

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, I 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 me, 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: Inspection Sample

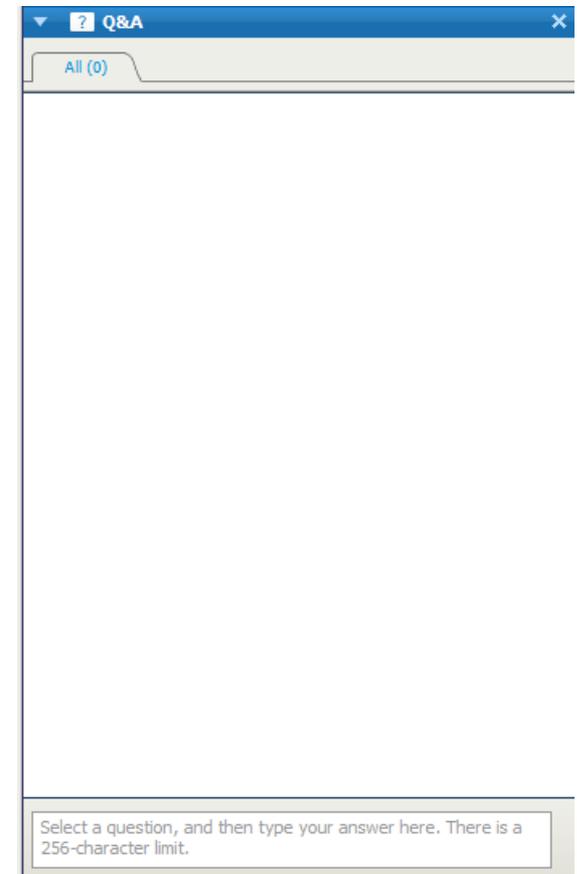
**Office of Multifamily
Housing Programs**

Today's Webinar Will Have Two Sections

- Recorded Portion
 - Participants self-mute
 - Use Chat box 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
- If questions during the recorded portion, or technical issues related to WebEx, insert them in the Chat Box



Webinar Learning Objectives

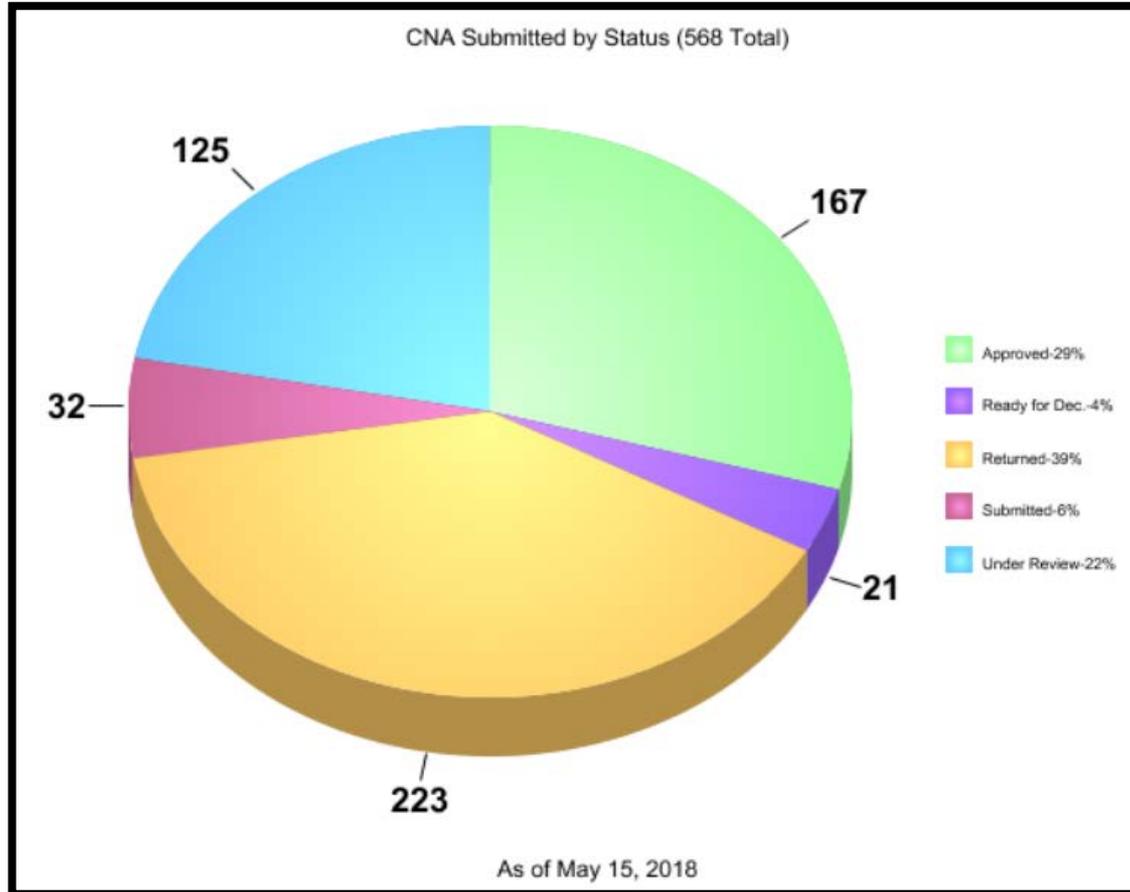
- Learn how to develop your inspection sample and report on results in a way that helps your HUD reviewer quickly review and accept your CNA e-Tool
- Understand where to access available resources and tools
- Discuss problem areas with the presenter and other participants



