
CHAPTER 6. REPORTS AND AGREEMENTS

SECTION 1. PREPARATION AND SUBMISSION OF CONSOLIDATED
MULTIFAMILY PROJECT PROCESSING AND
CONSTRUCTION REPORT - FORM FHA 2088

6-1. PURPOSE. The Form FHA 2088 (see Figure 6-1) is the basic document

used in the production control system for multifamily projects. It shows the current status of any multifamily project in the office, reveals when target dates are missed, and gives the next target date. It is the primary management tool to keep projects on schedule, and thereby to provide sponsors with timely service. Weekly updating assures that no missed target date, or production bottleneck, can be overlooked for long. Prompt dispatch of work is encouraged by the knowledge that delays will be immediately shown. The timeliness of the data promotes a spirit of immediacy and urgency in field office and regional office monitoring.

6-2. REPORT PREPARATION. The FHA Form 2088, Weekly Multifamily Project Status and Control Report will be prepared and maintained for internal use and reporting in each field office. Its preparation will be in accordance with the following instructions.

a. Preparation of FHA Form 2088. The field office will prepare this form to include all reportable projects. Reportable projects are defined under "Project Number" below. Projects shall be listed in project number sequence with all the information called for in the columns headed "Project Number", "Name and Address", "Section of Act", and "Number of Units" entered for each project. The following guidelines will assist in the individual entries to be made in each column:

(1) Project Number. Regardless of when the project number is assigned in accordance with current operating and processing instructions, the project will not be included in the report until the criteria in Figure 6-2 have been satisfied.

(a) The project number consists of the 2 digit number now used to indicate the program (e.g. 44 for Section 236 projects) and a 3 digit number that identifies the particular project (e.g. 001).

- (6-2) (b) This number will be followed by the appropriate suffixes describing the proposal. These suffixes will be chosen from those authorized in outstanding fiscal instructions.
- (2) Name and Address. Enter the name, number and street, city or post office, and state. To avoid needless repetition, it will be acceptable to place a statement at the top of the first page of the report stipulating that, except where otherwise indicated, all projects are located in a particular city and state which, of course, must be named.
- (3) Section of Act. The Section of the Act will be entered for each project other than those for which a BMIR allocation, rent supplement reservation, interest reduction payment, or loan to sponsor has been approved. In these cases, in place of the section of act, the approved dollar amount of the allocation, reservation, interest reduction payment, or loan will be entered. When, under Section 236, there is more than one amount, "I" should be placed before the dollar amount for interest reduction payment and "S" before the dollar amount for rent supplement reservation.
- (4) Number of Units. This is self-explanatory and will be automatically interpreted to refer to beds or spaces for nursing homes and mobile homes, respectively, as appropriate. Subsequent changes to these figures should be reported when they occur.
- NOTE: The only information initially required for each project in the remaining columns is the date the last event actually occurred, and the target date of the next event. These entries will be modified on subsequent reports in accordance with Target Date instructions which follow. The following guidelines will assist in making required entries.
- (5) 2013 Received. Enter the actual date that criteria in Figure 6-2 are satisfied.

CHG

- (6-2) (6) Feasibility Letter. Enter the actual date appearing on the feasibility letter or date of rejection notice and the word "Rejected" when appropriate.
- (7) 2013 Received. Enter the actual date of receipt of acceptable application with fee to be processed for conditional commitment.
- (8) Commitment. Enter the actual date appearing on conditional commitment or notice of rejection and the word "Rejected."
- (9) 2013 Received. Enter the actual date of receipt of acceptable application (with fee when conditional commitment processing was by-passed) to be processed with firm commitment.
- (10) Commitment. Enter the actual date on firm commitment or notice of rejection with the word "Rejected."
- (11) Closing Documents Submitted. Do not make any entry in this column.
- (12) Initial Endorsement Date. Enter the actual date of initial endorsement or date of preconstruction conference for insurance on completion projects.
- (13) Start of Construction. Enter the date on which initial site clearance and preparation commences.
- (14) % Complete. Enter the percentage of completion appearing on the HUD inspector's report which has been accepted in support of an approved FHA Form 2403, Application for Advance of Mortgage Proceeds, for each advance following construction start.
- Enter percentage of completion in increments of at least 10% for insurance on completion projects.
- NOTE: When the feasibility analysis results in determination that the proposal will only entail one stage processing, such determination will be indicated on the report by entering a capital "X" in both columns "2013 Received" and "Commitment" under "Conditional Commitment."

4/74

HUD-Wash., D. C.

