

**U.S. Department of Housing and Urban Development**

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## Mortgagee Informational Bulletin

*The Michigan State Multifamily Hub is implementing 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; current plans are to issue the bulletin on an as-needed basis.*

**News:** Barbara Chiapella has been named the Hub Director for the Michigan State Multifamily Hub. Ms. Chiapella's phone number is (313) 226-7900 extension 8207.

### I. Problematic Loan Application Areas

To help expedite our processing of loan applications, we bring to your attention the following areas in which we consistently find the work product is incomplete or not in compliance with the MAP Guide.

1. Incomplete major movable lists; and not completed per instructions in the MAP Guide
2. Reserve for Replacement schedules not completed as outlined in the MAP Guide
3. Property Insurance Schedules not completed per instructions on form
4. Lender's review of the PCNA often repeats what is stated in the PCNA and does not identify discrepancies or deficiencies. The lender review is to independently note the adequacy, or inadequacy, of the report.
5. Lender's Underwriting reviews do not identify areas in appraisals/market studies which are not in compliance with the Guide; further, the lender's reviews do not provide independent comment on issues in the environmental report. The lender review should not merely paraphrase 3rd party reports, but must provide a critical analysis, as noted in the MAP Guide.
6. Discrepancies in numbers on the 92264's (underwriter's, appraiser's, and needs assessor's) and other documents need to be resolved.
7. Project's current financials not always received. The requirement states: Balance Sheet, Income and Expense Statements, and supporting schedules for the last three years must be included. The current financial statement must be no more than 3 months old.
8. Sections 1-10 must be fully completed on the Form 2530 and all scores and ratings must be included where needed on Schedule A.
9. Include calculation of loan closing charges.

Applications that continually are submitted with many errors will result in increased processing time by HUD and may result in applications being returned for corrections.

## **II. Section 223 A7 closing documents**

Updated surveys are not required for 223 A7 closing documents.

## **III. DAP Input required for commitments**

The HUD Field Offices are required to issue commitments now out of the DAP system. To expedite our processing of the commitment, we ask that you fully complete all parts of the HUD form-2264.