The CNA E-Tool

Current Highlights

CONSIDER:



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 says "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 \(XLSX\)](#)

The Ask A Question (AAQ) Resource

- Link on CNA e-Tool homepage

HUDEXchange.info > Program Support > Ask A Question

Resources and assistance to support HUD's community partners

NEED HOUSING ASSISTANCE? Email Updates Log In

 **HUD EXCHANGE**
Secretary Ben Carson

Programs ▾ Resources ▾ Trainings Program Support ▾ Grantees ▾ News 🔍

Home > Program Support > Ask A Question

Ask A Question

The following Ask A Question desks are active: AFFH, BRAC, CNA e-Tool, CoC, DRGR, eCon Planning Suite, ESG, *e-snaps*, HDX, HMIS, HOPWA, HEROS, HUD-VASH, IDIS, Legacy Homeless Programs, NSP, Sage, and Title V.

The CDBG and HOME Ask A Question desks are closed and no longer accepting questions. Please contact your **local CPD Field Office** for assistance.

Step 1 of 2 1 of 2

Personal Information* Required fields

*First Name

*Last Name

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

- Assessor Tool v1.2A v6 (April 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 Inspection Samples

Inspection Tips

- Complete the Inspection Sample worksheet in the CNA e-Tool prior to going onsite
- Review your inspection sample by validating the tool and reviewing the results
- If you can't get into a particular unit, try to inspect a unit of the same type on the same floor or in the building
- Inspect a proportionate number of vacant units
- Assessment tool determines what is a covered unit

Inspections - In General

- From MAP Guide, Appendix 5, Attachment G
 - Obviously, new construction projects are not subject to inspection requirements (p. 134)
 - Inspections required for Level 2 and/or 3 Alterations less than gut rehab (p. 135)
 - Inspections required for refinancing or acquisition of existing properties (p. 135)

Minimum Inspection Sample

MAP Guide, 5G, p. 144

- Needs assessor must enter the minimum percentage of all units that must be inspected
- For properties with all structures built or gut-rehabbed within 10 years of the CNA, not less than 10 percent of units must be inspected
- For all other properties, ***not less than 25 percent of units must be inspected***
- Units must be proportionally distributed among unit types, buildings, floor levels and ***otherwise random***

Exceptions Requiring Larger Sample

- Property with history of vacancy exceeding 16%, in which event not less than 50% of vacant units not already selected for inspection should be inspected (MAP 5G,p. 143)
- Property with units, floors of buildings, or buildings vacant for 6 or more of the previous 12 months
 - Vacancy can be due to adverse physical conditions or remodeling

