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February 3, 2023

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Section 232 Healthcare Facility Documents Renewed (OMB 2502-0605 - *Comprehensive Listing of Transactional Documents for Mortgagors, Mortgagees and Contractors*) – Including Green Mortgage Insurance Premium (MIP) Documents

The Section 232 Healthcare Facility documents (OMB 2502-0605 - *Comprehensive Listing of Transactional Documents for Mortgagors, Mortgagees and Contractors*) have been renewed. The documents have been published on [HUD's Client Information Policy Systems (HUDCLIPS)](https://www.hud.gov/program_offices/administration/hudclips/). Minor changes were made to OMB 2502-0605 as detailed in the [November 12, 2021 60-Day Notice of Proposed Information Collection](https://www.govinfo.gov/content/pkg/FR-2021-11-12/pdf/2021-24650.pdf). Documents with Green Mortgage Insurance (MIP) initiative related edits were detailed in the [August 26, 2022 30-Day Notice of Proposed Information Collection](https://www.govinfo.gov/content/pkg/FR-2022-08-26/pdf/2022-18414.pdf).  The Office of Residential Care Facilities is allowing a transition period until May 1, 2023. During this transition time, old documents can still be used, however, please see the following details:

**Production:** All new Firm Commitment application documents will be required for Firm applications submitted on or after May 1.  If an applicant chooses to use new Firm Commitment application documents before that date, then the applicant must also use new closing documents, regardless of closing date.  Additionally, all new closing documents must be used for any project that receives a Firm Commitment on or after May 1.

**Asset Management:**  All Asset Management transactions must use new documents on or after May 1.

**Green MIP:** The following fifteen documents have edits related to the Section 232 Green Mortgage Insurance Premium (MIP) initiative. These documents must be used for all Green MIP transactions:

HUD-9001-ORCF - Lender Narrative - 223a7

HUD-9002-ORCF - Lender Narrative 223f

HUD-9003-ORCF - Lender Narrative 241a

HUD-9004-ORCF - Lender Narrative - New Construction - Single Stage

HUD-9005-ORCF - Lender Narrative - New Construction - 2 Stage - Initial Submittal

HUD-9005a-ORCF - Lender Narrative - New Construction - 2 Stage Final Submittal

HUD-9006-ORCF - Lender Narrative - Substantial Rehabilitation - Single Stage

HUD-9007-ORCF - Lender Narrative - Substantial Rehabilitation - 2 Stage Initial Submittal

HUD-9007a-ORCF - Lender Narrative - Substantial Rehabilitation - 2 Stage Final Submittal

HUD-90013-ORCF - Consolidated Certification – Borrower

HUD-91124-ORCF - Design Architect Certification

HUD-92464-ORCF - Request Approval Advance of Escrow Funds

HUD-92466-ORCF - Healthcare Regulatory Agreement – Borrower

HUD-92467-ORCF - Supplemental Healthcare Regulatory Agreement – Borrower

HUD-92476-ORCF - Escrow Agreement Noncritical Deferred Repairs

***Keywords:*** *Section 232 Documents, Green MIP*

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Adoption of New Phase I Environmental Site Assessment Standard, ASTM E1527-21

ASTM, Inc., published a new standard for Phase I Environmental Site Assessments (ESAs) titled ASTM E1527-21 on November 2, 2021.  On December 15, 2022, the Environmental Protection Agency (EPA) published a final rule to amend its All Appropriate Inquiries (AAI) rule at 40 CFR 312.11 to reference the new standard as sufficient to satisfy the requirements of the rule, with an effective date of February 13th, 2023.  The EPA rule also established a sunset period through February 13, 2024, for the ASTM E 1527-13 standard.

Handbook 4232.1, Section II, Chapter 7.3.A.1.b requires use of the most recent edition of industry standards for compliance with environmental laws and regulations.  For the ASTM E1527 standard, HUD requires the most recent standard that EPA has adopted and referenced in the AAI rule.  Although the EPA has established an effective date of February 13th, 2023, the final rule states that EPA determined the ASTM E1527-21 standard to be compliant with the requirements of the All Appropriate Inquiries rule. Therefore, Section 232 applications submitted after the EPA final rule’s publication on December 15, 2022 and prior to February 14, 2024 may use either ASTM 1527-21 or ASTM 1527-13.

Applications submitted prior to February 14, 2024 that included a Phase I ESA using E1527-13 and that met time frame requirements at Section 7.3.A.1.c. in Handbook 4232.1 Rev-1, Section II will not have to submit a new Phase I ESA to conform with the new standard.

For new applications after February 13, 2024, all Phase I ESAs must conform to ASTM E1527-21.

