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AFFORDABLE HOUSING ROUNDTABLE

Panel: Bruce Minchey, FHA Chief Underwriter with Dougherty Mortgage, Elizabeth Arteaga, Housing Program officer, HUD HQ, Susan Meyers, Underwriting Branch Chief, SW Region, Ken Neumann, Esq., Tiber Hudson, Terry Wellman, FHA Chief Underwriter, PNC Real Estate. May 7, 2019 @ 2:45 to 4:00 PM

Southwest Multifamily Region

AFFORDABLE
TRANSACTIONS

FIRM COMMITMENTS ISSUED

FISCAL YEAR 2018

SOA	NUMBER	MORTGAGE	UNITS
221d4	31	\$529,593,200	6,028
223f	50	\$368,065,200	6,080
223a7	2	\$6,141,400	271
TOTAL	83	\$903,799,800	12,379

FISCAL YEAR 2019 Q1 & Q2

SOA	NUMBER	MORTGAGE	UNITS
221d4	8	\$67,974,000	995
223f	18	\$85,345,309	1,652
231	1	\$2,921,600	60
TOTAL	27	\$156,240,909	2,707

RENTAL ASSISTANCE DEMONSTRATION (RAD) PROGRAM (#s in affordable total on previous slide)

FISCAL YEAR 2018

SOA	MORTGAGES	UNITS
221d4 Sub Rehab	\$31,291,000	440

FISCAL YEAR 2019 Q1 & Q2

SOA	MORTGAGES	UNITS
221d4 Sub Rehab	\$60,764,100	783

COMMON CAUSES OF DELAY IN PROCESSING

- ❖ Cost estimates at Pre-App are under researched and change by more than 5% at Firm App
- ❖ Waivers for expired third-party reports requested; should not be common place
- ❖ Change in Management Agent prior to initial closing or after initial closing
- ❖ CNA eTool needs multiple revisions; time-consuming with multiple returns and delays
- ❖ Submission of straight-to-firm Application without addressing environmental issues
- ❖ 8-step process not completed before submission of Application
- ❖ REO Schedules and Financial Statements are not consistent and difference is not addressed in Narrative
- ❖ Previous Participation Report submitted in lieu of certified and signed 2530 on APPS
- ❖ RAD Transaction Manager in HQ not notified in timely fashion

BEST PRACTICES

- **Pre-App contains HUD 2530 for Mortgagor and REO Schedules as exhibits listed in Appendix 4.B.II.C (NC/SR). These are required at the Pre-App stage.**
- **REO Schedules include Mortgage Balances, Annual Debt Service and FMV column pro-rated by ownership interest for the particular principal.**
- **Personal Financial Statements contain all information in form HUD 92417 even if that form is not used, including the real estate schedule that breaks down the information so it can be easily confirmed by the REO Schedule.**
- **Numbers in PFS match assets and liabilities as listed on the REO Schedule per MAP Guide Section 8.5.E.7. Any material differences or inconsistencies must be thoroughly explained in the Lender Narrative.**
- **If Financial Statements or credit reports are used in your financial review of the borrower principals, please provide in Pre-Application.**
- **All HUD experience for all of the Developer's team is clearly listed in Lender Narrative.**

THANK YOU



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