Inspected Sample Worksheet

	A	B	C	D	E	F	G	H
2								
3								
4		Open Form						
5		Inspected Sample						
6		Site ID	Building Inspected	Unit Type	Unit Number	Inspection Status	Unit Status	504/UFAS Fully
7		Single site	A	2BR2ba A	1	Inspected	Occupied	None
8		Single site	A	2BR2ba B Share suites	7	Inspected	Occupied	None
9		Single site	A	2BR2ba A	9	Inspected	Occupied	None
10		Single site	B	1BR1ba	2	Inspected	Occupied	None
11		Single site	B	3BR2ba	6	Inspected	Occupied	None
12		Single site	B	1BR1ba	10	Inspected	Occupied	None
13		Single site	C	2BR2ba B Share suites	3	Inspected	Occupied	None
14		Single site	C	2BR2ba A	5	Inspected	Occupied	None
15		Single site	C	2BR2ba B Share suites	11	Inspected	Occupied	None
16		Single site	D	3BR2ba	4	Inspected	Occupied	None
17		Single site	D	1BR1ba	6	Inspected	Occupied	None
18		Single site	D	3BR2ba	12	Inspected	Occupied	None
19		Single site	E	2BR2ba A	2	Inspected	Occupied	None
20		Single site	E	2BR2ba B Share suites	8	Inspected	Occupied	None
21		Single site	E	2BR2ba A	10	Inspected	Occupied	None
22		Single site	F	3BR2ba	3	Inspected	Occupied	None
23		Single site	F	1BR1ba	5	Inspected	Occupied	None
24		Single site	F	3BR2ba	11	Inspected	Occupied	None
25		Single site	G	2BR2ba B Share suites	4	Inspected	Occupied	Mobility
26		Single site	G	2BR2ba A	6	Inspected	Occupied	None
27		Single site	G	2BR2ba B Share suites	12	Inspected	Occupied	None



Inspection Sample Form

Participants

Property

Sites

Unit Type Definition

Buildings

Units and Common Spaces

Utility Type Usage

Inspection Samples

Components

Alternatives

Repair Replace Recommendation

Narrative

Financial Factors

Repair Replace Decision

Inspection Sample

Single site	A	2BR2ba A	1
Single site	A	2BR2ba B Share suites	7
Single site	A	2BR2ba A	9
Single site	B	1BR1ba	2
Single site	B	3BR2ba	6
Single site	B	1BR1ba	10
Single site	C	2BR2ba B Share suites	3
Single site	C	2BR2ba A	5
Single site	C	2BR2ba B Share suites	11
Single site	D	3BR2ba	4
Single site	D	1BR1ba	6
Single site	D	3BR2ba	12
Single site	E	2BR2ba A	2
Single site	E	2BR2ba B Share suites	8
Single site	E	2BR2ba A	10

Site:

Building:

Unit Type:

Unit Number:

Inspection Status:

Unit Status:

Unit Floor:

Ground Floor Indicator:

Accessibility Compliance

Fair Hsg Act Covered Unit:

Fair Hsg Act Compliant:

Accessible Path Needed:

Accessible Path Exists:

504/UFAS Compliance:

Comments:

Add New

Update

Delete

Close



Intrusive Examination

- Lender must ensure that needs assessor did a thorough enough review appropriate to the age and condition of the property to accurately report condition of existing components (p. 153)
 - Even if level exceed the “non-intrusive” standard of inspection as defined by ASTM 2018-08
 - If 3rd party conducts an intrusive examination, resulting reports must be provided to the lender and HUD as a CNA e-Tool attachment

Inspections of Accessible Units and Property Features

- Reasonable proportion of these should be inspected – no fixed percentage
 - If “accessible” or “covered” units are concentrated in a certain location, this must be explained.
- Flags may occur if:
 - Property is federally assisted but no units are identified as accessible to those with mobility/sensory impairments
 - Property subject to Fair Housing Act but no “covered” units are inspected

Lender's Review of CNA e-Tool

- Review for adequacy of # of units inspected
- Provide thorough indicator of project condition
- Distinguish between critical and non-critical repairs
- Expected replacement of components and major maintenance needs
- Compliance with Accessibility laws

Questions?

Thank you!

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

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Virtual Classroom Portion

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