4010.1 CHG

(6-2) (15) Cost Certification. Enter with a "T" in the column marked "Cost Certification - Received" the target date determined for receipt of cost certification documents when the project is 100% complete (or when the project is substantially complete with an escrow provided for incomplete items.) Reaching the target date shall be indicated in the usual way by circling the "T." After this step, at the appropriate times, the target date and the date of accomplishment for the successive steps of "Cost Certification - Approved" and "Final

Endorsement"

will be entered. After the actual date of final endorsement is entered, the project can be removed from the report.

b. Reporting Frequency. The field office will forward a xerox copy of its report to the Assistant Regional Administrator for HPMC by noon on Friday each week. At the same time a second xerox copy will be forwarded to the Multifamily Underwriting Division: Housing Production Specialist, HUD-
HPMC,
Room 6256, 451 7th Street, S.W., Washington, D.C. 20411.

c. Method of Report Preparation and Maintenance. The initial report will be typewritten to include the information called for in these instructions. The original of this report will be maintained and used by the field office to schedule,
track,
only
and report on projects each week. Weekly updates require manual (not typewritten) notations of target hits, target misses, new targets, explanations of missed targets, and construction progress. New projects will be added to the report and may be typed or legibly printed at the field office's convenience. Whenever typing is necessary, the bottom line may be left blank to overcome slipping.

(1) From time to time, as the field office determines it to be necessary, individual pages or the total report may

be

retyped to insure clarity and proper sequencing of new projects. This will permit the purging of obsolete information. It will also permit purging of those

projects

report

cancelled or rejected, as well as removal from the
of those projects where construction has been completed
since initial or prior preparation of the report or
particular page.

- (2) It is also discretionary with field offices to leave blank lines between sections of the act to facilitate additions and deletions.

4/74

Page 6-4

HUD-Wash., D. C.

4010.1

CHG

- (6-2) (3) When processing moves to a new phase the date of receipt of the 2013, the feasibility letter, conditional commitment, etc., should continue to be shown.
- d. Target Dates. Target dates will be indicated by placing the capital "T" before the date (e.g. T 6-26-73). This notation is standard for all entries including those for start and finish of construction. Regarding the latter, it will be necessary to report the percentage of actual construction progress in the upper portion of the "% Complete" block, with the target construction finish date in the lower portion. Also, as is the present practice, when targets that fall within the particular week covered by the report are hit during that week, regardless of the actual date, it is only necessary to circle the "T." Otherwise, the "T" should be circled and the actual date of target hit should be entered below the lined out original target date.
 - (1) Whenever a field office is unable to meet a target date, it will so indicate on the report by lining out the original target date, entering the revised target date and briefly explaining the reason for its action on the last page of the report or in the covering memorandum.
 - (2) Target dates for both HUD and the sponsor will be set and necessary follow-ups initiated by the Assistant Director of the Technical Services Branch in accordance with the guidelines in Figure 6-3.
 - e. Inactive Projects. It is no longer optional to independently classify projects as inactive or held in abeyance. In those situations where it is impossible to set a realistic target date, regardless of whether the reason is internal or

external

to the field office, the matter must be brought to the attention of the Assistant Regional Administrator for HPMC.

If
either
resolve
or

the Assistant Regional Administrator for HPMC is unable independently or with the assistance of Headquarters to the problem, the field office shall reject the project. All projects rejected in this manner as well as those cancelled or withdrawn by the sponsor will be reported by drawing a line through all entries and entering "Rejected," or "Cancelled," or "Withdrawn," as appropriate, followed by the date of the action. These projects may be removed on subsequent reports.

Page 6-5

4/74

HUD-Wash., D. C.

4010.1 CHG

- 6-3. ROUTING OF ALL APPLICATIONS IN AREA OFFICES. Insuring offices will continue to route applications as heretofore. In area offices all applications, FHA Form 2013, and exhibits will be logged in and referred to the Program Manager or Multifamily Housing Representative for performance of a completeness check and necessary interprogram coordination review for feasibility applications only. Further, it will be ascertained whether or not necessary contract authority or other funding is available. When it is ascertained that there is insufficient contract authority or other funding, the proposal will be placed in a queue and the sponsor notified in writing. Subsequent selections from the queue and notification of sponsors will be in accordance with program priority criteria. However, where the application is found to be incompatible with program policy and objectives or fails to meet site selection or program criteria, it will be rejected and returned to the sponsor by letter of explanation. Applications found acceptable in terms of completeness and program compatibility and for which contract authority or funds are available, will be assigned a project number, and routed through the Director, Operations Division for approval of recommended priorities to the Assistant Director, Technical Services Branch for scheduling and targeting of processing.
- a. Responsibility for the application log, project numbering and the FHA Form 2088 will reside with the Processing Control and Reports Unit within the Office of Director, Operations Division.

b. Necessary information on targets set, actions completed, and reasons for targets missed will be informally reported to the Unit by the Assistant Director, Technical Services Branch.

c. All incoming and outgoing correspondence and exhibits, as well as feasibility letters, conditional commitments and firm commitments will flow through this Unit for reporting and control purposes.

