

Welcome to HUD's Virtual Classroom

- Please mute your phone line at this time. You will find a microphone icon near the right edge of your screen, next to your name. Click on this, it will turn red, and your phone will be muted.
- If your PC has a microphone, please make sure it is turned off.
- Once we get through the initial presentation, the presenter will ask you to un-mute your phones (click on the red microphone icon, it will turn black, and your line will be un-muted), and then we can talk to each other in the 'virtual classroom'.
- In the meantime, if you have a question for the presenter, please enter it in the Chat box on the right side of your screen. If you don't see a Chat box, click the blue Chat icon at the top right of your screen, and the Chat box will open.



HUD's CNA e-Tool

Virtual Classroom: Attachments and Photos

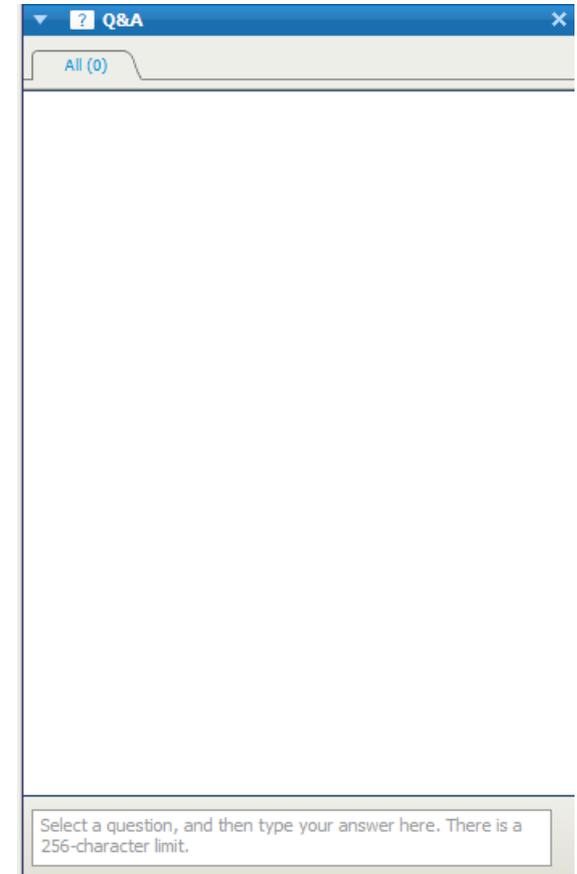
**Office of Multifamily
Housing Programs**

Today's Webinar Will Have Two Sections

- Recorded Portion
 - Participants self-mute
 - Use Chat and Q&A boxes to interact with presenter
 - Lessons learned
 - Initial Questions
- Virtual Classroom
 - Recording turned off
 - Participants and presenter interact voice to voice
 - Participants can share screens

Webinar Logistics: Recorded Portion

- Participants please mute your phone lines
- Ask questions via the WebEx Q&A box
- If technical issues related to WebEx, insert them in the Chat Box



Webinar Learning Objectives

- Learn how to use Attachments and Photos to help your HUD reviewer quickly review and accept your CNA e-Tool
- Understand where to access available resources and tools
- Discuss problem areas with the presenter and other participants

