



LDP and GSA Instructions

PRMG requires all loan participants to be checked against the LDP and GSA lists, and all Investor Watchlists before funding **any** loan. The instructions provided below should be followed when running the reports in the LDP or GSA system and will provide guidance with the steps to follow when a potential match occurs.

Who must be checked?

Please refer to the “LDP/GSA Form” posted on the PRMG Resource Center for the specific list of loan participant roles that must be checked against LDP, GSA and all Investor Watchlists.

How to search?

Each time a fraud report is ordered or rescored the loan participants received by DataVerify with the fraud report request will be scrubbed against the LDP, GSA, OFAC, Mortgage Fraud News Articles and all PRMG Investor Watchlists. Please refer to the “DataVerify Procedures”, which can be found on the public drive, for guidance with keying the loan participants, running the DRIVE fraud report, reviewing the Watchlist Report, validating potential matches and clearing DRIVE conditions.

What is LDP?

The full name for LDP is Limited Denial of Participation - HUD’s list of participants that have performed in an unsatisfactory manner and have been excluded from doing business with the agency for a certain period of time.

To validate a loan participant or entity that is identified as a potential match to the LDP list go to https://www5.hud.gov/Ecpcis/main/ECPCIS_List/main/ECPCIS_List.jsp, which is also provided on the DRIVE fraud report below the Watchlist Match Report section.

It is important that parties who have been issued an LDP be prevented from new participation in the HUD program from which they have been excluded within the jurisdiction which took the exclusion action:

1. If you detect new participation or attempted participation by such parties in a program from which they have been excluded by the local HUD office, immediately notify the local office and obtain instructions before completing the processing of an application.



2. If you detect new or attempted participation by a party who has been excluded from a different program from that of the current application, notify the local HUD office but continue to process the application because the party is excluded only from the program(s) as shown on the LDP list. HUD must decide whether or not to attempt to broaden the exclusion action.
3. If you detect new or attempted participation by a party who has been issued an LDP by another HUD jurisdiction, notify the local office but continue to process the application because the party is not excluded unless the local HUD office issues its own action based on the action by the other HUD office or based on its own evidence.

Please make sure to print out any guidance or instructions provided by HUD and retain in the file for permanent retention in case the documentation is needed post-closing. Adding notes in the conversation log may also be a good idea if further clarification is needed for the loan file.

What is GSA?

The full name for GSA is General Services Administration - The GSA list is a government-wide list of parties excluded from Federal Procurement or non-procurement programs.

To validate a loan participant or entity that is identified as a potential match to the LDP list go to <http://www.sam.gov/portal/public/sam/>, which is also provided on the DRIVE fraud report below the Watchlist Match Report section.

For additional information pertaining to running the validation report within the SAM website refer to the instruction document <http://www.eprmg.net/Public - Identifying Excluded Entities.pdf>

Please make sure to print out the search results and include them in the loan file. **If you have a party that shows up on the list as being excluded from participation in HUD transactions (refer to example 1 below), that person will need to be removed from the transaction.** If there is not a print button available then try right-clicking in the screen where the information appears and select print or capture the information by using your “Snipping Tool” and pasting the information into Word.

Frequently Asked Questions (FAQs)

- Q: What do I do if a party shows being excluded from an Agency other than HUD (see example 2)?
- A: Contact the Agency reporting the exclusion and verify the participant is not barred from participating in HUD transactions as well. For a list of Agency contacts go to the SAM Website, Help, and then Exclusion Information or click on the Excluding Agency within the findings.



Q: What do I do if a party shows being excluded from an Agency but is not a loan participant such as the borrower's employer?

A: Review the file thoroughly to determine if that party has an integral role in the transaction, if not then proceed with the transaction. If unclear consult with your manager.

Q: What do I do if my borrower shows as an exclusion?

A: Under Advanced Search select the SSN/TIN Search, input borrowers name and Social Security number and hit Search. The results should confirm or deny the exclusion for your borrower. If confirmed your borrower has a HUD exclusion the loan must be declined. If confirmed your borrower has an exclusion with another Agency contact the Agency to confirm if borrower is excluded only from that Agency and not HUD.

Q: What do I do if another party to the transaction shows an exclusion?

A: If it is a party that you have their primary address in the file you can input that into the Exclusion findings (see bottom of Examples). If you do not have their primary address in the file then you can try to call the party and interview them with the below or similar questions to try to determine if they are one and the same. Or you may ask the party to go to the SAM website, do the SSN verification mentioned above and have them send you the results for your file.

