

Settlement Offer

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

\_\_\_\_\_ (date).

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.

I/We, the undersigned, certify under penalty of perjury that the information provided above is true and correct. WARNING: Anyone who knowingly submits a false claim, or makes false statements is subject to criminal and civil penalties, including confinement for up to 5 years, fines, and civil penalties. (18 U.S.C. §§ 287, 1001 and 31 U.S.C. §3729)

X \_\_\_\_\_ (signature) \_\_\_\_\_ (date)

X \_\_\_\_\_ (signature) \_\_\_\_\_ (date)

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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 information is required to obtain the benefit sought. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

"Section 2(c) of the National Housing Act authorizes the Secretary of the Department of Housing and Urban Development to collect or compromise all obligations assigned to or held by the Secretary and all legal or equitable rights accruing to HUD in connection with the payment of a HUD-insured loan until such times as such obligations may be referred to the attorney General for suit or collection. The information is collected under P.L. 479 and is used to determine the debtor's attitude about repayment of the debt and his/her ability to repay the debt.

"Privacy Act Statement: The Department of Housing and Urban Development is authorized to collect the requested information by Section 2(c) of the National Housing Act. This information is protected by the Privacy Act and 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. 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.

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## 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 \_\_\_\_\_.