



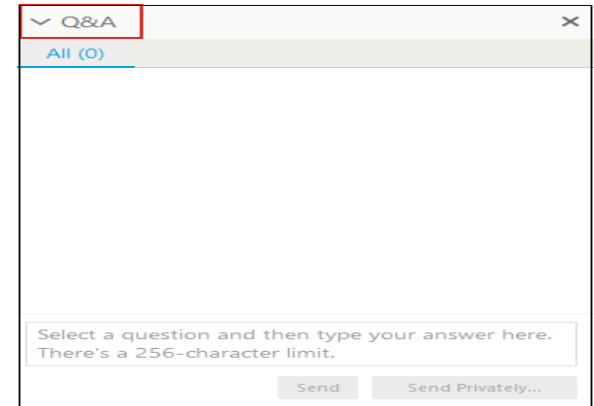
U.S. Housing and Urban Development  
Multifamily Accelerated Processing  
(MAP) Guide Industry Briefing, Session 1



# Questions?



- Please submit your content related questions via the Q&A box
- Send questions to Host, Presenter, and Panelists
- Questions will be answered during the final portion webinar
- Please submit audio/visual or other technical questions via the Q&A box
- Send the message directly to the Host



# Today's HUD Presenters



- Chris Tawa (*Chapters 2 and 15*)
- Tom Bernaciak (*Chapter 3*)
- Kevin Han (*Chapters 5 and 12*)
- David Wilderman (*Chapter 6*)



# Chapter 2

## Chris Tawa

---

# Section 2.1.D



## **Change:**

- Imposes additional limits and oversight on new MAP lenders

## **Explanation:**

- New MAP lenders must have first 3 transactions reviewed/approved by HUD
- They cannot access the full range of MAP programs until they demonstrate the ability to represent the program

# Section 2.2.D & E



## **Change:**

- Allows termination of MAP lenders for Inactivity

## **Explanation:**

- Implements regulation requiring termination if lender does not submit any MAP applications within a 12-month period
- Terminated MAP lenders may not apply for reinstatement for 12 months after termination

# Section 2.4.c



## **Change:**

- Imposes limits on Identity of Interest (IOI) and inducements on loan consultants, correspondents and mortgage brokers

## **Explanation:**

- Prohibitions on IOI, conflicts of interest, side agreements and kickbacks that apply to MAP lenders are extended to their consultants, correspondents and brokers.
- Written certification of compliance is required.

# Section 2.8.D



## **Change:**

- HUD now requires 30-day advance notice of MAP lender mergers, acquisitions or license transfers

## **Explanation:**

- Lenders must submit information for review by HUD at least 30 days before a transaction is consummated or lender sanctions may be imposed.



# Section 2.11.A



## **Change:**

- Eliminates requirement that underwriter trainees attend MAP underwriter training provided by HUD

## **Explanation:**

- Since MBA now offers a 6-month multifamily underwriting course, HUD no longer provides MAP underwriter training



# Chapter 15

## Chris Tawa

---

# Section 15.2.1



## **Change:**

- Role of the Counterparty Oversight Branch (COB) within the Multifamily Asset and Counterparty Oversight Division (MACOD)

## **Explanation:**

- Clarifies the relative roles, responsibilities, and authorities for counterparty oversight between MACOD and COB

# Section 15.2.2



## **Change:**

- Lists the types of data and reports from other HUD Divisions and agencies that will be shared with COB

## **Explanation:**

- These data and reports will assist COB in performing lender oversight and monitoring

# Section 15.2.3



## **Change:**

- Sets forth an annual schedule for limited or full lender monitoring reviews

## **Explanation:**

- Lenders will be notified if subject to monitoring review that year
- Review schedule may be modified or delayed based on the COB's staffing and capacity

# Section 15.3.1



## **Change:**

- Clarifies who has sole authority within HUD to issue MAP sanctions and the process for referring lenders for an enforcement action

## **Explanation:**

- Only COB and the DAS are authorized to issue MAP sanctions
- Section describes process for referring lenders to COB for enforcement actions
- Only the Director, Office of Multifamily Production, may refer lenders to COB

# Section 15.6.B



## **Change:**

- Describes purpose and effect of Letters of Caution

## **Explanation:**

- Letters of Caution may be issued for minor lender compliance violations or loan processing obligations
- Violations can be corrected without an enforcement action

# Section 15.7.2



## **Change:**

- Describes targeted enforcement measures that may be imposed with issuance of a Warning Letter

## **Explanation:**

- Enforcement measures may limit lender's access to certain MAP programs
- May require additional processing steps and reviews
- May suspend lender delegations of MAP program underwriting requirements



