



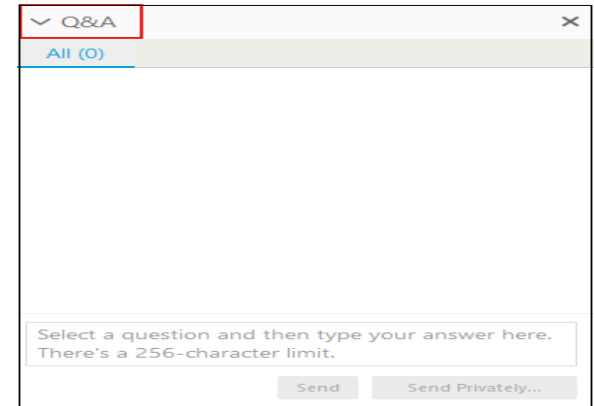
U.S. Housing and Urban Development
Multifamily Accelerated Processing
(MAP) Guide Webinar 3



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



Effective Dates for MAP Guide Transition - 1



Effective now:

Chapters 2 and 15

Processing Efficiencies

Transition Rules - Apps received prior to December 19, 2020

- Subject to 2016 MAP Guide
- No waivers to use any provision of 2020 MAP (Ex: Submitted LIHTC deals may not selectively utilize 2020 MAP)
- App may be withdrawn & resubmitted subject to new queue assignment

Transition Rules - Apps received after December 18, 2020 (new MAP Guide issued)

- Subject to discrete effective dates, lender must declare choice of 2016 or 2020 MAP Guide, no mixing of favored provisions

Effective Dates for MAP Guide Transition - 2



Effective Mar 18 for Firm Commitments: (revised)

- Chapter 19, Closing
- New MAP Guide Closing Chapter 19 effective for MF transactions with Firm Commitments issued on or after March 18, 2021
- Lenders and their Counsel should carefully review chapter, new protocols in 19.1.2 and 19.1.3 to request/maintain preferred closing date
- Revised closing checklists under development; to be issued in future

Effective Dates for MAP Guide Transition - 3



Effective March 18, 2021

- Full transition; all provisions of 2020 MAP Guide
- Lenders no longer declare 2016 or 2020 MAP Guide – the 2020 MAP Guide is in full effect

Upcoming Events & Updates



- **Webinar #4, Chapter 9 – Radon Deep Dive**
 - *Save the Date: Feb. 25, 2:00 to 3:30 PM, ET*
- **Webinar #5, Chapter 9 – Section 106 Delegation-Historic Preservation**
 - *Save the Date: Mar. 17, 2:00 to 3:30 PM, ET*
- **Errata**
 - *Re-release of MAP Guide with corrections forthcoming*
- **Ask A Question (AAQ) Tutorial (recorded resource)**
- **New User Features Tutorial (recorded resource)**

Today's HUD Presenters



- Chapter 14 - Ken Doresky
- Chapter 19 - Irit Lockhart
- Q&A on Chapters 14 and 19 - Ken Doresky and Irit Lockhart
- Chapters 4, 17, 18 (as time permits) - Zack Skochko



Chapter 14

Ken Doresky

Section 14.10



Change:

- Initial Operating Deficit (IOD) timing

Explanation:

- IOD timing changed to point in time when HUD signs the Permission to Occupy, form HUD-92485 (Substantial Completion) rather than at Initial Endorsement
- This is for LIHTC projects only

Section 14.10 (continued)



Change:

- Eliminated requirement of Working Capital Escrow (without a HUD-2 Waiver) for Sub Rehab projects with 90%+ Section 8 and 90%+ LIHTC

Explanation:

- When lender demonstrates property will generate sufficient income during rehab to cover items typically funded by Working Capital Escrow
- When Interim Income is not being used as a source of financing

Section 14.12



Change:

- Deferred Developer Fee as eligible debt in a refinancing

Explanation:

- Allows Deferred Developer Fee as eligible debt in a refinancing (except in a 223(a)(7))
- Subject to conditions (limited partner consent, verification, when supported by underwriting)

Section 14.13



Change:

- Changes to LIHTC equity pay-ins

Explanation:

- Reduced the initial 20% LIHTC Equity Pay-In from a hard 20% Equity to a minimum of 10% Equity with the other 10% provided via Equity Bridge Loan proceeds

Section 14.15



Change:

- EBL repayment timing

Explanation:

- Extended the Equity Bridge Loan repayment requirements to one year after Final Endorsement for a 221(d)(4)
- For one year after the repair period for a 223(f)



Chapter 19

Irit Lockhart

Chapter 19 – General



Change:

- Closing Chapter incorporated back into MAP Guide

Explanation:

