



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

Special Attention of

Mortgagee Letter 2014-05

Issued: February 28, 2014

Approved MAP Lenders

Cross References
Housing Notice 2014-02

SUBJECT: Standardized Multifamily FHA Mortgage Insurance Applications

I. **Purpose**

This Mortgagee Letter (“ML”) updates the Lender’s application submission templates for mortgage insurance under the Federal Housing Administration’s (FHA) Multifamily housing programs.

The following standardized documents are being implemented:

- Underwriter’s Narrative (s)
- Application Checklist (s)
- FHA Summary Report

HUD’s goal in publishing new submission templates is to streamline its application process, standardize the Underwriter’s Narrative and update the application submission requirements to incorporate recent underwriting policy changes. HUD reviewed industry best practices and incorporated those standards into the new submission templates. This ML describes the updated application exhibits, the eligibility requirements and the process for submission of the processing exhibits.

These application templates are for use for all multifamily FHA applications submitted under both Traditional Application Processing (TAP) and Multifamily Accelerated Processing (MAP) with the exception of Section 223(a)(7) applications. Further this ML does not apply to health care programs administered by the Office of Healthcare Programs (Section 232 and 242, or refinancing of those sections pursuant to Sections 223(f), or the Risk-Sharing Programs (Section 542 (b) or 542 (c)).

II. **Background**

Lenders have been moving toward a standardized application approach consistent with industry practices. No new additional information will be required of the MAP approved Lenders. Based on prior experience, recommendations and examples reviewed from industry stakeholders, the Department has created standard templates for the FHA application submission process.

By creating standardized underwriting forms and a more structured application format, HUD will be able to expedite the application review process for the Lenders and staff while reducing its risk during

the underwriting analysis of the application.

Missing or inconsistent data in the non-standardized Underwriter's Narrative often lacked pertinent facts about the proposed project. The Underwriting Narratives were submitted in various formats by Lenders, which increased the occurrence of inconsistencies, as well as missing, or duplicate information. These inconsistencies or oversights made it difficult for HUD to recommend approval of a mortgage insurance application in a timely and efficient manner.

In order to implement these new underwriting changes and requirements, HUD has updated the application submission templates to facilitate faster processing, more robust underwriting and to incorporate risk-based processing.

III. Application Submission Templates

A. General

The updated submission templates are designed for Multifamily Accelerated Processing (MAP), but to the extent practical, should also be used for Traditional Application Processing (TAP) submissions as well. The new application submission forms must be used for the Section 220, 221(d)(4), 223(f), 231 and the 241(a) mortgage insurance programs.

Separate Underwriter's Narrative and Checklist templates are provided for the refinancing/acquisition of existing projects, and the new construction/substantial rehabilitation mortgage insurance programs referenced above.

The FHA Summary Report may be used for both the existing and proposed construction programs. Sections that do not apply are to be noted as not applicable (N/A).

The Lender will submit and the Hub Directors must accept the application as required by Mortgagee Letter 2010-21, Section IV, C., which reads: "Partial Electronic Submission – Lenders must submit an original and one hard copy of the underwriting file, exhibits and third-party reports and must submit an electronic version of these materials on a disc or a removable drive." The application templates must be submitted in a "fillable" format so that HUD staff and the Lender may make amendments electronically as needed. If the application templates are not complete and do not contain all required content, the application will be returned to the Lender. The new application templates will be listed and available after the publication of this Mortgagee Letter under the Application for Multifamily Housing Project, Form HUD-92013 and will be available online at www.hud.gov/hudclips.

The data and conclusions required to complete the application templates should be consistent with other application submission forms and third-party reports. These submission templates have been designed to be flexible for different program requirements and stages of processing. Lenders may modify the presentation to accommodate software requirements so long as the content and order of the information presented is consistent with the original templates.

The FHA Summary Report is an Excel spreadsheet which will be submitted electronically and will enable HUD to create various production reports, therefore the format for this document can not be revised or modified by the Lender.

B. Underwriter’s Narrative

The Underwriter’s Narrative includes existing MAP underwriting requirements and meets the MAP Guide requirements for the Underwriter’s Narrative referenced in Chapter 11, “Lender Underwriting, HUD Review” Section 11.1, A. & B. Where policy conflict exists, this Mortgagee Letter and the attached templates supersede previous guidance.

C. Processing Checklists

The new processing checklist will facilitate electronic submission, and HUD’s completeness review of deliverables by organizing the checklist into separate sections directly related to each technical discipline.

The new checklists will supersede the existing MAP Guide application requirement checklists located in Appendix 4.A & C of the Guide. Staff will use the new checklist forms in the same way as the existing MAP Guide checklists. The pre-application and firm commitment checklists are identified by their prospective processing stage and by the assigned mortgage insurance program.

The checklist contains the “Loan Directory Structure Naming Convention”, which will enable the HUD reviewer and Lender to locate exhibits easily within the application binder and facilitate electronic submission and review.

IV. Implementation

The information collection requirements contained in these documents have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and assigned OMB control number 2502-0029 and 2502-0541. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

The new format will be required for applications submitted after 120 days following the publication date of this Mortgagee Letter. However, a Lender may elect and HUD will accept the new application submission document formats with the publication of this notice.

Lenders needing technical assistance with implementing the requirements, or have questions about this Mortgagee Letter should contact Linda Albro at Linda.Albro@hud.gov or (202) 402-2043. Persons with hearing or speech impairments may access this number via TDD/TTY by calling 1-800-877-8339.

Sincerely,

Carol J. Galante
Assistant Secretary for Housing –
Federal Housing Commissioner

Attachments:

[Underwriter’s Narrative 221\(d\)\(4\) Template](#)
[Underwriter’s Narrative 223\(f\) Template](#)

[New Construction/Substantial Rehabilitation Checklist](#)
[Refinance/Acquisition Checklist](#)
[FHA Summary Report](#)