



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

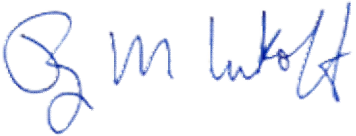
WASHINGTON, DC 20410-8000

OFFICE OF HOUSING

February 13, 2019

MEMORANDUM FOR: All Section 232 and 242 Approved Lenders

FROM: Roger M. Lukoff, Deputy Assistant Secretary for
Healthcare Programs



SUBJECT: Resumption of FHA Office of Healthcare Programs
Activities

The Department of Housing and Urban Development (HUD) FHA Office of Healthcare Programs (OHP) remains committed to enabling the affordable financing and refinancing of healthcare facilities. Since fully returning to work on January 28, 2019, OHP has been working to address the significant backlog of work submitted during the shutdown period. As we work quickly to bring our pipeline and servicing queues current, we want to inform you of the prioritization of work across our offices.

Production

In Section 242, underwriter reviewers have already reached out post-shutdown to lenders on all pending transactions, and we are proceeding as expeditiously as feasible.

In the Section 232 Program, our first priority is to process loans that have been issued a firm commitment and are in a position to reach endorsement. Of these, our priority will be loans that have critical external deadlines such as rate lock extension fees and purchase sale agreements with substantial penalties. However, we will also work in the coming days to schedule a closing date for loans that are ready to close immediately, even if they do not have critical external deadlines. Closings will be scheduled as soon as staff are available.

We have conducted an inventory of Section 232 applications currently in process. Applications will be processed in the order of the date received, as there is available staff capacity.

Applications submitted before the shutdown were date and time stamped when they were received in the Portal. Applications that were submitted during the shutdown through the 232 Healthcare Portal were time and date stamped by the system. Our priority for processing applications will be those that were in process prior to the shutdown. We will begin with applications that are close to the issuance of a Firm Commitment. We will then address

applications that were in process but needed additional review to present for a Firm Commitment. As a third priority, we will then turn to applications that were submitted during the shutdown. Lenders may continue to submit new applications for mortgage insurance.

Asset Management

The first priority is work related to resident/patient health and safety, including release of funds for critical repairs from reserves and construction draws. For other requests such as standard Reserve for Replacement and other escrow withdrawals not processed by the lender, the work items will be processed in the order received. Transfers of Physical Assets and Partial Payment of Claims will be processed in the order received. We expect it will take some time to address all backlogged work and will maintain open communications with you on our progress.

If you have any questions related to a particular transaction in Production, please contact the HUD Underwriting Reviewer assigned to your transaction. For project-specific questions related to Asset Management, please contact the assigned Account Executive.