide this information to the appropriate local HUD Office for a check through the “2530” system. If the ownership entity (including all Principals) fails or refuses to provide the PAE with the required SNNs or TINs, the entity may be considered a “non-cooperating owner.” A non-cooperating classification may cause OMHAR to terminate the restructuring process, prepare a potentially troubled contract that reduces rents to market and return the project to Housing to be placed on Housing’s potentially troubled list.

If the Abbreviated Process Discovers “2530” System Matches: If there are any name matches in the system, i.e. if there are any “red flags” on the owner or affiliates, the HUD Field Office will provide the PAE with a printout of such matches. The HUD Field Office will notify the PAE if no matches are identified. A list of the appropriate staff persons to contact in each HUD Field Office is attached.

If any name matches are identified indicating that any of these entities may be “bad owners” or affiliates of “bad owners,” the PAE should advise the OMHAR Regional Office. The OMHAR Relationship Manager will fax a printout of the name matches to the Policy and Participation Standards Division in the Multifamily Office of Asset Management, attention Beverly J. Miller, Director (Fax: 202-708-0684) in HUD Headquarters. The Fax should identify the property as an OMHAR project and provide a contact name and telephone number. Once additional information on the nature and extent of the problem including which HUD Offices raised issues is received from the 2530 system, the Relationship Manager will provide this information to the PAE who will then determine whether the problem warrants a recommendation to OMHAR that the project be rejected for debt restructuring or if other action is appropriate. If OMHAR decides to reject the project due to ineligibility, OMHAR will return the project to Housing. However, if the project remains eligible, the PAE should ensure that the Restructuring Commitment contains language stating that OMHAR approval of the deal does not constitute clearance of the 2530 flag.

Formal Previous Participation Clearance Requirements: There are certain instances where Principals of the ownership entity will be required to complete HUD-2530, Previous Participation Certification. These instances include: (1) when the terms of the takeout financing require a 2530 clearance or (2) when there is a change in ownership, such as Transfer of Physical Assets (TPA) or a new management agent. A TPA occurs when there is a an ownership change in General partners, change of a corporate officer or director, or an increase in ownership by a Limited Partner equal to 25% interest or more. The process is as follows:

- (a) **The HUD-2530 Form:** The purpose of the form is to allow persons seeking to do new business with HUD (and OMHAR) to disclose any previous participation in properties assisted or financed by HUD, the Rural Housing Service and/or State Housing Finance Agencies. The cover page of the form describes the new business being sought, the property involved, the property’s ownership structure (all Principals involved in the ownership and management of the property), and a certification by the Principals that the information being disclosed is accurate and complete. The attachments to the form disclose the previous participation of the Principal submitting the form. If any property listed in the attachments has defaulted on a mortgage loan or has less than satisfactory review ratings (physical inspections, management and financial reviews), the Principal will be required to submit additional information.
- (b) **Processing the HUD-2530 Form:** This guidance applies to only those instances listed in the Formal Clearance Requirements paragraph noted above. The PAE is responsible for ensuring that each Principal of the ownership entity submit a HUD-2530 form as soon as possible. The PAE will forward the 2530s to the appropriate HUD Field Office for processing. The names, social security numbers or Tax ID numbers of each Principal will be entered into HUD’s Previous Participation database to determine if the Principal has been “flagged” with respect to participation in any HUD property. If there are no flags, the HUD Field Office will approve the HUD-2530 form and return it to the PAE. If flags are present, the HUD Field Office will notify the PAE that it is forwarding the form to the Policy and Participation Standards Division in Headquarters for further review.

If you have any questions or require additional information, please contact Beverly Miller, Director, Policy and Participation Standards Division within the Office of Multifamily Housing in Headquarters at

(202) 708-1320. Or you may contact your local Multifamily Program Manager.

Attachment

cc: Frank Malone, HTG
John Pentecost, HT
Beverly Miller, HTG
Alberta Zinno. OMHAR

2530 CONTACTS

HEADQUARTERS

202.708.3776

Phyllis Conrad	ext. 2079	Kathy Thomasson	ext. 2082
Diane Stewart	ext. 2088	Kimberly Sanford	ext. 5122

NEW ENGLAND

023	Boston	Michael McGovern	617.565.5157
017	Hartford	Natalie Solis	860.240.4800 x3074
024	Manchester	Sandra Morin	603.666.7510 x3026
016	Providence	Marlene Santurri Joan Bennett Sharon Keefe(backup)	401.528.5311 401.528.5379

NEW YORK/NEW JERSEY

014	Buffalo	Felicia Fantas	716.551.5755 x5525
012	New York	Judith Correa	212.264.0777 x3701

MID-ATLANTIC

051	Richmond	Linda Adams Barbara Womack	804.278.4500 x3107 804.278.4500 x3104
045	Charleston	Phyllis J. Ball	304.347.7000 x 119
033	Pittsburgh	Carole F. Burton David R. Kolar	412.644.2809 412.644.6866
000	Washington	John Shanley Deborah Whitfield	202.275.4677 x3006 202.275.9200 x3026
052	Baltimore	Phyllis Warren Florence Dorm Melissa Peters	410.962.2520 x3109 410.962.2520 x3029 410.962.2520 x3075
034	Philadelphia	Helene Willow	215.656.0609 x3532

