



U.S. Department of Housing and Urban Development

Minneapolis Field Office
920 Second Avenue South Suite 1300
Minneapolis, Minnesota 55402-4012
<http://www.hud.gov/local/min/minhome.html>

MEMORANDUM FOR: Minnesota MF Hub Lenders

SUBJECT: Cooperative Issues, Requirements of the Design Architect, APPS, and Clarification to Circular 05-02

Circular 06-02

Date: December 15 2006

A. Cooperatives located in the State of Wisconsin: The processing on cooperatives that are located in the State of Wisconsin will be coordinated by Minneapolis Multifamily Production staff *from Pre-Application till the issuance of the Firm Commitment*. On these projects, please submit the Pre-Application and Firm Commitment Application documents (including the cooperative legal documents) to the Minneapolis office.

Once the Firm Commitment is issued, Milwaukee Program Center staff will coordinate the projects as follows:

1. Firm Commitment amendment requests will be submitted to and coordinated by the Milwaukee Program Center. They will enlist the help of Minneapolis office staff as needed to process any amendments.
2. The pre-construction conference, and the closing(s) will be coordinated by Milwaukee Program Center staff. It is anticipated that pre-construction conferences and closings will occur in the Milwaukee office.
3. Processing during construction (inspections, draws, change orders, etc.) will be coordinated by Milwaukee Program Center staff.
4. Milwaukee Program Center staff will coordinate with the Chicago Labor Relations staff regarding Davis Bacon wage regulation.

5. After Final Closing, Milwaukee Project Managers will perform the ongoing asset management.

B. On all future new construction and substantial rehabilitation projects located in Minnesota and Wisconsin and processed under Traditional Application Processing, we recommend that you submit the following:

1. Completed, signed and dated Design Architect's Certification: This is located in Appendix 5N of the MAP Guide. We have attached this for your convenience.

2. Provide a sheet that details the calculation of the following. MAP Guide Section 6.3 C. 3 covers these calculations.

- (a) % of Cost Not Attributable (CNA) - Residential
- (b) % of Cost Not Attributable (CNA) - Commercial
- (c) Site not attributable (in sq. ft.).

C. All future invite letters and Firm Commitments on new construction and substantial rehabilitation cooperative projects in Minnesota and Wisconsin will contain the following condition:

The Cooperative Agency Agreement must specify that one copy of the as-built drawings will be turned over to the resident member cooperative board when control is transferred.

D. APPS/2530: On July 1, 2006, all participants were required to apply for Previous Participation clearance through the Active Partners Performance System (APPS). APPS replaces the paper-based Form HUD-2530, which can no longer be accepted. The HUD webpage on APPS is available at <http://www.hud.gov/offices/hsg/mfh/apps/appsmfhm.cfm>.

We recommend that applicants become familiar with the APPS webpage and its documents. Please note that the APPS help desk (see the above link for contact information) is your first contact for APPS-related questions.

In order to expedite the processing of APPS Previous Participation Certifications in the Minneapolis Hub, please consider the following:

- All Firm Applications should include signed Previous Participation Certifications (only the original is necessary). The Certifications are automatically generated by APPS after successfully completing a “Property Submission” through the system. The Certification should be completed and signed by the appropriate Principals. We cannot process APPS submissions until we receive the originally-signed paper Certifications.
- Please contact the HUD Office that is coordinating the application processing if you will be unable to include the Certifications for all required Participants at the time of submittal of the Firm Application. We will determine whether we can accept Firm Applications without the Certifications on a case-by-case basis. However, we cannot issue a Firm Commitment without the Certifications and approval of the Participants through APPS.
- APPS requires an FHA project number to accept Property Submissions. To obtain an FHA project number for the purpose of applying for Participation clearance through APPS, please follow this process:

Projects located in Minnesota: Contact the Minneapolis office via electronic mail (see Del and Zach’s email addresses below) with an FHA application form attached on the project.

Section 213 (Cooperative) projects located in Wisconsin: Follow the same process above. In addition, please copy Annmarie Hinkle on all correspondence (Annmarie_Hinkle@hud.gov).

Remaining projects located in Wisconsin: Contact Annmarie Hinkle via electronic mail (see email address above) with an FHA application form attached on the project.

E. Clarification to Circular 05-02 (issued 12/15/2005):

1. 2013 Supplements: Circular 05-02 stated that 2013 Supplement forms must be signed by the spouse of the principal. This statement is hereby retracted.
2. Financial statements: The statement in Circular 05-02 regarding un-audited financial statements being no more than 3 months old when HUD Form 92013 is submitted for Firm Commitment review pertains to projects processed under TAP. On MAP projects, un-audited financial statements must be no more than 3 months old when HUD Form 92013 is submitted to the **Lender** for Firm Commitment review.

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If you have any questions regarding this circular, please contact Zach Korb at 612-370-3051, Ext. 2271 (email address = zachary_1_korb@hud.gov), or Del Relopez at 612-370-3051, Ext 2274 (email address = delfin_relopez@hud.gov). Questions regarding processing done by the Milwaukee Program Center may be directed to Anne Marie Volkert, at 414-297-3214 Ext. 8674 (email address: Anne_Volkert@hud.gov).

Note that these local policy positions only apply to projects in the Minnesota Hub and may be revised by future national policy issuances such as MAP Guide revisions, Notices and Mortgagee Letters.