***Keywords:*** *Phase I, Environmental, ASTM E1527*

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Extension of Authorization to Lenders and Their Representatives to Initiate Consultation with State Historic Preservation Offices (SHPOs)

On March 18, 2021, HUD issued a formal authorization under 36 CFR 800.2(c)(4) for lenders and their authorized representatives using specific FHA Multifamily or Healthcare programs to initiate and carry out Section 106 consultation under certain conditions. This authorization was optional, and lenders could choose to follow the Memorandum or request HUD staff to continue to initiate consultation. HUD has tracked its use and found that a majority of FHA applications that require Section 106 SHPO consultation have used the authorization.

Based on its extensive use and positive feedback from users, HUD has decided to extend the authorization for 5 years with minor edits. Edits include the following:

* Extend authorization for 5 years and update HUD staff contacts.
* Synthesize the memo by removing confusing and unnecessary content that does not apply to the authorization.
* At the request of the Advisory Council on Historic Preservation, add direct reference to implementation language in the MAP Guide, Chapter 9 and the Section 232 Handbook, Section II, Chapter 7.
* Add and clarify specific details about how HUD staff consult with Tribes and consider tribal input.
* Clarify that this does not constitute a full delegation and that HUD staff complete the Section 106 review and make the final determination.

It is important to note that this authorization does not extend to consultation with Tribes. HUD staff will maintain the critical responsibility and relationship in consulting with Tribal Historic Preservation Officers (THPOs) and Tribes.  Lenders should continue to submit early Tribal consultation requests to ORCF via [LeanThinking@hud.gov](mailto:LeanThinking@hud.gov) when a project requires Tribal consultation, such as when ground disturbance is proposed.  When the results of HUD’s Section 106 Tribal consultation are needed prior to initiating SHPO consultation, lenders and their consultants should follow the process described in the June 29, 2022 Email Blast.  If the lender and its consultant do not believe the receipt of Tribal responses is necessary prior to initiating SHPO consultation based on their research at the site, they may initiate consultation with the SHPO prior to receiving the Tribal responses, and HUD will ensure all Tribal comments are incorporated into the Section 106 process.

In addition, although HUD is authorizing lenders and their authorized representatives to initiate consultation with the SHPO and non-tribal consulting parties, the Section 106 review is not complete until HUD staff independently review and certify the sufficiency and appropriateness of the Section 106 processes performed and the documentation provided in HUD’s Environmental Review Online System (HEROS).

Effective January 1, 2023, the Department extends the authorization to Multifamily Accelerated Processing (MAP)- and Office of Healthcare Program (OHP)-approved lenders and their authorized representatives to act on behalf of HUD to initiate the Section 106 review process with SHPOs and other consulting parties except for Tribes, to identify and evaluate historic properties, and to assess effects. The updated Memorandum is available on the [ORCF Environmental Resources website](https://www.hud.gov/federal_housing_administration/healthcare_facilities/residential_care/environmental_resources).

Lenders and their consultants must follow the Memorandum’s requirements, including sending a copy of the Memorandum when corresponding with the SHPOs. Consultants must also research and follow specific SHPO protocols, which vary from state to state.

***Keywords:*** *State Historic Preservation Office (SHPO), Environmental*

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| Past Lean 232 Updates are [available online](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMDEsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMTAxMDQuMzI3OTIyMzEiLCJ1cmwiOiJodHRwczovL3d3dy5odWQuZ292L2ZlZGVyYWxfaG91c2luZ19hZG1pbmlzdHJhdGlvbi9oZWFsdGhjYXJlX2ZhY2lsaXRpZXMvcmVzaWRlbnRpYWxfY2FyZS9tYWlsX2JsYXN0X2luZGV4P3V0bV9tZWRpdW09ZW1haWwmdXRtX3NvdXJjZT1nb3ZkZWxpdmVyeSJ9.wD_kyOelsVj0O18oGZ6vB1qZQYtIH2lojk5kd633DYc/s/1356292409/br/92636915983-l).  Have questions about the Lean 232 Program? Please contact [LeanThinking@hud.gov](mailto:LeanThinking@hud.gov).  For more information on the Lean 232 Program, check out: [http://www.hud.gov/healthcare](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMDIsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMTAxMDQuMzI3OTIyMzEiLCJ1cmwiOiJodHRwOi8vd3d3Lmh1ZC5nb3YvaGVhbHRoY2FyZT91dG1fbWVkaXVtPWVtYWlsJnV0bV9zb3VyY2U9Z292ZGVsaXZlcnkifQ.1u0SLtDtXsU62834yVCK0A042fLMrX4ZfmVsijRPzQI/s/1356292409/br/92636915983-l).    Stay Connected with the Office of Housing and the Federal Housing Administration: |
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