Ten Common Errors and Omissions by Client’s
Check These First

P&E = both paper and APPS submissions

1. Boxes 1 -6 and the first box, unnumbered upper left hand corner (P):
These are ministerial in nature, meaning FO’s may complete and initial changes in these areas. However, when blank, you leave other reviewers in the dark, guessing. The upper left hand corner block provides the reason for the submission; having that information is usually very helpful. This is the only part of the form that field personnel may alter. All other areas directly impact the certifications made by the participants. Change them and void the certification

2. Schedule A, columns 2 – 5 (P&E, mostly P): The instructions for each column are clear and not hard to follow, but this part is, more often then not, is incomplete. Read the heading and make sure the data is complete. HUD does not update APPS Schedule A, the participant must update.

3. Schedule A, column 6 (P&E): Often deficient. Instructions say provide last inspection and/or management review results. Translated by HUD to mean if you have both provide both, or if you only have one, provide the one. Blanks can occur and should always be explained. We sample large Schedule A’s you should too. Exception for Passive investors; they are allowed to have holes in their column 6 data as long as they select the passive investor role. HUD does not update APPS Schedule A, the participant must update.

4. Name, Address of participants (P&E): All companies and principals and key principals must be listed- Use an Org chart to ensure all principals are disclosed.

5. Roles in the transaction (P&E): There are certain assumptions to make when reviewing this area. The APPS online guide has a listing of possible roles. This is the role in the entity/company under review.

6. Percentage ownership in the project (P): The paper form asks for interest in owner/mortgagor. This was adjusted in APPS to ask for interest in the applicant entity and interest in the owner/mortgagor. On paper a 0% interest from a consultant’s principal, for example, is correct for the owner/mortgagor but sheds little light on the interest in the consultant
organization. The Field Office should explore the non-owner/mortgagor organization to ensure correct principals have been listed.

7. NO TIN/SSN (P): Still find blanks but diminished significantly in last 12 months. Caution on TIN’s and SSN’s, no two entities or persons may have the same TIN. This is one factor, along with address and name, to assure are correctly identified.

8. Modifications or Explanations regarding certifications (P&E): Often the data is absent on why the certification was altered (paper versions) or the information is not clear (P&E). This slows down the process.

9. Signatures (P&E): The lack of live signatures or all signatures means a fail or at least an avoidable delay. The paper signatures are kept as part of the administrative record and are important if there is follow up or other action required. Every entity and person has a signature line and each line must be signed. Sometimes this means one person (with authorization) signs many times for different parties and entities.

10. Contact Person (P): Without the contact person, time is wasted tracking down person to get answers. Sounds simple, but it allows for a quick answer to be found.