Agenda

Recorded Section

Attachment and Photos – lessons
learned

Initial Q&A

Recording Turned Off

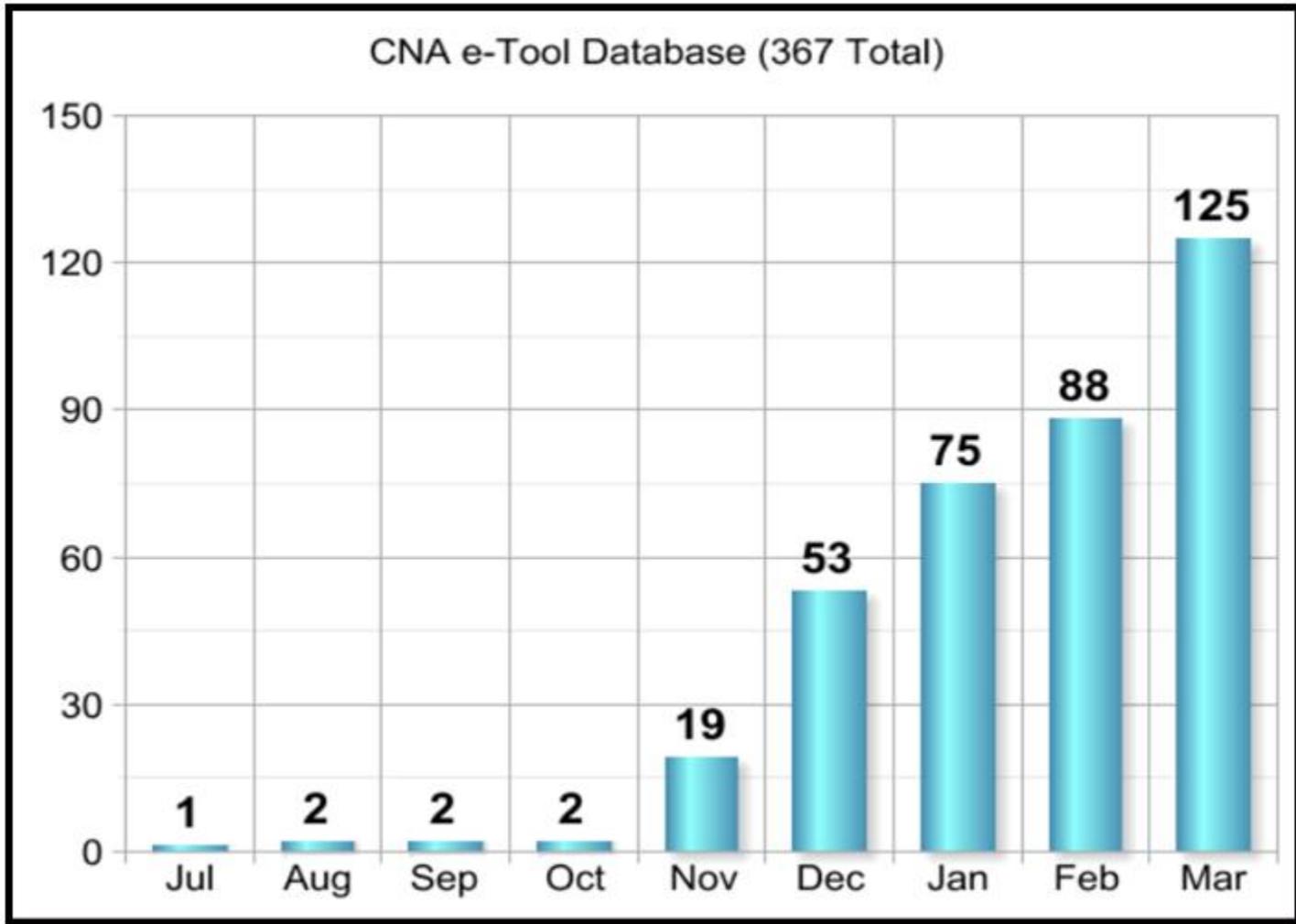
Virtual Classroom



The CNA E-Tool

Current Highlights

Volume:



HUD CNA e-Tool Webpage

https://www.hud.gov/program_offices/housing/mfh/cna



The screenshot shows the top navigation bar of the HUD website. On the left is the HUD logo and the text 'HUD.GOV'. In the center, it reads 'U.S. Department of Housing and Urban Development' and 'Secretary Ben Carson'. On the right are social media icons for search, email, RSS, YouTube, Facebook, and Twitter, with the text 'Información en Español' below them. Below the navigation bar is a menu with items: HOUSING HOME, ABOUT US, SINGLE FAMILY, HEALTHCARE PROGRAMS, MULTIFAMILY, MORE, and HUD HOME.

[Home](#) / [Program Offices](#) / [Housing](#) / [Multifamily](#) / Capital Needs Assessment Tool

Capital Needs Assessment Tool (CNA e Tool)

The Capital Needs Assessment (CNA) e-Tool automates and standardizes the preparation, submission and review of a capital needs assessment. Its use is now available on a voluntary basis and will become mandatory starting November 1, 2017 for FHA multifamily mortgage insurance applications.

Use of the CNA e-Tool for all Rental Assistance Demonstration conversions; 10-year update capital needs assessments for FHA-insured multifamily properties; and other asset management milestones, such as partial payment of claims, are available on a voluntary basis and will become mandatory starting February 1, 2018.

