



2018 Annual Southeast Mortgage Advisory Council (SMAC) Conference  
Jacksonville, Florida  
November 7-8, 2018

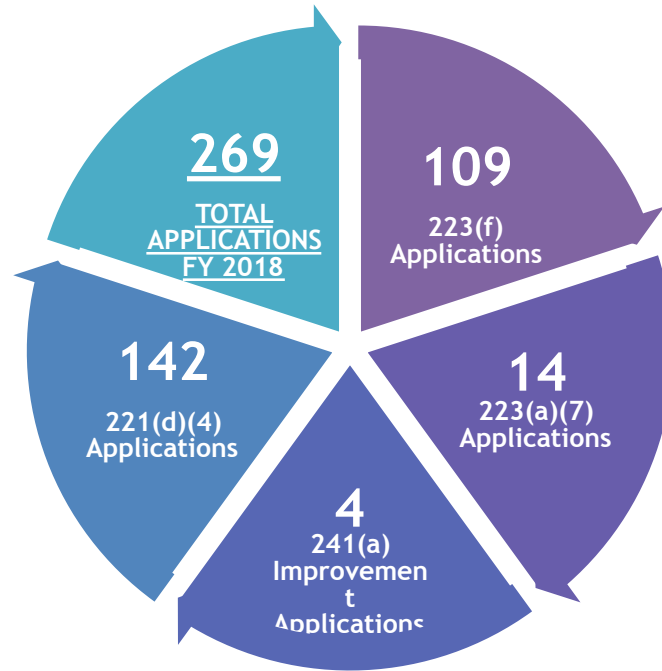


U.S. Department of Housing and Urban Development  
Southeast Region - Multifamily Production

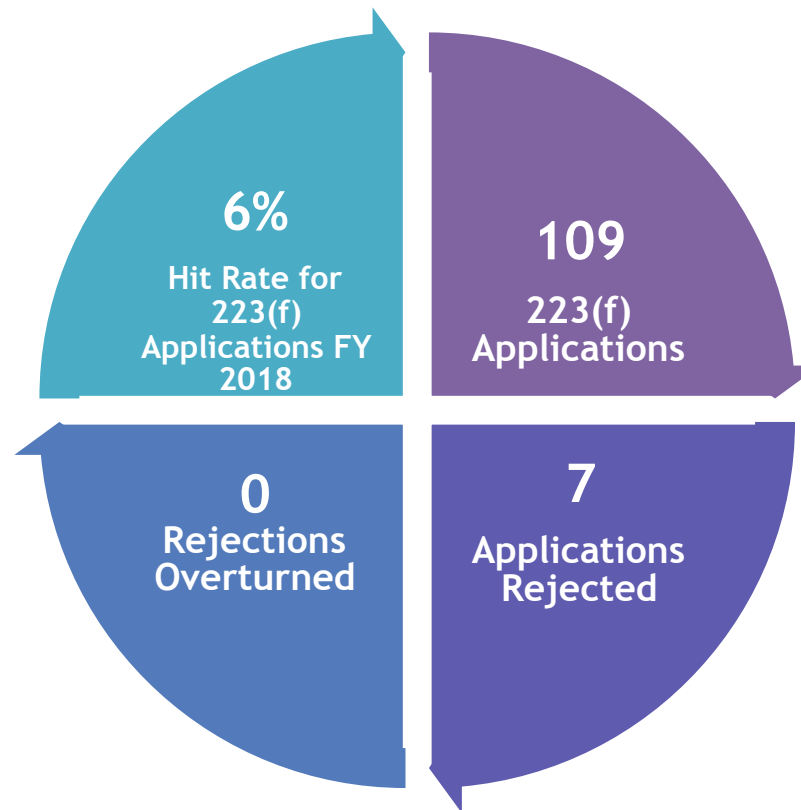
# IMPROVING THE APPLICATION HIT RATIO

Identifying, Underwriting and Mitigating Risk - Round Table Interactive Discussion

Fiscal Year 2018



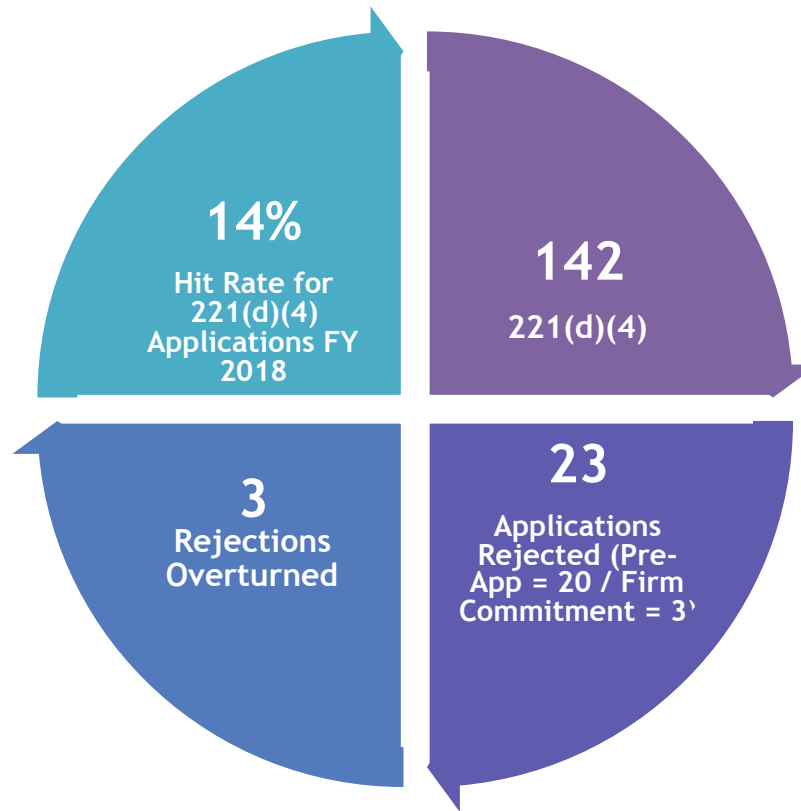
## 223(f) Applications



## 223(f) Applications Top Reasons for Rejection

- (4) The waiver of Housing Notice 2013-17 Section VII.A “Refinancing Resulting in Reduction in Debt Service” could not be granted.
- (1) Functional obsolescence, significant depreciation and significant structural distress.
- (1) Significant evidence of structural distress and missing geotechnical report.
- (1) The application did not adequately address the down unit litigation.

## 221(d)(4) Applications



## 221(d)(4) Applications Top Reasons for Rejection

- (17) EMAD / Market Demand is Insufficient.
- (5) Environmental Issues / 8-Step Process.
  - (1) Recognized Environmental Condition (REC) for On-Site and Adjacent Responsible Party, Past Industrial, Detrimental Operations.
  - (1) The 8-Step Process to complete HEROS was not acceptable.
  - (1) Site development activities occurred prior to environmental review.
  - (1) Inadequate information regarding wetlands at the proposed site.
  - (1) Application did not contain complete site characterization. The Phase I did not contain a Vapor Encroachment Screening.
- (1) First Phase must be 100% complete and sustain stabilized occupancy prior to submitting firm application for Phase II.

Thank you