**HUD’s Lean 232 Program**

**Office of Residential Care Facilities (ORCF)**

**Update as of August 28, 2019**



*August 28, 2019 Contents*

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**ORCF Webinar Presentation – October 1, 2019, 3:00 P.M. Eastern, Focusing Primarily on Asset Management Matters Encompassed in Newly Revised Documents**

In a webinar hosted by the American Health Care Association/National Center for Assisted Living (AHCA/NCAL), ORCF will provide a brief overview of the Section 232 program and address asset management matters encompassed in newly revised documents.  The webinar will run from 3:00 p.m. to approximately 4:00 p.m. EST on October 1, 2019, and will be open to AHCA/NCAL members and nonmembers. There is no charge for participation.  Presentation topics will include:

* Understanding the updated form and procedures for Reserve for Replacement and Residual Receipt withdrawals.
* Understanding the updated form to request access to the 232 Healthcare Portal.
* Understanding the requirements and forms for changes in participants of residential care facilities that currently have FHA-insured financing.
* Understanding the updated form for adding or submitting changes to the  Accounts Receivable Financing for your facility.
* Understanding the requirements and updated form for requesting a Loan Modification.
* Understanding the updated form for certification of completion of Non-Critical Repairs.
* Understanding the requirement and updated form for notification to HUD of threats to permits and approvals for your facility.

Speakers:

* John Hartung, Director, Policy, Risk Analysis and Lender Relations Division, Office of Residential Care Facilities, HUD
* Philip Head, Director, Asset Management Division, Office of Residential Care Facilities, HUD
* Rita Dockery, Supervisory Account Executive, Office of Residential Care Facilities, HUD

**Event Date:** October 1, 2019 – 3:00 p.m. – 4:00 p.m. (EST)

**Registration Link:** [Here](https://educate.ahcancal.org/p/20191001)

***Keywords:*** *Webinar*

**FROM THE CLOSING CORNER**

**Clarification on Submitting “Complete” Closing Packages in the 232 Healthcare Portal**

As follow-up to the August 30, 2018, and September 13, 2018, LEAN 232 Email Blasts, ORCF is clarifying the process for use of the 232 Healthcare Portal for closings and submitting “complete” closing packages.  For all Firm Commitments that were underwritten in the portal, Lenders are required to use the portal for the closing.  After the assigned HUD Attorney has received a complete draft closing package, a complete draft closer package should be submitted to the portal.  The current Closer Checklists are here: *Section 232/223(f)(*[*here*](https://www.hud.gov/sites/dfiles/Housing/documents/Closer_Checklist-f.docx)*) and 232/223(a)(7)(*[*here*](https://www.hud.gov/sites/dfiles/Housing/documents/Closer_Checklist-a7.docx)*).*The Lender will be notified when an ORCF Closer has been assigned.    *If the draft closer package is incomplete or substantially incorrect, the assigned Closer’s review may be postponed until a complete/acceptable package has been submitted to the portal.*

Please note:  A complete package includes:

* Critical repair documentation and the Borrower’s signed/dated critical repair certification;
* Evidence of current Insurance coverage.
* Documents required to satisfy all special conditions.

For Section 223(f) projects, the final draft Cost Certification is due immediately after a closing date is agreed on by ORCF Closer, HUD Attorney and Lender, and must be provided *no less than 5 business days prior to closing*

***Keywords:****Closing Package, Closing Package Checklist*

**Reminder for Executed Firm Commitments**

HUD Handbook 4232.1 and all Firm Commitments require that Lenders and Borrowers execute and return the Firm Commitment within 10 business days.  *Lenders should continue submitting the fully executed firm commitment to* *ORCFCloser@hud.gov* *within 10 business days.*

***Keyword:****Firm Commitment*

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**Clarification to Land Title Survey Requirements**

The recently updated Survey Instructions and Borrower's Certification (Form HUD-91111-ORCF) calls for surveys to be in compliance with Minimum Standard Detail Requirements for ALTA/ACSM Land Title Survey (**Effective February 23, 2016**).  Please note the new effective date which replaced the old effective date of February 23, 2011.

When using the new form ([here](https://www.hud.gov/sites/dfiles/OCHCO/documents/91111_orcf.docx)), ORCF will accept item 20a under the list of required “Table A - Optional Survey Responsibilities and Specifications.” Surveys reflecting Table A item 19 will continue to be accepted.

***Keywords:*** *Land Title Survey, ALTA Title Policy*

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**Document Links Included In This Blast**

1. [AHCA Webinar Registration](https://educate.ahcancal.org/p/20191001)
2. [Survey Instructions and Borrower's Certification (Form HUD-91111-ORCF)](https://www.hud.gov/sites/dfiles/OCHCO/documents/91111_orcf.docx)

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Past Lean 232 Updates are [available online](http://portal.hud.gov/hudportal/HUD?src=/federal_housing_administration/healthcare_facilities/residential_care/mail_blast_index).

Have questions about the Lean 232 Program? Please contact LeanThinking@hud.gov.

For more information on the Lean 232 Program, check out: <http://www.hud.gov/healthcare>.

Have your loan servicing colleagues joined our email list? The Email Blasts contain information relevant to them as well. You might suggest they [Join here](http://portal.hud.gov/hudportal/HUD?src=/subscribe/signup&listname=Lean%20232%20Updates&list=LEAN-232-UPDATES-L).

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