User: Needs Assessor

- ▶ [Assessment Tool 1.2A v5 \(Web Portal\)](#)
 - ▶ [CNA Public Validation \(Web Portal\)](#)
- ▶ [Instructions for use of the CNA e-Tool \(PDF\)](#)

User: FHA Lender Submitter

User: HUD Reviewer

- ▶ [CNA HUD Review \(Web Portal\)](#)
- ▶ [Government Internal User Manual \(PDF\)](#)
- ▶ [HUD User Access Guide \(PDF\)](#)
- ▶ [RfR Financial Factors Tool v2.0 \(XLSX\)](#)



CNA e-Tool: Recent Updates (on HUD CNA e-Tool webpage)

- Assessor Tool v1.2A v6 (March 2018)
- CNA e-Tool Release 2.2 Changes document
- 2018 Operational Bulletins
- CNA e-Tool Known Issues and Solutions (February 2018)
- RfR Financial Factors Tool 2.0
- Using CNA e-Tool for RAD Transactions



Lessons Learned

Regarding Attachments and Photos

Attachments In General

- MAP Attachment 5-G.VII.D.2
- Common mistakes:
 - Attaching your old-style report
 - Combining all Attachments into one document (difficult for your HUD reviewer)
 - Failing to include all of the Attachments that your particular CNA requires

These Are Not Required

- HUD Form 92264
- RfR Financial Factors Tool
- “Chart of Accounts” attachment -- suspended
- These are now generated by the CNA e-Tool
 - HUD Form 92329
 - Repairs Lists
 - RfR Schedule

Attachments the Wrong Way

> Inspection Sample

▼ Attachments

View ▾  Detach

Component Type Name	Need Category ID	Need Item ID	File Type	Attachment Type	Document Date	
NA	NA	...	HUD Custom SEP - East Perimeter Pointe.xlsx	Ot...	2/15/2018	
NA	NA	...	CNA pt1.pdf	Ot...	2/15/2018	
NA	NA	...	CNA pt2.pdf	Ot...	2/15/2018	
NA	NA	...	CNA pt3.pdf	Ot...	2/15/2018	
NA	NA	...	CNA pt4.pdf	Ot...	2/15/2018	
NA	NA	...	CNA pt5.pdf	Ot...	2/15/2018	
NA	NA	...	 E-Tool 1-10-18 flat annual...	CNA	2/15/2018	

> Reports

Attachments a Better Way

File Type	Attachment Type	Document Date	Need Item ID	Need Category ID	
92264 Form - ██████████ 1-27-17.pdf	HUD Documentation	2/28/2018	NA	NA	
CNA ASTM Photolog - ██████████.pdf	Other	2/28/2018	NA	NA	
CNA Figures - ██████████.pdf	Other	2/28/2018	NA	NA	
CNA Support Docs - ██████████.pdf	Other	2/28/2018	NA	NA	
Needs Assessor Qualifications.pdf	Other	2/28/2018	NA	NA	
██████████ Final RfR Deposit Test Tool, 12.18.2017.xlsx	Other	2/28/2018	NA	NA	
██████████ Apartments - HUD Custom SEP.XLSX	Other	2/28/2018	NA	NA	
USGS Design Maps Summary Report.pdf	Other	2/28/2018	NA	NA	
Paint seal breezeway decks.pdf	Evidentiary Support...	2/28/2018	NA	NA	
Reseal existing pavement.pdf	Evidentiary Support...	2/28/2018	NA	NA	
██████████ - Final e-tool 12-18-17.xlsm	CNA	2/28/2018	NA	NA	

Maintenance/Operating Vs. Capital Expenditures ('Chart of Accounts') Attachment

- This is not an actual HUD Form
- MAP Attachment 5-G.VII.D.2.b lists requirements for a 'chart of accounts'
 - Notes which items the owner pays from operations
 - THIS REQUIREMENT IS CURRENTLY SUSPENDED

The RfR Financial Factors Tool

- Is used by HUD reviewers
- Is not a required attachment
- But lenders are invited to use it, to anticipate issues that may arise during HUD review
- Current version is 2.0

Seismic Attachments

- Required for All Existing Properties:
 - USGS screen shot, showing the SxS and Sx1 parameter values
 - See next slide for sample
- If a Seismic Report (i.e., engineering study of the property's likely resilience to seismic events) is required, it is a required Attachment