1. Have you lived/worked in another state besides Massachusetts (or applicable state)?
2. What is your full name? (Always obtain the middle name)
3. What is your maiden name? (If you are speaking to female)
4. Have you had any other last name besides Williams and Anderson (use applicable name)?

Note: These questions are the foundation of your interview; however, you are welcome to ask other questions as applicable.

Example 1 – HUD Exclusion

Identification Information:

Prefix:
 First Name: Aaron
 Middle Name: R.
 Last Name: Dare
 Suffix:
 NPI:

Exclusion Details:

Exclusion Program: Redprocal
 Classification Type: Individual
Exclusion Type: Ineligible (Proceedings Completed)
 Nature (Cause):

Determined ineligible upon completion of administrative proceedings establishing by preponderance of the evidence of a cause of a serious and compelling nature that it affects present responsibility; or determined ineligible based on other regulation, statute, executive order or other legal authority.

Effect:

Procurement:

Agencies shall not solicit offers from, award contracts to renew, place new orders with, or otherwise extend the duration of current contracts, or consent to subcontracts in excess of \$30,000 (other than commercially available off-the-shelf items (COTS)), with these contractors unless the agency head (or designee) determines in writing there is a compelling reason to do so.

Nonprocurement:

No agency in the Executive Branch shall enter into, renew, or extend primary or lower tier covered transactions to a participant or principal determined ineligible unless the head of the awarding agency grants a compelling reasons exception in writing. Additionally, agencies shall not make awards under certain discretionary Federal assistance, loans, benefits (or contracts there under); nor shall an ineligible person participate as a principal, including but not limited to, agent, consultant, or other person in a position to handle, influence or control Federal funds, or occupying a technical or professional position capable of substantially influencing the development or outcome of a funded activity; nor act as an agent or representative of other participants in Federal assistance, loans and benefits programs. Contact the award agency for questions regarding the extent of Nonprocurement transaction award ineligibility. The period of ineligibility is specified by the termination date.

CT Code: R
 Active Date: 12/12/2008
 Termination Date: Indefinite
 Excluding Agency : HOUSING AND URBAN DEVELOPMENT, UNITED STATES DEPT OF
 Status :Active
 Create Date :12/15/2008
 Update Date :07/27/2012

Additional Comments:

Primary Address:

Verify Street Address

Street Address 1:

Street Address 2:

Example 2: Other Agency Exclusion

Identification Information:

Prefix:
 First Name: Aaron
 Middle Name: D.
 Last Name: Cottle
 Suffix:
 NPI:

Exclusion Details:

Exclusion Program: NonProcurement
 Classification Type: Individual
Exclusion Type: Ineligible (Proceedings Completed)
 Nature (Cause):

Determined ineligible upon completion of administrative proceedings establishing by preponderance of the evidence of a cause of a serious and compelling nature that it affects present responsibility; or determined ineligible based on other regulation, statute, executive order or other legal authority.

Effect:

Procurement:

Agencies shall not solicit offers from, award contracts to renew, place new orders with, or otherwise extend the duration of current contracts, or consent to subcontracts in excess of \$30,000 (other than commercially available off-the-shelf items (COTS)), with these contractors unless the agency head (or designee) determines in writing there is a compelling reason to do so.

Nonprocurement:

No agency in the Executive Branch shall enter into, renew, or extend primary or lower tier covered transactions to a participant or principal determined ineligible unless the head of the awarding agency grants a compelling reasons exception in writing. Additionally, agencies shall not make awards under certain discretionary Federal assistance, loans, benefits (or contracts there under); nor shall an ineligible person participate as a principal, including but not limited to, agent, consultant, or other person in a position to handle, influence or control Federal funds, or occupying a technical or professional position capable of substantially influencing the development or outcome of a funded activity; nor act as an agent or representative of other participants in Federal assistance, loans and benefits programs. Contact the award agency for questions regarding the extent of Nonprocurement transaction award ineligibility. The period of ineligibility is specified by the termination date.

CT Code: R
 Active Date: 06/21/1993
 Termination Date: Indefinite
 Excluding Agency : OFFICE OF PERSONNEL MANAGEMENT
 Status : Active
 Create Date : 02/03/1997
 Update Date : 07/27/2012

Additional Comments:

Primary Address:

Verify Street Address

Street Address 1:

Street Address 2:

Verify