



U.S. Department of Housing and Urban Development

Michigan State Office
Office of Housing
Patrick V. McNamara Federal Building
477 Michigan Avenue
Detroit, MI 48226-2592
Tel. (313) 226-6280

October 8, 2009
Issue

Mortgagee Informational Bulletin #9

The Michigan State Multifamily Hub has implemented this informational bulletin to keep mortgagees up to date with changes or news from our Hub relating to development issues. We're happy to cover any issues in the bulletin on which you have questions; the bulletins are issued on an as-needed basis.

Electronic Submission of Firm Applications and Draft Closing Dockets

In April 2009, in an effort to become more efficient and “green,” the Detroit Multifamily Hub issued Mortgagee Informational Bulletin #7, instituting a Pilot Program to determine the feasibility of instituting a voluntary Hub policy for the electronic submission of firm applications and draft closing dockets. The Pilot program proved to be a success for both the lenders involved and the Detroit Hub. Therefore, this Mortgagee Informational Bulletin #9 transmits the Detroit Multifamily Hub’s official policy regarding the electronic submission of firm applications and draft closing dockets.

Electronic Submission of Firm Applications

The requirements for the electronic submission of firm applications are as follows:

1. One full traditional hard copy or “paper” application must be submitted. This is in lieu of the four (4) hard copies previously required. The application must contain original signatures where required and all applicable exhibits.
2. Four discs (cd format) containing a scan of the hard copy of the application. It is noted that some exhibits will not be able to be scanned to disc, such as surveys, plans and specifications etc. The Detroit Multifamily Hub requires that the applications on the disc be tabbed for easy reference by HUD staff. Tabbing is available as a function of Adobe Acrobat.
3. In addition to the above requirements, the lender must also submit the following hard copies: (a) two PCNA reports, (b) one additional appraisal and (c) one additional survey.

Electronic Submission of Draft Closing Dockets

The requirements for the electronic submission of draft closing dockets are as follows:

1. Two full traditional hard copies or “paper” draft closing dockets must be submitted. This is in lieu of the four (4) hard copies previously required. The application must contain all applicable exhibits.
2. Three discs (cd format) containing a scan of the hard copy of the draft closing docket. It is noted that some exhibits will not be able to be scanned to disc, such as the survey. The Detroit Multifamily Hub requires that the applications on the disc be tabbed for easy reference by HUD staff. Tabbing is available as a function of Adobe Acrobat.
3. In addition to the above requirements, hard copies of each of the following documents must be submitted:
 - a. Four copies of the survey;
 - b. One copy of the elevation plans, including flood plains, if applicable;
 - c. One copy of MDEQ documentation relating to any environmental issue such as underground storage tanks and monitoring wells, if applicable;
 - d. One copy of the pre-closing environmental remediation plan, if applicable;
 - e. One copy of the O & M Plan, if applicable;
 - f. One copy of the lease with any required environmental addendums, if applicable;
 - g. One copy of the Cost Certification and supporting documents, if applicable;
 - h. One copy of the Application for Insurance of Advance of Mortgage Proceeds (HUD form 92403 or 92403-CA) and supporting documentation, if applicable;
 - i. One copy of the Direct Deposit Sign Up Form (form SF1199-A) with original signatures, if applicable;
 - j. One original executed Capital Advance Agreement, if applicable;
 - k. One copy of the Source and Use of Funds;
 - l. One copy of the mortgagor’s organizational documents.

Miscellaneous Matters

Note that projects that have multiple sources of financing, such as tax exempt bonds, tax credits and HOME funds may require additional documents for review. Lenders will be asked to submit documents for these types of deals on a case by case basis. When utilizing the electronic submission process for both firm applications and draft closing dockets, lenders must use standard software formats (i.e. Microsoft Word, Excel, Word Perfect, Adobe PDF). All electronic submissions must be readable.

The electronic submission of firm applications and draft closing dockets is not mandatory, rather it is voluntary. Lenders are strongly encouraged to utilize this new process in order to streamline HUD’s processing while at the same time helping to protect the environment.

We welcome your comments and suggestions to improve this process as we move forward. If you have any questions regarding the electronic submission of draft closing dockets, please contact our Closing Coordinator, Mrs. Lee-Von Hornsby at 313-226-7900, extension 8134. Any questions regarding the electronic submission of firm applications should be directed to Kelly Allen at 313-226-7900, extension 8136.