USGS Design Maps Summary Report

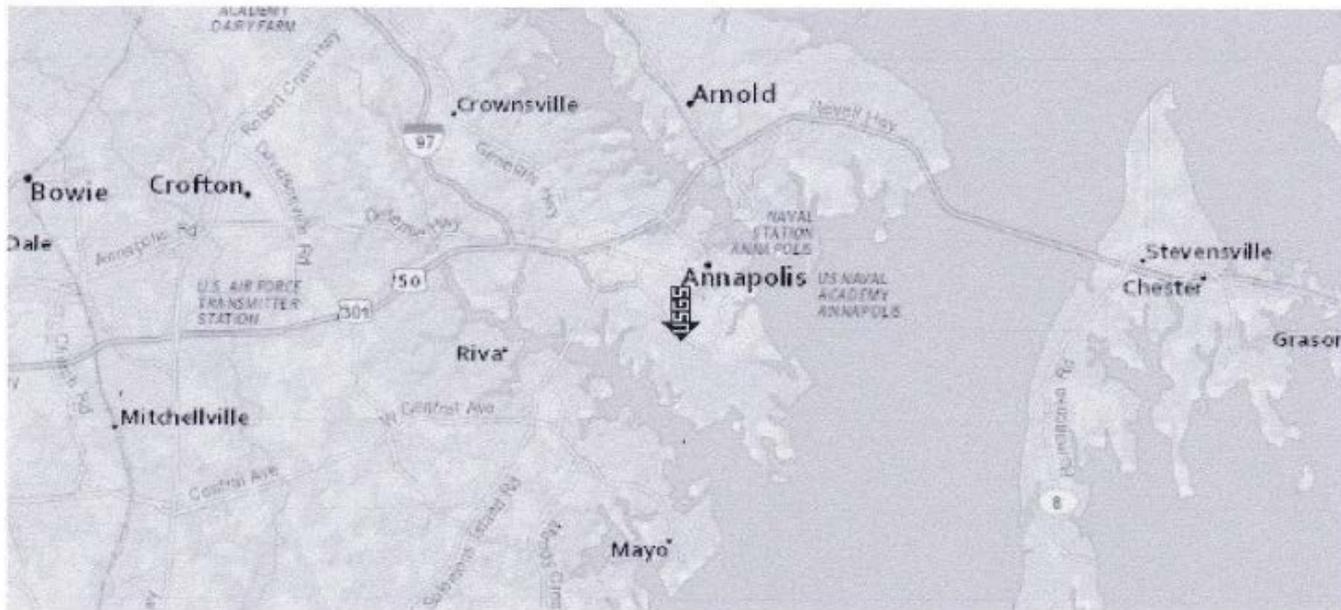
User-Specified Input

Report Title Bay View Apartments
Sun September 17, 2017 21:51:18 UTC

Building Code Reference Document ASCE 41-13 Retrofit Standard, BSE-1E
(which utilizes USGS hazard data available in 2008)

Site Coordinates 38.96379°N, 76.50724°W

Site Soil Classification Site Class D – “Stiff Soil”



USGS-Provided Output

$S_{S,20/50}$ 0.027 g

$S_{1,20/50}$ 0.013 g

$S_{XS,BSE-1E}$ 0.043 g

$S_{X1,BSE-1E}$ 0.031 g

Correct Photos (for Existing Properties)

- Aerial photos or satellite images – showing full site, showing all structures, labeled
- Annotated photography
 - See MAP Guide Attachment 5G.VII.D.2.g
 - Common errors
 - Failure to show each unit type including all rooms and baths
 - Failure to include a photo for each immediate repair
 - Failure to document actual interior conditions of every 5th inspected dwelling unit including path of access

Photos-What's Reasonable?

- Generally, the MAP Guide is written with typical, not atypical, deals in mind.
- Atypical deals: very large, very old, what else?
- Don't complete due diligence and underwriting on atypical deals without consulting HUD or perhaps ask for a concept meeting.
- Basic purpose of photos: Share your eyes on the site with the Reviewer.
- Take more photos than you need, submit only those needed to “share your eyes”.

Questions?

Thank you!

**The Recorded Portion of the
Webinar Has Ended**

Webinar Logistics:

Virtual Classroom Portion

- Participants take your phone lines off mute
- Recording is off
- Group discussion
- If technical issues related to WebEx, insert them in the Chat Box

