

U.S. Department of Housing and Urban Development



Homeownership Center
Director's Office

Region VIII, Denver
1670 Broadway Street
Denver, Colorado 80202-4801

Phone: 1-800-543-9378
Fax: 303-672-5040
Web: www.hud.gov

VIA EMAIL to [REDACTED]

March 5, 2024

Mr. Daniel Ley
[REDACTED]

Dear Mr. Ley,

The U.S. Department of Housing and Urban Development (“HUD”) is authorized by regulation to issue a limited denial of participation (“LDP”) to any participant in its programs whenever the Department has adequate evidence of cause for such an action. The purpose of this letter is to notify you that HUD has adequate evidence from which to conclude that you should be excluded immediately from direct or indirect participation in all programs under the jurisdiction of the Department's Assistant Secretary for Housing. Pursuant to 2 C.F.R. §§ 2424.1110(a)(2), (4) and (7), the reasons for issuing this LDP are as follows: irregularities in your past performance in a HUD program; failure to honor your contractual obligations; and making a false certification in connection with a HUD program.

The following specific actions constitute the evidence supporting these conclusions:

On or about May 18, 2023, you signed a Sales Contract to purchase a HUD-owned property located at [REDACTED] (“subject property”) for \$102,518. At paragraph 8 on the Sales Contract, you indicated that you were buying as an owner-occupant. On the same day, you signed an Individual Owner-Occupant Certification Addendum to the Sales Contract stating that you would occupy the subject property as your primary residence for at least 12 months. The **Sales Contract** is enclosed as **Exhibit A** and the **Individual Owner-Occupant Certification Addendum** is enclosed as **Exhibit B**.

The sale of the subject property closed, as a cash purchase, on June 14, 2023, as shown by the **Settlement Statement, Exhibit C**.

It appears evident that your primary residence and mailing address is [REDACTED], the same address you had when you purchased the subject property. You continue to claim the homestead exemption for [REDACTED], as shown on the **Natchitoches Assessor 2024 Assessment Listing, Exhibit D**. It has now been approximately nine months since you purchased the subject property, yet the subject property is still not your primary residence.

Based on the above facts, we conclude that at the time of closing on the subject property that you did not intend to occupy the subject property as your primary residence. You made a false certification in connection with a HUD program and did not honor your contractual obligations to live in the property as your primary residence for 12 months. These actions thwarted the efforts of legitimate owner-occupants to purchase an affordable home and for legitimate investors (i.e., those willing to wait out the owner-occupant bid period to pass without an offer) to have their chance to bid as honest investors. Together, your actions are considered an irregularity. Therefore, there is adequate evidence to issue an LDP to you.

This LDP is effective as of the date of this notice and will remain in effect for a period of one year or such shorter period as may be approved by this Department based upon resolution of the grounds for the denial. During this time, you are prohibited from participating in all programs under the jurisdiction of the Department's Assistant Secretary for Housing.

Under the LDP regulations, participation in these programs is defined as receipt of any benefit or financial assistance through grants, contractual arrangements, loan guarantees, insurance, or procurement contracts. 2 C.F.R. § 2424.1140(b). This broad definition of participation means that you may not participate in any program under the jurisdiction of the Department's Assistant Secretary for Housing in virtually any capacity including, but not limited to, borrower, real estate agent or broker, purchaser of a HUD-held property or any property with a HUD-insured or Secretary-held mortgage, fee appraiser, consultant, or any other business relationship with a participant in such programs.

This LDP extends to the jurisdiction of this office, which includes the States of Arkansas, Colorado, Iowa, Kansas, Louisiana, Minnesota, Missouri, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, Utah, Wisconsin, and Wyoming. You are advised, however, that other offices of HUD are notified of our action and may act accordingly. See 2 C.F.R. § 2424.1110(c).

You may request an informal conference for reconsideration of this action by writing to this office within 30 days of your receipt of this notice. If an informal conference is requested, you have a right to have it held within 15 days of the Department's receipt of the request. The conference may be held in person or telephonically at the Department's discretion. At the conference, you may be represented by counsel and may present all relevant information and materials to the official designated to conduct the conference. The Department will advise you in writing of its reconsideration decision no later than 20 days after the conference or 20 days after receipt of any materials which you are allowed to submit, whichever is later.

If the post-conference decision modifies or affirms the LDP, you may request a formal hearing before a Departmental hearing officer pursuant to 2 C.F.R. § 2424.1130(a). A written request for a formal hearing must be submitted to the address below within 30 days of receiving the post-conference notice.

You may also request a formal hearing instead of the informal conference, by submitting a written request for the hearing within 30 days of your receipt of this notice. A request for a formal hearing must be sent to:

Debarment Docket Clerk
U.S. Department of Housing & Urban Development
451 Seventh Street, SW
B-133 Portals 200
Washington, DC 20410-0500

This notice shall serve as the Department's complaint in any formal hearing in this matter. You can find the regulations regarding limited denials of participation at 2 CFR Part 2424, Subpart J, and the hearing process regulations at 24 CFR Part 26. All regulations are available online at www.ecfr.gov.

This LDP does not prevent the Department or another entity from seeking other remedies against you under other applicable federal, state or local statutes.

HUD's contact in Denver with regard to this letter is Laura Bullock, Director, Quality Assurance Division, at [REDACTED]

Sincerely,



Amy Trujillo
Director
Denver Single Family Homeownership Center

Enclosures

[REDACTED]