

Settlement Offer

Office of Finance and Budget
Financial Operations Center

Instructions on Page 2.

HUD Claim Number: _____

I (we) _____ (names) acknowledge my (our) debt to the United States Department of Housing & Urban Development. This debt is identified by the HUD claim number above.

___ I (we) offer a lump sum payment of \$ _____

___ I (we) offer _____

I (we) realize that this offer is subject to the approval of HUD management and the timely receipt of all funds. I (we) understand that upon this approval and completion of this offer,

___ The entire claim will be settled and any remaining indebtedness will be cancelled. (Compromise Offer).

___ The following parties will be released from liability to this Department for this debt. (Partial Settlement Offer):

___ Debt Discharged in Bankruptcy, (Release of lien only)

___ Maintain personal liability, (Subordinating lien only)

___ Other: _____

I (we) understand that any release given by this Department will end the liability of the released parties to this Department but does not affect any liability between co-debtors as a result of the subject debt. I (we) also understand that any cancelled debt may be reported to the Internal Revenue Service.

___ I (we) have enclosed a Certified Check or Money Order for the lump sum payment.

___ I (we) will forward a Certified Check or Money Order for the lump sum by _____.

The money for this offer is coming from:

_____ (source of funds).

Any monies submitted with this offer will be refunded should this offer be declined.

X _____ (signature) _____ (date)

X _____ (signature) _____ (date)

Public reporting burden for this collection of information is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

This information is used by HUD to evaluate: (a) the debtor's ability to pay the debt in full; (b) the ability to pay the debt in installments; and/or (c) justification for a compromise. Failure to collect the information would result in uneducated decisions in respect to the handling of debtor accounts. The Federal Claim Collection Standards states: If the agency's files do not contain reasonably up-to-date credit information as a basis for assessing a compromise, such information may be obtained from the individual debtor by obtaining a statement executed under penalty of perjury showing the debtor's assets and liabilities, income and expenses. The information is used to evaluate the individual debtor's financial position for the purpose of establishing payment plans and/or compromise settlements. This information is required to obtain benefits. The debtors are protected by the Privacy Act of 1974.

Privacy Act Statement: The Department of Housing and Urban Development (HUD) is authorized to collect all the requested information by 80 Stat.309, Section 3(b). The Housing and Community Development Act of 1987, 42 U.S.C. 3543 authorizes HUD to collect the Social Security Number (SSN). It will be used as a basis for assessing your ability to repay this debt. This information will not be otherwise disclosed or released outside of HUD, except as permitted or required by law or to appropriate Federal, state and local agencies, and when relevant to civil, criminal or regulatory investigations and/or prosecutions. The provision of the SSN is mandatory. Failure to provide some or all of the information may result in legal action to collect the debt.

Completion of this form is not required. However, the information requested is required to obtain benefits. Please fill out this form or provide the information in another format.

SETTLEMENT OFFER INSTRUCTIONS

This Office has no authority to completely forgive any debt owed to the United States Government. However, we can accept less than the full amount due in satisfaction of the debt (or part of the debt, as in a release of one party or security) if accepting less than the full amount due is in the best interests of the Government.

Compromise Offers: After successfully completing a Compromise Offer, we will release all debtors from liability to this Department for this debt. We will forgive any remaining debt and the entire claim will be settled. Since a successful Compromise Offer ends all further HUD collections, the offer must be large enough to justify releasing all parties. Department of Treasury regulations require HUD to report any debt forgiven as a result of a Compromise Offer to the Internal Revenue Service. HUD makes no representation as to any tax liability that may exist due to this reporting. Questions concerning tax liability should be directed to a tax attorney, advisor or accountant, or the IRS.

Partial Settlement Offers: After successfully completing a Partial Settlement Offer, we will release only the settling parties from liability to this Department for this debt. The settling parties no longer will owe this Department any money for this claim. We reserve the right to continue to pursue any co-maker(s) not expressly released. A partial settlement release from this Department will not affect any liability between co-debtors as a result of the subject debt.

The amount of the offer should be based upon the amount owed as well as your ability to pay. An offer must typically be paid in a lump sum. You may wish to consider sources of borrowing money (such as lending institutions, relatives, friends or against life insurance policies) so that you can make an adequate offer and take advantage of this opportunity. Short term payment plans may be accepted if in our best interests. To submit an offer, please follow these instructions:

1. Complete and sign the attached Settlement Offer Form. Be sure to state the type of offer and the exact dollar amount of your offer. Please indicate the source of funds to be used to pay this offer.
2. Thoroughly complete and sign the attached Financial Statement, and any attachments, and return them with your offer form. **Be sure to include your HUD debt under Schedule B of the Financial Statement.** Attach supporting documentation to verify the information on the Financial Statement. **Also, attach a copy of your most recently filed Federal income tax return, with all schedules.**

Financial Statements and tax returns are required from each party to be released. If you live with a non-indebted party, your Financial Statement must disclose the financial condition of the entire household.

When submitted, we will review your offer promptly. This review includes an analysis of your financial position based on your Financial Statement, any verifying evidence or information you submit with the Statement, your most recent Federal income tax return and other credit and income information available to us.

If you have any questions, please feel free to call your Debt Servicing Representative at 1-800-669-5152 extension _____.