



## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-6568-N-03]

### Notice of HUD Non-Vacant Loan Sales (HNVLS 2026-1)

**AGENCY:** Office of the Assistant Secretary for Housing - Federal Housing Commissioner, U.S. Department of Housing and Urban Development (HUD).

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

**SUMMARY:** This notice announces HUD's intention to offer approximately 2,500 home equity conversion mortgages (HECM, or reverse mortgage loans) secured by occupied properties with a loan balance of approximately \$730 million. The sale will consist of due and payable Secretary-held reverse mortgage loans. The mortgage loans consist of first liens secured by real property that is occupied, where the borrower and any borrowing or non-borrowing spouse are deceased, and heirs have not come forward in the time elapsed. This initiative supports HUD's continued efforts to reduce financial risk to the Mutual Mortgage Insurance Fund and promote the efficient disposition of defaulted assets. Additional information regarding sale structure, loan pool composition, and bidding procedures will be provided in subsequent announcements. This notice also generally describes the bidding process for the sale and certain entities who are ineligible to bid. This is the second sale offering of its type and is scheduled for February 10, 2026.

**DATES:** For this sale action, the Bidder Information Package (BIP) will be made available to qualified bidders on or about January 7, 2026. Bids for the HNVLS 2026-1 sale will be accepted from 10:00 AM to 1:00 PM ET on the Bid Date, which is currently scheduled for February 10, 2026 (Bid Date). HUD anticipates that awards will be made on or about February 13, 2026 (the Award Date).

**ADDRESSES:** To become an eligible bidder and receive the BIP for the February sale, prospective bidders must complete, execute, and submit a Confidentiality Agreement and

Qualification Statement acceptable to HUD. The documents will be available in preview form with free login on the Transaction Specialist (TS), Falcon Capital Advisors, website: <http://www.falconassetsales.com>. This website contains information and links to register for the sale and electronically complete and submit documents.

If you cannot submit electronically, please submit executed documents via mail or facsimile to Falcon Capital Advisors: Falcon Capital Advisors, 427 N Lee Street, Alexandria, VA 22314, Attention: Glenn Ervin, HUD HNVLS Loan Sale Coordinator. eFax: 1-202-393-4125.

**FOR FURTHER INFORMATION CONTACT:** John Lucey, Director, Office of Asset Sales, Room 9216, Department of Housing and Urban Development, 451 Seventh Street, SW, Washington, DC 20410-8000; telephone 202-708-2625, extension 3927 (this is not a toll-free number). HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. To learn more about how to make an accessible telephone call, please visit

<https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs>.

**SUPPLEMENTARY INFORMATION:** This notice announces HUD's intention to sell due and payable Secretary-held reverse mortgage loans in HNVLS 2026-1. HUD is offering approximately 2,500 reverse mortgage notes with a loan balance of approximately \$730 million. The mortgage loans consist of first liens secured by occupied single family properties, where the borrower and co-borrowing spouse are deceased, and heirs have not come forward in the time elapsed.

A listing of the mortgage loans will be included in the due diligence materials made available to eligible bidders. The mortgage loans will be sold without FHA insurance and with servicing released.

## **The Bidding Process**

The BIP describes in detail the procedure for bidding in HNVLS 2026-1. The BIP also includes the applicable standardized, non-negotiable sales contract for HNVLS 2026-1, called the Conveyance, Assignment, and Assumption Agreement (CAA). The CAA will NOT contain first look requirements or mission outcome goals.

HUD will evaluate the bids submitted and determine the successful bids in terms of the best value to HUD, in its sole and absolute discretion. If a bidder is successful, it will be required to submit a deposit. The deposit will be calculated based upon the total dollar value of the bidder's potential award. Awards are contingent on HUD receiving the deposit in the timeframe set out in the bid deposit confirmation. The deposit amount will be applied to the sale price on the settlement date.

This notice provides some of the basic terms of sale. The CAA will be released in the BIP or BIP Supplement, as applicable. These documents provide comprehensive contractual terms and conditions to which eligible bidders will acknowledge and agree. 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 eligible 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 a sale at any time prior to the Award Date and the settlement date. HUD also reserves the right to reject any and all bids, in whole or in part, and include any unsold reverse mortgage loans from the HNVLS 2026-1 sale in a later sale. Deliveries of mortgage loans will occur in conjunction with settlement and servicing transfer, no later than 60 days after the Award Date.

The reverse mortgage loans offered for sale 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 HUD's authority in 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 reverse mortgage loans for this specific sale transaction. For the HNVLS 2026-1 sale, HUD has determined that this method of sale optimizes HUD's return on the sale of these reverse mortgage loans, affords the greatest opportunity for all eligible bidders to bid on the reverse mortgage loans, and provides the quickest and most efficient vehicle for HUD to dispose of the due and payable reverse mortgage loans.

### **Bidder Ineligibility**

In order to bid in HNVLS 2026-1 as an eligible bidder, a prospective bidder must complete, execute, and submit a Confidentiality Agreement and a Qualification Statement (HUD-9611) that are acceptable to HUD. In past sales, nonprofit and governmental entities were able to submit a qualification addendum (HUD-9612), which required additional certifications and documentation regarding the entity's organizational structure. This additional information collection will be removed for HNVLS 2026-1. Nonprofit and governmental entities will be required to certify eligibility only under the Qualification Statement (HUD-9611). The Confidentiality Agreement and Qualification Statement collectively are the "Qualification Documents." In the Qualification Statement, the prospective bidder must disclose its key employees, including officers, directors and other decision makers and provide certain representations and warranties regarding the prospective bidder, including (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 HNVLS 2026-1 if the prospective bidder, its Related Entities, or its repurchase lenders, are 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 a past sale;

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 the Qualification Statement, about mortgage loans offered in the sale;

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

10. 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.

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 that 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 HNVLS 2026-1, 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 HNVLS 2026-1, 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 HNVLS 2026-1 and does not establish HUD's policy for the sale of other mortgage loans.

**Frank Cassidy,**

*Assistant Secretary for Housing—Federal Housing Commissioner.*

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