# Section 15.10.A



## **Change:**

- Allows lender termination based on MAP program inactivity

## **Explanation:**

- Per slide 6 above on Section 2.2.D & E

# Section 15.7.A



## **Change:**

- Suspension, debarment or LDP of firms/individuals may only be imposed by the DEC unless delegations of authority are conferred

## **Explanation:**

- Delegation of authority was just published in Federal Register
- MF DAS may now impose suspension, debarment or LDP sanctions without the DEC's involvement

# Section 15.8.A



## **Change:**

- Describes standard to be met for referral of lenders to the Mortgagee Review Board

## **Explanation:**

- Standard for referral – “there is adequate evidence of serious violations of HUD requirements by a MAP [l]ender” same as appears in the MRB regulation



# Appendix 15

## Chris Tawa

---

# Section A.15.1



## **Change:**

- New appendix with taxonomy on MAP lender compliance, loan underwriting, and application processing deficiencies

## **Explanation:**

- Provides clear guidance about which compliance, underwriting, or processing deficiencies may result in sanctions/enforcement action under Chapter 15

# Section A.15.2



## **Change:**

- Lists lender compliance deficiencies (low or high severity) for which a Letter of Caution or Warning Letter may be issued and sanctions may be imposed

## **Explanation:**

- Addresses potential consequences of deficiencies in meeting lender compliance obligations under Chapter 2

# Section A.15.3



## **Change:**

- Lists incidences of loan underwriting or application processing deficiencies (low and high severity) for which a Letter of Caution or Warning Letter may be issued and sanctions may be imposed

## **Explanation:**

- Addresses potential consequences of lender deficiencies in the 5 technical disciplines of MAP underwriting and processing of loan applications



# Chapter 3

Tom Bernaciak

---



# Section 3.1.12.B



## **Change:**

- Income averaging now part of the Low-Income Housing Tax Credit (LIHTC) definition, consistent with IRS regulations

## **Explanation:**

- Change conforms MAP Guide underwriting to current IRS regulations

# Section 3.1.18



## **Change:**

- Permits adding “cost not attributable to dwelling use” to maximum loan amount for Criterion 4 loan sizing for Section 223(f) projects

## **Explanation:**

- Recognizes cost of other non-residential improvements to the project

# Section 3.1.25



## **Change:**

- Adds a definition of “sustaining occupancy”

## **Explanation:**

- N/A

# Section 3.1.30



## **Change:**

- Provides specific considerations to define when scattered site projects are permissible

## **Explanation:**

- Evaluation process now incorporates distance in miles, travel time, political jurisdictions, physical condition, as well as construction type

# Section 3.1.31



## **Change:**

- Eliminates Condominium regimes that were permitted previously under New Construction and Substantial Rehabilitation

## **Explanation:**

- Previously, determining whether zoning permitted permanent rental of units OR, at the municipality's option, use might later revert to condominium

# Section 3.1.32



## **Change:**

- Requires lenders to submit environmental reports to HUD using HUD's Environmental Review Online System (HEROS)

## **Explanation:**

- The use of HEROS is now required for all projects submitted under MAP and TAP

# Section 3.1.36



## **Change:**

- Reflects Opportunity Zones in 2017 Tax Cuts and Jobs Act (P.L. 115-97, Dec. 22, 2017)
- Reduces app fees from .3% to .2% generally, and to 1% if broadly applicable

## **Explanation:**

- Conforms with existing guidance

# Section 3.2.10



## **Change:**

- Allows LIHTC deals with >90% PBRA to use interim income during construction in lieu of 2% Working Capital (WC) deposit so long as interim income is not used as a capital source

## **Explanation:**

- Conforms with existing guidance



# Section 3.6.10



## **Change:**

- Provides guidance when a 241(a) loan has a servicing lender who is different from the originating lender

## **Explanation:**

- Addresses which lender retains control over the Reserve for Replacement and CNA e-Tool accounts.

# Section 3.7.2



## **Change:**

- Adds policy guidance described in HUD Mortgagee Letter 2020-03 regarding suspension of the three-year rule

## **Explanation:**

- N/A

# Section 3.7.13



## **Change:**

- Requires comparison of debt service constant with cap rate as an underwriting mitigant

## **Explanation:**

- Moves comparison from a valuation constraint to an underwriting mitigant

# Section 3.7.14



## **Change:**

- Confirms that statutory limits will not be used to increase loan amount on a cash out transaction

## **Explanation:**

- N/A

# Section 3.10



## Change:

- Clarifies and removes references to loan amounts less than \$75 million (NOT defined as large loans) already summarized in Appendix 3.
- Removes limitation of increase in value for projects/land owned less than 3 years

## Explanation:

- Substantive change clarifies inconsistency for large loans (>\$75M) with > 90% PBRA, permitting loans to be underwritten at 1.15 DSCR vs. 1.25.
- The value limitation was regularly waived

# Section 3.12



## **Change:**

- Emphasizes tenant relocation requirements by including a dedicated section for this topic

## **Explanation:**

- Establishes clear standards for relocation as needed during repairs or renovation at market rate projects, distinct from Federally assisted properties.