SOUTHEAST/CARIBBEAN

	Caribbean	Sallie Valcarcel Evelyn Escobar	787.766.5400 x2067 787.766.5400 x2054
056	San Juan	Yolanda Perez Minerva Bravo	787.766.5400 x2061 787.766.5400 x2058
065	Jackson	Margaret McAlpine Craig Wood Terry Seal William J. Duckworth	601.965.4700 x2915 601.965.4700 x2810 601.965.4700 x3022
083	Louisville	Susan Siewert	502.582.6163 x 294
061	Atlanta	Gloria Dobbs Gwen Kelly	404.331.5001 x2113 404.331.5001 x2828

063	Jacksonville	Jolene K. Miller Cassentry L. Griffin	904.232.1777 x2145 904.232.1777 x2150
067	Tampa	Jolene K. Miller	
062	Birmingham	Vera Clemmons Robin K. Ferguson	205.290.7630 x1003 205.290.7630 x1085
066	Coral Gables	Candice L. Dowlati	304.536.5678 x2230
086	Nashville	Martha J. Broadway Ronald Buchanan Mary D. Day	615.736.5069 x3856 615.736.5069 x3126 615.736.5069 x3742
087	Knoxville	Jevonna Brown	423.545.4411 x 162
081	Memphis	Martha J. Broadway	615.736.5069 x3856
054	Columbia	Robert Rifenberick Manager	803.253.3240
053	Greensboro	Delois McDowell Kathleen Purcell	336.547.4028 336.547.4069

MIDWEST

075	Milwaukee	David Zeise Dorothy Henry (Alternate)	414.297.3214 x8679 414.297.3214 x8680
073	Indianapolis	Nadine A. Hires Edward Hinsberger, Mgr	317.226.6303 x6482 317.353.6236 x2132
043	Columbus	Janice Wilkerson Judy Raidiger	614.469.5643 x8046 614.469.5737 x8086
071 & 072	Chicago	Andrea Matro Doris Bradley	312.353.6236 x2357 312.353.6236 x2209
044	Detroit	Kelly K. Allen	313.226.4900 x8136
042	Cleveland	Betty Harris Ron Bailey	216.522.4058 x7248 216.522.4058 x7180
046	Cincinnati	Bonnie Gee	614.469.5737 x8098
047	Grand Rapids	Jeane Krikke	616.456.2100 x2180
092	Minneapolis	Sheila Bourn Mark Campbell LaDonna Eggum	612.370.3051 x2260 612.370.3051 x2263 612.370.3051 x2257

SOUTHWEST

082	Little Rock	Cloretta G. Brown	501.324.6316
064	New Orleans	Debbie Cage	504.589.7236 x3112
117	Oklahoma City	Rita A. Crews April Harrington	405.553.7539 405.553.7414
115	San Antonio	Irene Jasso	210.475.6835
112	Dallas	Carol F. Wilson	817.978.5781
114	Houston	Darlene Jump	713.313.2274 x7062

113	Ft. Worth	Rebecca Livens Donna Leo Carol F. Wilson	817.978.5794 817.978.5834 817.978.5781
118	Tulsa	Faye O'Connor	918.581.7168 x3042

GREAT PLAINS

103	Omaha	Linda Grabowski	402.492.3122
085	St. Louis	Barbara Hopgood	314.539.6370
074	Des Moines	Jan Hetherington	515.284.4095
084	Kansas City	Brenda Owens	913.551.6898

ROCKY MOUNTAIN

101	Denver	Elaine M. Padilla Therese E. Santoya Thelma M. Herndon Patricia Montoya	303.672.5357 x1149 303.672.5357 x1121 303.672.5357 x1151 303.672.5357 x1119
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PACIFIC/HAWAII

136	Sacramento	Judy Dawes	916.498.5220 x348
123	Phoenix	Monica L. Barnes	602.379.4667 x6237
122	Los Angeles	Robert King Dorothy Timmons	213.894.8000 x3642 213.894.8000 x3871
127	San Diego	Lou Cruz	619.557.5305 x 241
140 & 141	Honolulu	Darlene Kaholokula Raymond Gota (Manager)	808.522.8185 x 240 808.522.8185 x 248
121	San Francisco	Cindi Tsai Patchara Baumgartner	415.436.6505 415.436.8441
	Las Vegas	Michael Klion	

NORTHWEST/ALASKA

124 & 126	Portland	Joan Hodge	503.326.2692
127	Seattle	Gloria Gonzales Clare Luebeck Camile Johnson	206.220.5212 x3164 206.220.5228 x3218 206.220.5170 x3409
176	Anchorage	Kathleen Claiborne Gerald Gularte	907.271.4314 907.271.4614