




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

OFFICE OF HOUSING

April 1, 2019

MEMORANDUM FOR: FHA Multifamily Lenders and Borrowers
HUD Multifamily Production Staff

FROM: Patricia M. Burke, Acting Director, Office of Multifamily
Production, HTHE 

SUBJECT: Revised Multifamily Closing Documents

This memo announces that HUD has completed the Paperwork Reduction Act of 1995 (PRA) process for the FHA-insured multifamily rental closing documents (Closing Documents), as revised, including Office of Management and Budget (OMB) review and approval, under control number, 2502-0598.

On September 5, 2017, pursuant to the PRA, HUD published for public comment, for a period of 60 days, a notice in the Federal Register advising that HUD was seeking approval from OMB for the PRA renewal of the Closing Documents, along with proposing technical and substantive revisions to the Closing Documents to better align them with existing program requirements and to gain greater clarity (60-day notice). See 82 FR 41977. This notice highlighted the proposed changes and advised that redline comparison and clean versions of the proposed revisions were available for review on HUD's website.

On June 26, 2018, HUD published a 30-day notice in the Federal Register in accordance with the PRA public notice and comment process (30-day notice). See 83 FR 29815. The 30-day notice discussed noteworthy substantive changes that HUD made to the Closing Documents based on public comment submitted in response to the 60-day notice and responded to significant issues raised by commenters on the Closing Documents. In addition to providing a summary of the changes made, HUD posted on its website redline versions of the documents depicting proposed changes against the versions of the documents which were published in connection with the 60-day notice. This was done to make it easier for industry participants and interested members of the public to review all the changes that were being proposed to the Closing Documents. In response to the 30-day notice, HUD received comments from four (4) commenters. Commenters included the American Bar Association, two law firms, and a state housing finance agency.

HUD was not able, unfortunately, to complete its review of the public comments before the OMB deadline for completion of the PRA process expired. Therefore, in anticipation of the expiration of the deadline, the version of the Closing Documents that were submitted by HUD and approved as final by OMB are the versions that were included with HUD's 30-day notice. Consequently, the Closing Documents that are now required for use do not reflect changes HUD was considering making in response to the 30-day notice public comments.

HUD acknowledges that several of the public comments received in response to the 30-day notice included proposed revisions or clarifications that would improve the Closing Documents. Therefore, in the near future, HUD intends to initiate the PRA process for the Closing Documents that will include, as a starting point, changes HUD will propose to make in response to public comments received with the 30-day notice as well as other needed changes. HUD expects the forthcoming PRA process to be simplified to consideration of public comments specifically related to the questions posed in the new 60-day Federal Register notice.

The revised Closing Documents are required for transactions that receive a Firm Commitment on or after the date that is 30 calendar days after the date of this memo. As OMB approval for these documents has been received, parties may use these documents on a voluntary basis as of the date of this memo. Participants must access the official version of the Closing Documents for FHA multifamily loan closings from HUD's forms resource webpage: <http://www.hud.gov/hudclips>. Note that the Closing Documents required for use pursuant to OMB's latest PRA approval are designated as the "(6/18)" versions following the form number.

Please contact Liz Arteaga at 202-402-3584 or Elizabeth.H.Arteaga@hud.gov if you have questions about this memorandum.