# Chapter 5

Kevin Han

---

# General



## **Change:**

- Reorganizes sections overall to provide clarity in structure and procedures

## **Explanation:**

- Focused on moving related but scattered information to one location
- Example: Section 5.2 now only discusses 3<sup>rd</sup> party requirements
- Example: Section 5.3 describes construction activity requirements by program



# Section 5.1.B



## **Change:**

- Deleted 1 of 2 defining criteria of Substantial Rehabilitation, the “two systems rule” i.e., replacing 2-building systems equals sub-rehab

## **Explanation:**

- Defining what constituted an entire building system was too difficult and triggered needless cost estimating effort
- HUD now relies on total construction cost threshold, which has less room for interpretation

# Section 5.1.E



## **Change:**

- Removed “Gut Rehab” category

## **Explanation:**

- Attempt to allow of use of CNA e-Tool in rehab less than “Gut” proved impractical.
- Referencing Level 3 alterations in a single building was confusing

# Section 5.13



## Change:

- Class of work now only defines level of work involved in 223(f) and 223(a)(7). Clarifies that class of work applies to individual repair items, not an entire project/application

## Explanation:

- Clarifies level of construction work:
  - New Construction, 221(d)(4)
  - Substantial Rehab, 221(d)(4), defined by cost & applicable to entire project
  - Class of work defines level of individual repairs (223(f) and 223(a)(7))

# Section 5.1.F



## **Change:**

- Eliminates 3-year rule

## **Explanation:**

- Deleted restriction against refinancing a property within 3 years of construction to incorporate Mortgagee Letter 2020-03

# Section 5.3.3.2



## **Change:**

- Adds policy regarding when a General Contractor is required

## **Explanation:**

- States General Contractor required when more than 3 licensed trades involved
- Reduces risk of having inexperienced owners manage construction, schedule, and coordination between contractors



# Appendix 5

Kevin Han

---

# Appendix A.5.4



## **Change:**

- New section created that lists required exhibits per program

## **Explanation:**

- List of application exhibits required for AEC underwriting reviews, including required attachments to the CNA (in the CNA e-Tool)

# Section A.5.6



## **Change:**

- Clarifies and simplifies old Appendix 5F to be used by HUD staff as a review form

## **Explanation:**

- Appendix 5F was a mix of required exhibits and a HUD review form that included policy information
- Trimmed down to be an outline of review items
- Related policy/program requirements referenced with hyperlinks





# Chapter 12

Kevin Han

---

# General



## **Change:**

- Clarifies roles and duties to align with MF Transformation
- Reorganized for clarity; errors and discrepancies corrected

## **Explanation:**

- Replaced obsolete HUD staffing positions and titles, such as MAP Coordinator and Construction Manager

# Section 12.3.4.7



## **Change:**

- Permission to Occupy (Section 12.3.D.7 in the 2016 MAP Guide)

## **Explanation:**

- Added provision to allow for Permission to Occupy to be granted when HUD cannot sign HUD-94285 in a timely manner
- HUD Construction Analyst may authorize Project Architect to issue a phased Permission to Occupy with a condition

# Section 12.17.5



## **Change:**

- Change orders (Section 12.17.E in the 2016 MAP Guide)

## **Explanation:**

- Provides additional guidance on how to document, review, and approve change orders for LIHTC projects, use of the CNA e-Tool, and reporting costs for 223(f) properties with significant repairs

# Section 12.18



## **Change:**

- Casualty Events during construction

## **Explanation:**

- Added to address topic not previously addressed



# Chapter 6

David Wilderman

---

# General



## **Change:**

- New chapter

## **Explanation:**

- Consolidates prior energy guidance
- Sets requirements to obtain incentives such as green MIP rates

# Section 6.1.1



## **Change:**

- Discusses minimum energy codes for construction programs, moved from former Appendix 5 to Chapter 6

## **Explanation:**

- IECC version 2009-walkups, no common space
- ASHRAE 90.1 version 2007 – other MF



# Section 6.1.2



## **Change:**

- Describes incentives for improved energy efficiency

## **Explanation:**

- Underwriter recognition of documented savings: 75% of savings if no Green Building Cert; 100% of savings with Green Building Cert.
- Green MIP rates with Green Building Certification

# Section 6.3



## **Change:**

- Clarifies HUD recognized Green building certifications qualifying for green MIP

