

ERVIN and ASSOCIATES

FAX COVER

INCORPORATED

To: Mr. William Barth
Date: November 12, 1999
Phone#: 301/469-3422

From: David Ervin
Pages: 3
(includes this cover page)

COMMENTS:

Enclosed is one new Freedom of Information Act Request.

1999 NOV 12 P 3:29

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**ERVIN and  
ASSOCIATES  
INCORPORATED**

FI-282642

November 12, 1999

Mr. William K. Barth  
Managing Attorney  
Office of General Counsel, Freedom of Information Act Division  
U.S. Department of Housing and Urban Development  
451 Seventh Street, SW  
Washington, D.C. 20410-0500

Via Facsimile to (202) 401-7901

Re: Freedom of Information Act Request - Federal Asset Advisory Company, L.L.C.

Dear Mr. Barth:

We have recently become aware of a program design questionnaire being compiled by Federal Asset Advisory Company, L.L.C. (copy of page 1 attached) requesting feedback before proceeding with HUD note sales. Although we applaud HUD's effort to solicit feedback before proceeding with another ill conceived and possibly corrupt asset sales effort, particularly one that appears to be being patterned after the highly suspect multifamily partially structured transaction, we are curious as to how Federal Asset Advisory Company was selected to provide these services to HUD.

Under the provisions of the Freedom of Information Act, please supply us with the following:

- The contract under which Federal Asset Advisory Company is providing these services, including all modifications;
- Any task orders issued under the base contract, including all modifications;
- A copy of all Request for Contract Services forms (form HUD-720) concerning the base contract or any task orders issued or contemplated under the contract;
- A list of all firms solicited by HUD to provide these services, including copies of the Commerce Business Daily advertisement of the procurement (if any).

Ervin and Associates agrees to pay up to \$50 for the processing of this request. If the anticipated fees are to exceed \$50, please call me immediately at (301) 469-3422 so I may have an opportunity to reformulate the request or approve the additional fees without delaying the processing of this request.

Very truly yours,  
ERVIN and ASSOCIATES, INCORPORATED



David J. Ervin

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# single family assets

## multiple disposition alternatives

### program design

Section 601 of the Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Act, of 1999 provides FHA with additional flexibility to choose the most cost-effective methods of paying insurance claims and disposing of acquired notes or properties under the FHA single family programs. It re-authorizes FHA to take assignment of notes. Section 601(d) amends Section 204(g) of the National Housing Act to allow a structured financing for asset disposition in which FHA retains an equity interest. This authority for FHA to be an equity participant in private entities, similar to the FHA multifamily disposition program, has the potential to increase the value of the assets over simple asset sales.

The Federal Asset Advisory Company, LLC has been hired as Program Financial Advisor to the U.S. Department of Housing and Urban Development to assist in designing a program to most effectively utilize the new flexibility provided by Section 601 of the Act in reforming single family claims and property disposition.

The Program Financial Advisor is currently seeking input from potential program participants through responses to the questions outlined below. The Program Financial Advisor is considering a number of disposition alternatives which include fee based special servicing contracts, asset sales, public/private joint ventures, etc. This notice serves as an opportunity for potential program participants to comment on any concerns and/or issues pertaining to a variety of asset disposition structures. Participation is strictly limited to written comments, which may be submitted at any time prior to 9:00 A.M. EST on November 19, 1999. Submitted responses may be published for public viewing. Federal Asset Advisory Company, LLC will consider and conduct an analysis of your written responses. Thank you for your time and attention.

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