August 15, 2011

MORTGAGEE LETTER 2011-27

TO: ALL FHA-APPROVED MULTI-FAMILY MORTGAGEES

SUBJECT: HUD Amendment to the American Institute of Architects (AIA) Document B108 (formerly B181-1994), Standard Form Agreement Between Owner and Architect for a Federally Funded or Federally Insured Project (Amendment)

Purpose

The purpose of this Mortgagee Letter is to transmit the new Amendment to AIA Document B108 (Form HUD-92408-M). The American Institute of Architects (AIA) has published a new Owner/Architect Agreement, B108-2009 Standard Form of Agreement Between Owner and Architect for a Federally Funded or Federally Insured Project (Agreement), and has retired the B181-1994 Standard Form of Agreement Between Owner and Architect for Housing Services on May 31, 2011.

The Amendment to the AIA Document B108 has been updated and will replace the version found in the Multifamily Accelerated Processing (MAP) Guide, Appendix 12B.2, Handbook 4460.1 REV-2, Appendix 2 and other handbook citations. The new Amendment (Form HUD-92408-M) is a required submission document as part of the Multifamily closing in connection with Firm Commitments issued or reissued. The Amendment is required for Firm Commitment applications submitted for FHA’s multifamily housing insurance that require licensed professional services. This Mortgagee Letter is not applicable to health care programs administered by the Office of Healthcare Programs.

Background

The AIA Document B108 contain terms and conditions that are unique to Federally Funded or Federally Insured Projects, reflects current industry practice, and provides greater transparency about services provided while still protecting HUD’s interest. While the Agreement is structured so that either the owner or the architect may provide construction cost estimates to the government, for FHA purposes, only the owner can provide cost estimates to FHA. The Amendment to the AIA Document B108 contains language and provisions specifically required by HUD that modify, complete, or supersede provisions of the AIA Document B108.

This Mortgagee Letter supersedes the MAP Guide and Handbook references to the AIA Document B181 Standard Form and specifically the Amendment to AIA Document B181, Standard Form of Agreement Between Owner and Architect for Housing Services in Appendix 12B.2, MAP
The information collection requirements contained in this Amendment has been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) on July 8, 2011. The valid OMB Control Number for the Amendment is 2502-0029. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

If you have any questions concerning this Mortgagee Letter, please contact Joseph Sealey, Director, Technical Support Division at (202) 402-2559. “Persons with hearing or speech impairments may access this number via TTY by calling the Federal Information Relay Service at (800) 877-8339.”

Carol J. Galante
Acting Assistant Secretary for Housing –
Federal Housing Commissioner

Attachment
Amendment – Form HUD-92408-M