



Using HUD's CNA e-Tool for RAD Transactions

Office of Recapitalization

December 7, 2017

Learning Objectives

- In this training, you will learn:
 - Requirements for using HUD's CNA e-Tool for the 9 out of every 10 RAD transactions that do not use FHA insurance
 - Unique aspects of CNA e-Tool use for RAD deals with no FHA insurance.
 - Reference Materials that are available to assist CNA e-Tool users

The CNA e-Tool

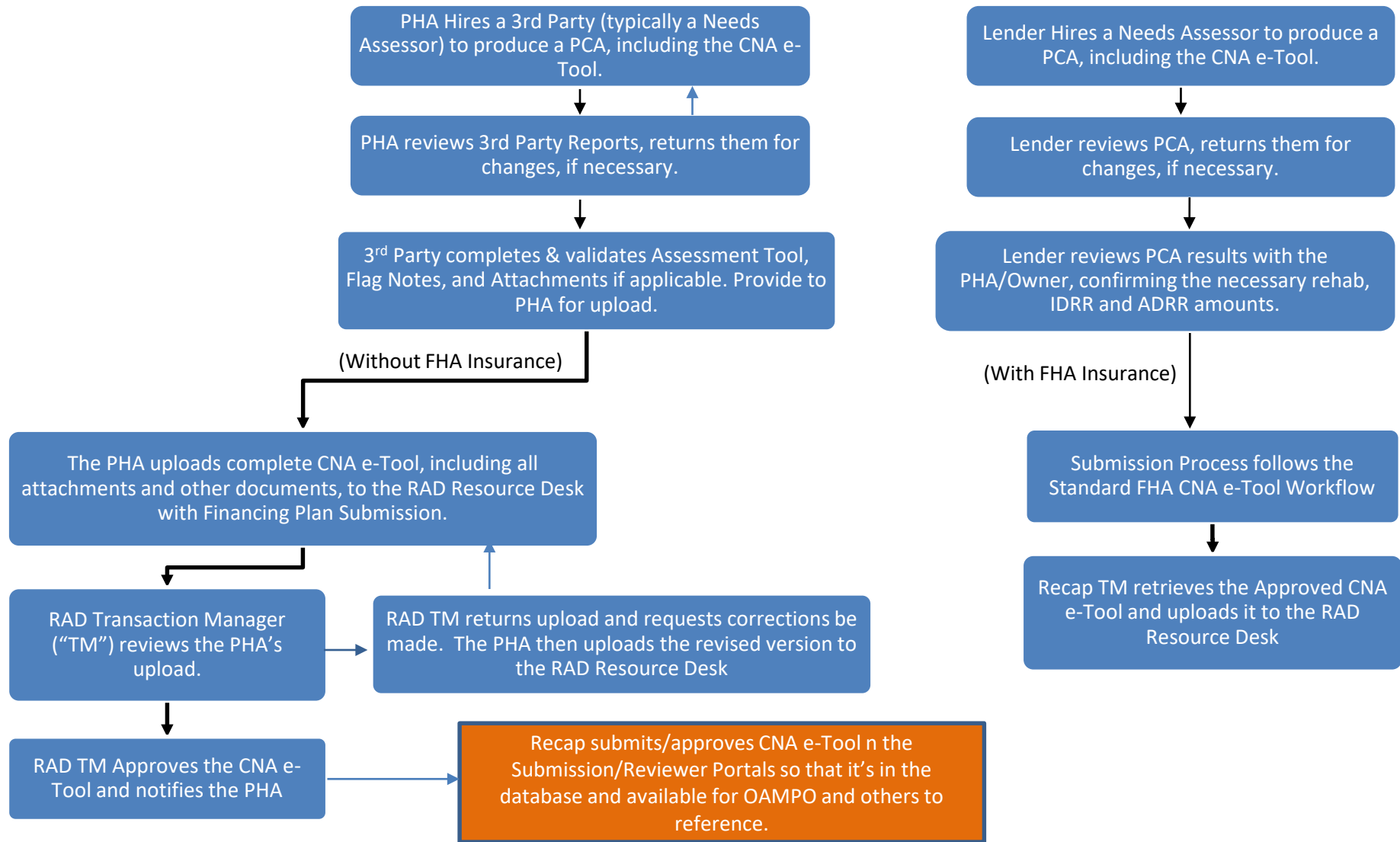
...an
important
step toward
a more
efficient and
consistent
underwriting
approach at
HUD...



When & How is the e-Tool required?

