

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re : Chapter 11
 :
Doral Financial Corporation,¹ : Case No. 15-10573 (SCC)
 :
Debtor. :
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NOTICE OF SALE BY AUCTION AND SALE HEARING

PLEASE TAKE NOTICE that, on September 23, 2015, Doral Financial Corporation (the “Debtor”) in the above-captioned chapter 11 case filed a motion [Docket No. 305] (the “Bid Procedures Motion”) with the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) (a) authorizing and approving the bidding procedures for the sale of certain performing and non-performing mortgage loans and real estate owned properties, (b) approving the form and manner of notice of the Auction and Sale Hearing, and (c) scheduling an Auction and a Sale Hearing and setting other related dates and deadlines all as further described in the Bid Procedures Motion. On October 7, 2015, the Bankruptcy Court entered an order (the “Bidding Procedures Order”)² approving certain bidding procedures attached thereto as Exhibit 1 (the “Bidding Procedures”).

Copies of the Bid Procedures Motion, Bidding Procedures Order, and other documents related thereto are available free of charge on the website of the Debtor’s noticing and claims agent, Garden City Group, LLC, at <http://cases.gcginc.com/dor/>.

PLEASE TAKE FURTHER NOTICE that the Debtor is soliciting offers for the purchase of certain mortgage loan and REO assets. All interested bidders should carefully read the Bidding Procedures and Bidding Procedures Order. To the extent there are any inconsistencies between this notice and the Bidding Procedures, the latter shall govern in all respects.

PLEASE TAKE FURTHER NOTICE that, if the Debtor receives competing bids within the requirements and time frame specified by the Bidding Procedures, the Debtor will conduct an auction (the “Auction”) of the assets on October 28, 2015 at 10:00 a.m. (prevailing Eastern Time) at the offices of counsel to the Debtor: Ropes & Gray LLP, 1211 Avenue of the Americas, New York, New York 10036.

PLEASE TAKE FURTHER NOTICE that the Debtor will seek approval of the sale of the assets at a hearing scheduled to commence on November 2, 2015 at 2:00 p.m. (prevailing Eastern Time) (the “Sale Hearing”) or as soon thereafter as counsel may be heard, before the Honorable Shelley C. Chapman, United States Bankruptcy Judge in the United States

¹ The last four digits of the taxpayer identification number of the Debtor are (2162).

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Bidding Procedures Order.

Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, New York 10004.

PLEASE TAKE FURTHER NOTICE that objections to the proposed Sale if any, must: (i) be in writing; (ii) conform to the applicable provisions of the Bankruptcy Rules, the Local Bankruptcy Rules and the Case Management Order [Docket No. 74] entered in this chapter 11 case; (iii) state with particularity the legal and factual basis for the objection and the specific grounds therefor; and (iv) filed with the Court and served so the objection is actually received no later than 4:00 p.m. on Monday, October 26, 2015 (prevailing Eastern Time) (the “Sale Objection Deadline”) by the following parties (the “Notice Parties”): (i) counsel to the Debtor, Ropes & Gray LLP, 1211 Avenue of the Americas, New York, NY 10036, Attn: Mark I. Bane, (ii) counsel to the UCC, Schulte Roth & Zabel LLP, 919 Third Avenue, New York, NY 10022, Attn: Brian D. Pfeiffer; and (iii) parties required by Bankruptcy Rule 2002(a).

CONSEQUENCES OF FAILING TO TIMELY FILE AND SERVE AN OBJECTION

Any party or entity who fails to timely file and serve an objection to the Sale of the Portfolio on or before the Sale Objection Deadline in accordance with the Bidding Procedures Order shall be forever barred from asserting any objection to such Sale, including with respect to the transfer of property free and clear of all liens, claims, encumbrances and other interests.