



U.S. Department of Housing and Urban Development

Minneapolis Field Office
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Minneapolis, Minnesota 55402-4012
<http://www.hud.gov/local/min/minhome.html>

MEMORANDUM FOR: Minnesota MF Hub Lenders

SUBJECT: Underwriting Issues- Circular 03-02

Date: March 21, 2003

Two weeks ago we received a memorandum from Headquarters with very specific directives affecting Traditional Application Processing (TAP) projects that *could* have been submitted by MAP Lenders under the MAP program. The memorandum made it clear that we are *not* to accept any appraisal reports submitted with such TAP packages that were paid for by the lender.

This office will no longer accept any TAP package that contains an appraisal report procured or paid for by a MAP Lender for a project that could have been submitted under MAP. If a MAP Lender wishes for this office to consider accepting a TAP project that, for various reasons, may not be eligible for MAP submission, it is important to advise us of this *as early in the development cycle as possible*. Further, the MAP Lender must understand and accept that *this office's Valuation section* will process such applications, and that MAP timeframes (and for that matter, superseded Fast Track timeframes) *do not apply*.

If such a project contains multiple equity (subsidy) sources supporting an affordable multifamily initiative, or is otherwise of especial importance to FHA, then this office *may* be willing to contract with third-party appraisers *if* contracting resources are available *and* its Valuation section is too inundated by other processing or review to accept and timely complete the assignment in-house.

In order to avoid processing delays, questions relating to this circular's application to specific projects should be directed to either Tim Gruenes (612-370-3051 x 2252) or Del Relopez (x2274).