

## Helpful Hints from HUD - Jacksonville SMAC Training November 2017

Keep notes for takeaways from the meeting and please share with your staff – underwriting and closing staff.

Florida Real Estate Tax Abatement for Affordable Projects effective January 1, 2018

- Must receive certification from the property appraiser prior to endorsement.
- Underwrite abatement in accordance with MAP Guide Chapter 7.16

Concept Meetings –

- Please provide 3 maps – Regional, Citywide and Neighborhood.
- Early submission of APPS - APPS must be assigned to asset management when received. If an application has not been received it causes problems. Should be done no more than 15 days from submission.
- Make narratives Concise
  - Put important information up front.
  - Include conditions from concept meetings
  - Include List of Special Conditions for firm commitment

Closings

- Substantial changes after Firm Commitment delay closings.
- R4R manipulation should be done before a commitment is issued. Please review the R4R requirements with your borrower before submitting the application.
- Significant change to scope of repairs delays closings. Changes require 3<sup>rd</sup> party and construction analyst review.
- Change in ownership structure requires HUD to reprocess mortgage credit exhibits.
- Change in costs on form 2328 require 3<sup>rd</sup> party review and reprocessing by construction analyst
- Please minimize the number of Amendments.
- HUD's application/exam fee: If loan amount changes, address over/under payment in rate lock amendment.
- Closing statements and Draws – Please submit DRAFTs with closing package with an estimated date for closing so that HUD can approve the forms. If there are minor changes in amounts due to prorations that is not a problem to change just before closing. HUD needs time to review the numbers – no later than 3 business days prior to closing.
- Documents and forms must be signed by all parties prior to submission to HUD for execution. Please allow 3 business days at a minimum for HUD signature and shipping.
- Beware of electronic recording. Check the county requirements prior to considering this type of recording process.
- Timing Expectations – Please be reasonable with your expectations on HUD's review of deficiency responses
- 3 – 5 business days is normal.

Who processes what FORMS?

- Initial Operating Deficits – Asset Management
- Working Capital – Underwriter
- Change Orders – Construction Analysts
- Repair Escrow – Asset Management (may involve Construction Analyst)