- November 1, 2017 for FHA mortgage insurance including any proposed for RAD transactions.
- February 1, 2018 for RAD transactions without FHA insurance
- FHA insured transactions will follow the standard FHA protocol
- Transactions not using FHA insurance will upload their validated Assessment Tool to the RAD Resource Desk instead of the current RPCA Tool

CNA e-Tool: RAD Processing



Assessment Tool Replaces RPCA Tool

- No Change to the RPCA Scope of Work
- RPCA Tool is replaced with the Assessment Tool
 - Excel Based Tool
 - Robust Building and Component Descriptions
 - Produces the Same 20-Year Needs and Reserve Requirements
- CNA Must be “Validated”
 - Validation Engine is Open to the Public
 - Flag Notes Must be Created

Where to find the CNA e-Tool

https://www.hud.gov/program_offices/housing/mfh/cna



[Home](#) / [Program Offices](#) / [Housing](#) / [Multifamily](#) / [Capital Needs Assessment Tool](#)

Capital Needs Assessment Tool (CNA e Tool)

The Capital Needs Assessment (CNA) e-Tool automates and standardizes the preparation, submission and review of a capital needs assessment. Its use is now available on a voluntary basis and will become mandatory starting November 1, 2017 for FHA multifamily mortgage insurance applications.

Use of the CNA e-Tool for all Rental Assistance Demonstration conversions; 10-year update capital needs assessments for FHA-insured multifamily properties; and other asset management milestones, such as partial payment of claims, are available on a voluntary basis and will become mandatory starting February 1, 2018.



A Joint effort of USDA & HUD

User: Needs Assessor

- ▶ [Assessment Tool 1.2A v4 \(Web Portal\)](#)
- ▶ [CNA Public Validation \(Web Portal\)](#)
- ▶ [Instructions for use of the CNA e-Tool \(PDF\)](#)
- ▶ [Needs Assessors Guidance on User Access \(PDF\)](#)

User: FHA Lender Submitter

User: HUD Reviewer

- ▶ [CNA HUD Review \(Web Portal\)](#)
- ▶ [Government Internal User Manual \(PDF\)](#)
- ▶ [HUD User Access Guide \(PDF\)](#)

User: USDA Submitter/Reviewer

- ▶ [Coming Soon](#)

The Assessment Tool

CNAETOOL_1_2A_V4 [Compatibility Mode] - Excel

FILE HOME INSERT PAGE LAYOUT FORMULAS DATA REVIEW VIEW ACROBAT DESIGN

Clipboard Font Alignment Number Styles Cells Editing

Property.A... : X ✓ fx

	B	C	D	E	F	G
3						
4						
5		Entered (and Summary) Property Information			Assessment Scope	
7		Property Name			Relevant Agency Program	
8		Street Address			Additional Testing Indicator	
9		City			Sample Percentage	
10		State			Property ASHRAE Level 2 Energy Audit Indicator	
11		Zip Code			ASHRAE Level 2 Energy Auditor Name/Credentials	
12		Approving Agency			CNA Number	
13		Associated Agency			Additional Testing Comment	
14		USDA AMAS ID			USDA CNA Type	
15		iREMS Property ID			HUD CNA Type	
16		HUD FHA #			Date of Final Site Visit	
17		MSA/Non-MSA			Number of Vacant Units	
18		Federally Assisted Indicator				
19		Family/Elderly Indicator				
20		Seismic - SXS				
21		Seismic - SX1				
22		Property ID				
23		Year of Rehab		0 to 0		
24		Replacement Cost - New		\$0		
25		Total Number of Buildings		0		
26		Total Units		0		
27		Number of Sites		0		
28		Total Building Sq. Footage		0		
29		Year Built		0 to 0		
30		Section 504 of Rehabilitation Act/UFAS Applies		NO		
31						

Version Control Participant Information **Property** Site Information Building Common Areas Units Unit T ...

READY

Key Differences for RAD

- Many assessors are familiar with the e-Tool.
- Two key differences in RAD-FHA versus RAD-Non-FHA transactions:
 1. Upload through the RAD Resource Desk, **NOT** the e-Tool Submission Portal
 2. Financial Factors tab completed by the assessor, confirmed by the PHA

Financial Factors Tab

- Information Provided by the Needs Assessor; confirmed by PHA
- Inflation Rates and Trending Follow RAD Program Guidance:
 - 1% Change in Deposit Rate *
 - 2% Change in Inflation Rate *
 - 1% Rate on RfR Balance *

*Note: Rates should be entered in the “Next Rate” column of the Financial Factors Tab, with the other columns left blank.

The Validation Engine



The screenshot shows a web browser window with the URL https://webapps.hud.gov/CNAeTool/faces/CnaValidation?_afriLoo. The page title is "Capital Needs Validation Tool". Below the title, it lists the "U.S. Department of Housing and Urban Development" and the "U.S. Department of Agriculture - Rural Development". The page features the HUD and USDA logos. The main section is titled "CNA VALIDATION" and contains a "Select CNA File" section. This section includes a text box for file selection, a "Browse..." button, and "Validate" and "Reset" buttons. A note states: "This system only accepts XLS files for import. Imported files must conform to HUD's published data standards for CNA files." The footer of the page reads: "U.S. Department of Housing and Urban Development, 451 7th Street S.W., Washington, DC 20410".