- Overarching goal is uniformity and transparency in closing process
- Fulfills PRA requirements and ensures greater collaboration
- MAP + TAP

Effective Date: Firm Commitments issued on and after MARCH 18, 2021

General Counsel Memo 3/16/2020



Change:

- COVID-19 closing protocols remain in effect

Explanation:

- General Counsel March 2020 memo on MF closings during COVID-19 remains in effect and overrides any conflicting provisions in Ch 19

Section 19.1.2



Change:

- Transparent and standardized closing protocols

Explanation:

- Sets expectations and creates standardized process for communication among Housing, OGC, lenders and lenders' counsel (LC) to achieve smoother closings

Section 19.1.2.3.A



Change:

- New Communication Standard: HUD “Hello” letter

Explanation:

- Closing Coordinator (CC) will send “Hello” communication **within 2 business days** of FC and include contact info for CC and initial OGC point of contact (POC)

Section 19.1.2.3.B



Change:

- Required lender response

Explanation:

- Lender must respond to Hello Letter with preferred closing date and other requested information
- Timeline must be consistent with Ch. 19 benchmarks

Section 19.1.2.3.B (continued)



Change:

- New benchmark – tentative closing date (TCD)

Explanation:

- The CC and OGC POC will review lender's request and set TCD
- Subject to change by HUD if outside parties fail to adhere to review times and protocols, and exigent circumstances

Section 19.1.2.3.D



Change:

- Lender Submission Deadline for Draft Closing Package

Explanation:

- 30 business days + to maintain TCD
- Draft packages must include all checklist items except “near-closing” documents, and include redlines
- Late and deficient packages may be returned, TCD cancelled

Section 19.1.2.4.E



Change:

- HUD Closing Attorney outreach to lender's Counsel and general availability

Explanation:

- HCA contacts LC within 2 days following CC's approval to start review of draft package
- HCA available to discuss specific legal issues

Section 19.1.2.4.I



Change:

- Distribution of HUD comments

Explanation:

- Anticipate that Closing Coordinator will distribute all comments, OGC and MF technical, together with instructions for resubmission

Section 19.1.2.4.I (continued)



Change:

- Lender's resubmission deadline to maintain TCD

Explanation:

- To maintain TCD, lender must submit a **complete** resubmission within 5 business days from date HUD distributed comments
- Narrative/imbedded responses recommended
- Redlines against previous submission

Section 19.1.2.4.J



Change:

- New standard: Substantial Completeness

Explanation:

- Substantial Completeness determination from MF and HCA is prerequisite to transition from a TCD to Confirmed Closing Date
- Everything except near closing docs, signatures and dates

Section 19.1.2.4.L



Change:

- Setting the Confirmed Closing Date

Explanation:

- CC will coordinate with all parties to set Confirmed Closing Date
- Will provide lender with instructions and deadlines for submitting signature package (Regional variation) and near-closing documents (deadline 4 business days prior to CCD)

Section 19.1.2.4.M



Change:

- Resolution of remaining issues/comments

Explanation:

- To maintain a CCD, any identified deficiencies must be resolved at least one business day prior to lender's submission of Closing Docket

Section 19.1.2.5



Change:

- Changes to closing dates

Explanation:

- Housing and OGC will evaluate change requests, both internal and external
- Lender adherence to Ch. 19 submission standards and deadlines will assist in avoiding changes to set closing dates

Section 19.1.3.5



Change:

- Closing Docket content and delivery requirements

Explanation:

- Two-sets of hard copies still required (re: custody of documents, Covid-19 memo remains in effect)
- Lender's deadline for submitting electronic transmittal is 14 calendar days after closing

Section 19.1.3.7



Change:

- Mail closings now standard

Explanation:

- Mail closings now standard; lender may request
- Closing by mail requests will be accommodated except when RCD and RC determine in-person is necessary b/c complex transaction
- Dockets must be submitted to HUD 2 business days prior to CCD

Section 19.2.2



Change:

- Davis-Bacon

Explanation:

- Detailed procedures for RCD's communication with DBLS, lenders, LC and the HCA
- Updated to minimize recurring wage rate issues that upend closing timelines

Section 19.4.1.6



Change:

- Form/Closing Chapter change requests

Explanation:

- Process expanded from 2015 Closing Guide
- “Substantive revision” means any modification of an OMB-approved form not about form completion, or any deviation from Ch. 19

Section 19.4.1.6 (continued)



Change:

- Form/Closing Chapter change requests (continued)

Explanation:

- LC's required to prepare/submit written justification supporting requested change, preferably with FC; otherwise, preferred closing date could be impacted

Section 19.4.1.6.A.3



Change:

