

## U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT WASHINGTON, DC 20410-8000

OFFICE OF HOUSING

February 1, 2019

MEMORANDUM FOR: All HUD Multifamily Regional Center Directors

All HUD Multifamily Production Division Directors Headquarters Multifamily Programs Office Directors Multifamily Accelerated Processing (MAP) Lenders

FROM: C. Lamar Seats, Deputy Assistant Secretary, Office of Multifamily

Housing Programs PM

SUBJECT: Resumption of Multifamily Production Activities

The Department of Housing and Urban Development (HUD) Multifamily FHA Production team remains committed to ensuring access to safe and affordable housing for our nation's workforce and vulnerable populations. Since fully returning to work on January 28, 2019, Multifamily headquarters and field staff have been working to address the significant backlog of work submitted during the shutdown period. As we work quickly to bring our pipeline current, we wanted to inform you of the prioritization of production work across Multifamily field offices.

Our first priority is to identify and prioritize work on loans that have been issued a firm commitment and are in a position to reach initial or final endorsement, meaning the complete closing package was submitted prior to December 21, 2018, with only minor corrections necessary to close. Of these, our priority will be loans that have critical external deadlines such as low-income housing tax credits, rate lock extension fees, and purchase sale agreements with substantial penalties. However, we will also work in the coming days to schedule a closing date for loans that are ready to close immediately, even if they do not have critical external deadlines. We will work closely with HUD's Office of the General Counsel to determine their ability to assign staff to close as many loans as quickly as possible.

Concurrently, we will also conduct an inventory of applications currently in process that were received prior to the shutdown. Applications that were submitted during the shutdown will be date stamped January 28, 2019 and assigned to underwriters for future processing through workload sharing. We intend to complete this inventory and assignment by close of business February 4, 2019.

Our priority for processing applications will be those that were in process prior to the shutdown. We will begin with applications that are close to issuance of either a commitment or an invite letter as determined by the Region. Next, we will address applications that were in mid-process or received

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immediately prior to the shutdown. Our last priority will be applications that were submitted during the shutdown.

Lenders may continue to submit new applications for mortgage insurance, which will be date stamped and either processed within the Region or assigned to another for workload sharing. In order to provide our staff time to work through the backlog, we are asking lenders to limit their inquiries about loan processing status until we can appropriately assess and assign the current backlog. We estimate completing most of this assessment by February 4, 2019. Moreover, we will not begin scheduling new concept meetings until February 19, 2019. Concept meetings that have been scheduled prior to the shutdown may be conducted at the discretion of the respective field office.

Third party reports (appraisals, market studies, environmental reports and CNA submissions) whose expiration dates have lapsed pending submission of an application due to the shutdown may have that expiration waived at the discretion of the Regional Office.

HUD Multifamily Production staff will do their best to continue to process and close loans as quickly as possible during this time. However, it is likely that lenders, borrowers, and other affected program participants will experience longer than normal application processing times as we work through the backlog

We will update you with further information in several weeks. Please contact Patricia Burke at (202) 402-5693 or Tom Bernaciak at (202) 402-3242 if you have questions about this memorandum.

Thank you.



## U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT WASHINGTON, DC 20410-8000

OFFICE OF HOUSING

February 1, 2019

MEMORANDUM FOR: Section 8 Property Owners, Project Rental Assistance Contract (PRAC)

Property Owners, and other Assisted Property Owners

FROM:

C. Lamar Seats, Deputy Assistant Secretary, Office of Multifamily

Housing Programm

SUBJECT:

Resumption of Multifamily Asset Management Activities

The Department of Housing and Urban Development (HUD) Multifamily Housing team remains committed to ensuring access to safe and affordable housing for our nation's workforce and vulnerable populations, including the elderly and people with disabilities. Since fully returning to work on January 28, 2019, Multifamily headquarters and field staff have been working to address the significant backlog of work submitted during the shutdown period. As we work quickly to bring our pipeline current, we wanted to inform you of the prioritization of asset management work across Multifamily field offices.

The first priority is work related to tenant health and safety, including contract renewals and subsidy payments. HUD is currently allocating new funding provided by the continuing resolution to support the renewal of expiring Section 8 Project Based Rental Assistance (PBRA), Section 202, and Section 811 contracts. Also, additional funding is now available for ongoing Section 8 PBRA contracts to ensure timely payments through April 1.

We recognize that despite our best efforts during the shutdown, there are some properties with expiring contracts whose renewals may not be fully processed by February 1. If necessary, such properties with HUD-controlled reserves may request loans from reserve accounts in the interim. Requests may be sent to the assigned incoming field email box, as listed below, and must include a completed HUD-9250, the current balance in the account, the withdrawal amount, and a statement certifying that released funds will be reimbursed to the reserve account once subsidy payments are received.

The second priority is related to critical external deadlines, such as servicing actions in connection with FHA closings, and property sales that require HAP Assignment processing or 2530 clearance. If your property is in this category, you should submit a request for HUD to prioritize your action via the assigned incoming field email box listed below. The critical action,

deadline, and potential consequences must be noted in the request.

For other requests such as standard reserve for replacement withdrawals, work items will be processed in the order received. We expect it will take some time to address all the backlogged work and will maintain open communications with you on our progress.

If you have any questions about other items in this memo, please contact your assigned Multifamily field office at the email below. Our HUD Headquarters contact is Brian A. Murray, Acting Director of the Office of Asset Management and Portfolio Oversight, at <a href="mailto:Brian.A.Murray@hud.gov">Brian.A.Murray@hud.gov</a> or 202-402-2059.

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