

## CHAPTER 1. CHIEF UNDERWRITER (CU)

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- 1-1. RESPONSIBILITY. The CU is directly responsible to the Field Office Director for multifamily processing. He bears responsibility for the expeditious processing of project proposals and for the maintenance of quality processing to evaluate underwriting risk. The CU may delegate his authority but he cannot delegate his responsibilities.
- 1-2. PROCESSING STAGES. The multifamily processing system consists of three processing stages -- Site Appraisal and Market Analysis (SAMA) Letter, Conditional Commitment, and Firm Commitment. During the SAMA Stage the market need for the project is determined and rents obtainable are established, as well as the Value of the Site Fully Improved and the Land Use Intensity Rating. During the Conditional Commitment Stage, the project schematics and outline specifications are developed by the sponsor and his architect. The Affirmative Marketing Plan and the Management Plan are submitted by the sponsor with or prior to the Conditional Commitment Application. At this stage, HUD analyzes the proposal and establishes the project economics. During the Firm Commitment Stage, the contract documents and exhibits are reviewed by HUD-FHA for conformance to earlier determinations made at prior stages of processing.
- 1-3. PROCESSING VARIATIONS. A sponsor may submit complete exhibits and an application for firm commitment. If exhibits are satisfactorily complete, the processing can be limited to a single stage. Similarly, a sponsor with sketch drawings and specifications may apply for a conditional commitment at first application. A sponsor may elect to omit the conditional commitment after the SAMA Stage and proceed directly to Firm Commitment. Compliance with environmental assessment requirements, contained in Reference (9) of the Foreword, is always necessary regardless of other procedural variations. \*
- 1-4. APPLICABILITY OF PROCESSING INSTRUCTIONS. Procedures described herein are applicable to all multifamily project mortgage processing except as follows: Rehabilitation; Processing instructions for rehabilitation are contained in References (1) and (2) of the Foreword. Title X Land Development; Title X processing procedures are contained in Reference (3) of the Foreword. Section 234(c); only for applications involving insurance upon completion and meeting the requirements of the simplified procedures described in Paragraph 7-1 in

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- (1-4) Reference (12) of the Foreword. Section 242 Hospitals; Procedures for Section 242 are contained in Reference (4) of the Foreword. In Group Practice Facilities the procedures described herein will be followed with the exception that a preliminary analysis of the Group is made in accordance with Reference (5) of the Foreword, prior to receipt of the SAMA Stage application.