Capital Needs Validation Tool

U.S. Department of Housing and Urban Development
U.S. Department of Agriculture - Rural Development

CNA VALIDATION

▼ Select CNA File

This system only accepts XLS files for import. Imported files must conform to HUD's published data standards for CNA files.

Browse... Validate Reset

U.S. Department of Housing and Urban Development, 451 7th Street S.W., Washington, DC 20410

Note: The Validation Engine is a publicly available tool requiring no certification or user account.

The Validation Engine

- Must be “Validated” prior to upload;
- Flags created, no “S” (Severe Flags) can exist;
- Flag Notes need to be created by the assessor, and comments provided;
- Assessment Summary Report to be created by the assessor;
- Flag Notes (with Comments) and Assessment Summary Report included with the PHA’s upload.

Uploading the CNA

- Completed CNA's for non-FHA Insured RAD transactions are uploaded through the RAD Resource Desk
- Flag notes (assessor should use the validation portal to generate flags and draft flag notes)
- Assessment Summary Report (produced through the validation portal)

Instructions on How to Upload to RAD Resource Desk

- Login to the RAD Resource Desk
- Upload the Assessment Tool in the Financing Plan grid instead of the RPCA Tool
- Upload the Flag Notes (with assessor comments)
- Upload the Assessment Summary Report
- Upload the Balance of the CNA including the Narrative & Energy Audit

Reference Materials

User: Needs Assessor

- ▶ [Assessment Tool 1.2A v4 \(Web Portal\)](#)
- ▶ [CNA Public Validation \(Web Portal\)](#)
- ▶ [Instructions for use of the CNA e-Tool \(PDF\)](#)
- ▶ [Needs Assessors Guidance on User Access \(PDF\)](#)

User: Lender/PHA/PAE Submitter

- ▶ [Assessment Tool 1.2A v4 \(Web Portal\)](#)
- ▶ [Lender CNA Submission \(Web Portal\)](#)
- ▶ [Lender User and Coordinator Access Guide \(PDF\)](#)
- ▶ [Instructions for use of the CNA e-Tool \(PDF\)](#)

Training

- ▶ [HUD Exchange/Training Modules \(Web Portal\)](#)
- ▶ [Sample CNA Documents \(ZIP\)](#)

Operational Bulletins

- ▶ [2017 Updates \(PDF\)](#)
- ▶ [CNA e-Tool Tips and Tricks 10/2017 \(PDF\)](#)

Public Resources

- ▶ [Ask A Question \(Web Portal\)](#)
- ▶ [Join the CNA e-Tool listserv \(Web Portal\)](#)
- ▶ [Multifamily MAP Guide -See appendix 5G \(Web Portal\)](#)
- ▶ [Estimated Useful Life Table for CNA e-Tool \(PDF\)](#)
- ▶ [Mortgagee Letter 2016-26 \(Web Portal\)](#)
- ▶ [Mortgagee Letter 2017 -09 \(Web Portal\)](#)
- ▶ [Rules of Behavior \(PDF\)](#)
- ▶ [Guidance for Requesting an Unprotected Assessor Tool \(PDF\)](#)
- ▶ [CNA e-Tool Data Dictionary \(XLS\)](#)

User: HUD Reviewer

- ▶ [CNA HUD Review \(Web Portal\)](#)
- ▶ [Government Internal User Manual \(PDF\)](#)
- ▶ [HUD User Access Guide \(PDF\)](#)

User: USDA Submitter/Reviewer

- ▶ [Coming Soon](#)

Recorded Webinars

- ▶ [CNA e-Tool Webinars and Tutorials \(Web Portal\)](#)


EPA Portfolio Manager Reports

- ▶ [HUD Custom Reports \(PDF\)](#)

The Ask A Question (AAQ) “Help Desk”

- Linked to from the CNA e-Tool homepage
HUDEXchange.info > Program Support > Ask A Question

Resources and assistance to support HUD's community partners

 **HUD EXCHANGE**
Secretary Ben Carson

NEED HOUSING ASSISTANCE? Email Updates Log In

Programs ▾ Resources ▾ Trainings Program Support ▾ Grantees ▾ News 🔍

Home > Program Support > Ask A Question

Ask A Question

The following Ask A Question desks are active: AFFH, BRAC, CNA e-Tool, CoC, DRGR, eCon Planning Suite, ESG, *e-snaps*, HDX, HMIS, HOPWA, HEROS, HUD-VASH, IDIS, Legacy Homeless Programs, NSP, Sage, and Title V.

The CDBG and HOME Ask A Question desks are closed and no longer accepting questions. Please contact your **local CPD Field Office** for assistance.

Step 1 of 2 1 of 2

Personal Information* Required fields

*First Name

*Last Name

*State

*City/Town