- Form/Closing Chapter change requests (continued)

Explanation:

- For HUD-2 waiver requests that necessitate substantive change, HUD-2 should not be approved unless OGC and Housing also agree to substantive form change, including any required multi-tiered HQ review

Section 19.4.1.6.A.4



Change:

- Form/Closing Chapter change requests (continued)

Explanation:

- Substantive change request based on state or local law = Regional decision
- Must be supported w/ legal citations and documentation

Section 19.4.1.7



Change:

- Form/Closing Chapter change requests (continued)

Explanation:

- Business-oriented substantive change request (not based on state or local law), multi-tiered HQ review
- Communication w/ HQ to be through the field office

Section 19.4.9.3



Change:

- Subordination Agreement - Public

Explanation:

- Requested changes for state or local law now handled by RCD, RC/HC
 - Legal citations & analysis required

Section 19.4.9.3 (continued)



Change:

- Subordination Agreement – Public (continued)

Explanation:

- RCD continues to have authority to allow deal-specific changes to certain provisions as shown in form: early maturity of subordinate loan and compounding interest
- All other requested changes must be processed pursuant to substantive change request procedures in 19.4.1.6

Sections 19.5.5.1/19.5.5.8



Change:

- Construction Contract

Explanation:

- AIA A201 may not be altered except for removal of binding arbitration provision
- Side agreements must contain HUD supremacy conflicts language

Q & A – Ch 14 and Ch 19



Resources



The MAP Guide and related items are available at

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.

The screenshot shows the HUD Exchange website's "Ask A Question" page. The header includes the HUD Exchange logo and navigation links for Programs, Resources, Trainings, Program Support (highlighted), Grantees, and News. A breadcrumb trail shows "Home > Program Support > Ask A Question". The main heading is "Ask A Question". Below this, there are two informational boxes: one listing active Ask A Question desks (AFFH, BRAC, CNA e-Tool, CoC, DIRIG, eCon Planning Suite, ESG, e-snaps, HDX, HMIS, HOPWA, HEROS, HUD-VASH, IDIS, Legacy Homeless Programs, NSP, Sage, and Tide V) and another stating that CDBG and HOME desks are closed. A progress indicator shows "Step 1 of 2" with "1 of 2" highlighted. The form section is titled "Personal Information* Required fields" and contains three input fields: "*First Name", "*Last Name", and "*State".



Chapter 4

Zack Skochko

Section 4.2.1.5



Change:

- Clarified extension policy for Firm Commitments and process for reopening commitments that have expired

Explanation:

- Corrected reopening fee from 2016 guide and provided criteria for contents of reopening application

Section 4.2.2.1



Change:

- Clarified information about when Concept Meetings are required

Explanation:

- Not required, but strongly encouraged, for new construction or rehabilitation applications (based upon experience with Covid-19)
- Optional for affordable housing
- Required for LIHTC 221(d)(4) New PILOT program

Section 4.3.1.E



Change:

- Updated the threshold amount for large loan borrowers to \$500,000,000

Explanation:

- Change implemented via issuance of HUD Mortgagee Letter 2018-09



Chapter 17

Zack Skochko

Section 17.2.B.1



Change:

- Added language to confirm ability to include guest suites per Notice 2018-10. <https://www.hud.gov/sites/dfiles/OCHCO/documents/2018-10hsgn.pdf>

Explanation:

- Updating guide to reflect current policy

Section 17.3.1.B



Change:

- Eliminated Gross Sell off value as part of Criterion 3

Explanation:

- Determined it was theoretical (vs practical) and not helpful in assessing/mitigating risk or determining a final loan amount

Section 17.3.1.B (continued)



Change:

- Eliminated feasibility test for Criterion 5

Explanation:

- Language was incoherent and therefore eliminated

Section 17.3.2.A



Change:

- Permits General Operating Reserve to be funded up to 25% but no less than 15% of annual carrying fee as determined by cooperative borrower and underwriting

Explanation:

- Reduced HUD's risk and is non-controversial

Section 17.5.2



Change:

- Aligns commercial space underwriting with Chapter 7
- Permits occupancy at 90%

Explanation:

- Syncs Chapter 17 with other chapters in the MAP guide

Section 17.5.2.B.3



Change:

- Multifamily eliminated requirement for Level “C” Market Analysis
- Instead permits A, B, or C, depending upon market complexity

Explanation:

- Conforms guidance with Chapter 7 requirements without increasing risk to HUD



Chapter 18

Zack Skochko

Section 18.3.3.A



Change:

- Clarifies Criterion 10 – accrued by unpaid interest on the payoff is considered eligible debt

Explanation:

- Clarifies existing policy

**Thank
You**

