

**Debt Resolution Program
Settlement Offer**

**U.S. Department of Housing and
Urban Development**
Office of Finance and Budget
Financial Operations Center

OMB Approval No. 2502-0483
(exp. 11/30/2022)

Public Reporting Burden, Privacy Act Statements, and Instructions (page 2) should be fully reviewed before completing this form

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):** _____

_____ **Release of Lien Only (Does not Release Personal Liability of Parties)**

_____ **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) will forward certified funds or pay the lump sum online at www.pay.gov by
(date).**

_____ **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, correct, and accurate. **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)**

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. Comments concerning the accuracy of this burden estimate and any suggestions for reducing this burden should be sent to the Reports Management Officer, QDAM, Department of Housing and Urban Development, 451 7th St, SW, Rm 4176, Washington, DC 20410-5000. 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)(1)(B) of the National Housing Act (12 U.S.C 1703(c)(1)(B)) 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 pursuant to the National Housing Act (12 U.S.C. 1701, et seq.), and is used by HUD to determine the debtor's willingness and ability to repay their debt.

Privacy Act Statement

Pursuant to 5 U.S.C. § 552a(e)(3), this Privacy Act Statement serves to inform you of the following concerning the collection of the information on this form.

Authority: The Debt Collection Improvement Act of 1996 (Pub. L. 104-134, 5 U.S.C. 5514, 31 U.S.C. 3701 et seq.), as amended; The Federal Claims Collection Act of 1966 (Pub. L. 89-508) and Debt Collection Act of 1982 (Pub. L. 97-365); 31 C.F.R. 285; 24 C.F.R. Part 17, Subpart C; 80 Stat. 309, Section 3(b); The Housing and Community Act of 1987, 42 U.S.C. 3543(a), authorizes HUD to collect the Social Security Number (SSN); 12 U.S.C. 1703(c) authorizes the collection, compromise, and sale of debt obligations to HUD in connection with the payment of FHA loans.

Purpose: HUD's mission is to provide effective and efficient servicing to maximize the recovery of debts and minimize losses arising from FHA loan programs. The purpose for collecting this information is to support activities related to the collection of debts resulting from defaults on HUD/FHA insured Title I loans and from other HUD/FHA loans.

Routine Use: The information collected on this form will be used by HUD to collect this debt and assess your ability to repay. Information will not be otherwise disclosed or released outside of HUD, except as permitted or required by law to appropriate Federal, state, and local agencies when relevant to debt collection, payment offsets, and reporting; to civil, criminal, or regulatory investigations and/or prosecutions; to your employer to issue wage garnishment order; to third party debt purchasers for relevant asset sale transactions; to appropriate agencies, entities, and persons to mitigate a breach or related incident. Information may also be used by HUD for computer matching for verification purpose.

Disclosure: Completion of this form is voluntary and not required. You may object to this information request by refusing to complete the form. You may withhold your consent to specific uses of your information by withholding that information. However, the information requested is required to obtain benefits.

SORN URL: <https://www.govinfo.gov/content/pkg/FR-2007-11-13/pdf/E7-22077.pdf>

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 _____.