## **Explanation:**

- Certifications accepted for construction programs- 6.3.1
- Certifications accepted for refinancing/acquisition- 6.3.2
- ENERGY STAR® for existing buildings is no longer recognized for certification. It remains needed to prove performance for refi/acq loan applications

# Section 6.3.3



## Change:

- Describes possible use of non-recognized certifications

## Explanation: Certification must:

- Be national or multistate
- Require performance of 25% better than HUD minimum code (6.1.1)
- Must have published methods for 3<sup>rd</sup> party review/verification
- Must produce documentary evidence
- Project architect must certify to these features

# Section 6.4



## **Change:**

- Includes requirements applicable to all green MIP applications

## **Explanation:**

- 10 topics including future replacements, HUD required forms, Data Collection Plans, ongoing performance, professional qualifications, modeling techniques, effect of change orders

# Section 6.5



**Change:** Describes Green MIP for 223(a)(7) applications

- Either existing loan must be green MIP or property must have prior certification per 6.3
- If existing loan is green MIP, all continuing performance must have been acceptable
- Energy Star® for Existing Building Cert required with application to prove performance, exception only for repair to achieve utility monitoring

## **Explanation:**

- Effect is to:
  - Eliminate sampling from any existing Data Collection Plan
  - Prohibit green MIP refi of any existing green MIP loan where the owner failed to maintain on-going performance
  - Set shelf life of 15 years for green building certifications

# Section 6.6



**Change:** Describes green MIP for Section 223(f)

- If existing insured green MIP, same as for 223(a)(7) (see 6.5)
- If existing green certified, same as for 223(a)(7)
- If not yet certified, repairs must achieve a green building certification listed in 6.3.2 or 6.3.3.

## **Explanation:**

- Section 6.6.2 allows exception to use ENERGY STAR® for Existing Buildings Certification for refinance of newly built projects, i.e. CO's issued less than 3 years prior to application
- Cert with score of 90 required with application, only exception is repair needed for utility monitoring
- Exception expires December 18, 2022

# Section 6.7



## **Change:**

- Discusses green MIP for Section 220, 221, 231

## **Explanation:**

- ENERGY STAR® rated appliances/equipment or high-performance products required
- Project Architect must actively engage in meeting green building certification

# Section 6.8



## **Change:**

- Discusses Green MIP for Section 241(a)

## **Explanation:**

- Entire premises must be certified
- Dissimilar buildings (existing vs. new) may use different certifications only if necessary and consistent with standard-keeper's requirements
- Proof of ongoing performance must be for the entire property



# Section 6.9



## **Change:**

- Describes underwriting of utility costs in estimated operating expenses

## **Explanation:**

- For existing properties with 3 years operating history:
  - If green certified, 100% of estimated savings allowed
  - If not green certified, 75% of savings from documented energy conserving repairs allowed

# Sections 6.9.1 to 6.9.3



## **Change:**

- Describes complex aspects of estimating future utility use and resulting costs for Operating Expense estimate

## **Explanation:**

- Change in energy use often does not result in proportionate change in cost

# Q & A



# Resources



- The MAP Guide and related items are available at [https://www.hud.gov/program\\_offices/administration/hudclips/guidebooks/hsg-GB4430](https://www.hud.gov/program_offices/administration/hudclips/guidebooks/hsg-GB4430)

2020 MAP Guide (12/18/2020)	PDF
Appendix 4 Application Exhibit Checklists (12/18/2020)	EXCEL
HUD RfR Financial Factors Tool v3.0_2 (11/19/2020)	EXCEL
Estimated Useful Life Table (EUL) for CNA eTool (2/11/2016)	PAGE
Transmittal (12/18/2020)	PDF
Archived Guidebooks - <i>January 2016, August 2011 and March 2002 versions</i>	

# MAP Guide Ask A Question (AAQ)



- COMING SOON: HUD will announce the availability of a new resource, the MAP Guide Ask-a-Question virtual Help Desk, to be available at <https://www.hudexchange.info/program-support/my-question/>
- All future MAP Guide questions **should** be submitted to the MAP Guide AAQ, no longer to your favorite HUD staff.

A screenshot of the HUD Exchange website's "Ask A Question" page. The page header includes the HUD Exchange logo and navigation links for Programs, Resources, Trainings, Program Support, Grantees, and News. The main content area features a "Step 1 of 2" progress indicator and a "Personal Information\* Required fields" section with input fields for First Name, Last Name, and State. A blue informational box at the top of the form lists active Ask A Question desks and notes that CDBG and HOME desks are closed.

Resources and assistance to support HUD's community partners

HUD EXCHANGE  
Secretary Ben Carson

NEED HOUSING ASSISTANCE? Email Updates Log In

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, HOPIWA, 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

Personal Information\* Required fields

\*First Name

\*Last Name

\*State

Thank  
You