6-4. ACCOUNTABILITY FOR FEE PAYMENTS IN AREA OFFICES. Field offices will continue to account for fee payments as heretofore. At present a specific receiving clerk position is not provided for multifamily projects in Area Offices and typically the Single Family Mortgage Branch receiving clerk functions as both. Formal applications for either conditional or firm commitment are accompanied by a check in the amount of the fee. Safeguard and accountability for funds must be provided in all offices upon receipt in lieu of remaining attached to the case during acceptability review of the exhibits.

4/74

Page 6-6

HUD-Wash., D. C.

4010.1 CHG

6-5. USE OF FHA FORM 2088. The Form 2088 is designed and has operated as a very flexible and effective management tool. The form itself serves the dual purpose of being both a record and a report. To fix responsibility for its use and accountability for the timeliness and accuracy of data contained therein, the Form 2088 will be prepared, maintained and submitted by the Processing Control and Reports Unit within the Operations Division of an Area Office and the Chief Underwriter or Multifamily Coordinator in an Insuring Office.

a. By following these instructions and taking full advantage of the FHA Form 2088 as a management tool, those concerned can be kept informed in a timely manner regarding the following;

- (1) The number of projects or living units categorized by program which are in processing or under construction at prescribed intervals.
- (2) The status of each project and the date by which it should emerge from its current stage of processing.

- (3) The length of time a given project has been in a particular stage, or in processing, or under construction.
- (4) The degree to which the particular office's processing times vary from the national averages which appear at Figure 6-3.
- (5) A general indicator of processing effectiveness through counts and ratios that can be developed with respect to target hits and misses.
- (6) The facility for detecting weaknesses in office processing or sponsor performance in the pattern of reasons for missed targets.
- (7) Early warning indicator of lagging projects which enables more productive use of office resources and assistance funds.
- b. While all of the above assure better management of housing production with the field office, the Assistant Regional Administrators for HPMC, by using the copies of FHA Form 2088 furnished them to monitor processing activities, can derive additional benefits such as:

- (6-5) (1) Tighter scheduling and better response to targets by comparison of performance among the several field offices of a region,
- (2) Identification and recapture of stagnant allocations of contract authority and assistance funds in terms of slow movers or dead projects, and
- (3) Better planning and use of staff capacity for advising and training field office personnel through ready identification of processing elements requiring improvement and initiation of remedial actions.
- c. Reports received in central office will not undergo the close and constant examination and evaluation that is

- (2) Permissive zoning and codes or waiver of code restrictions.
- (3) Workable program or local government resolution as required.
- (4) Real estate tax abatement when it is obviously essential to feasibility.
- (5) Required certifications of need for nursing home or group medical practice facility.
- (6) Availability of funds required for subsidy or rent supplement features of the individual Section 221(d)(3), 221(h), 235(j), or 236 project.

4/74

Page 6-10

HUD-Wash., D. C.

4010.1 CHG

CHAPTER 2, FIGURE 6-3

GUIDELINES FOR ESTABLISHING TARGET DATES

Target dates for each proposal are established based upon the complexities involved, office workload, available manpower, and the sponsor's knowledge, experience, and extent of preparation. The following guidelines reflect the national averages of times spent in processing phases. Each field office is expected to so establish and maintain processing schedules that its average processing time for each phase bears a favorable relationship to the corresponding national average.

Elapsed Time Between Weeks	Calendar
The receipt of the Application (Form 2013) and the issue of a Feasibility Letter or a Rejection Notice.	4
The issue of a Feasibility Letter and the receipt of Application (Form 2013) for Conditional Commitment.	5
Receipt of Application (Form 2013) and issue of Conditional Commitment.	4

Issue of Feasibility Letter or Conditional Commitment and receipt of Application (Form 2013) for Firm Commitment.	8
Receipt of Application (Form 2013) and issue of Firm Commitment.	4
Issue of Firm Commitment and Initial Endorsement or Preliminary Construction Conference.	4
Initial Endorsement or Preliminary Construction Conference and Start of Construction.	2
Completion of Construction.	See Note
From cut-off date to receipt of Cost Certification	2
From receipt of Cost Certification to Approval	2

4010.1 CHG

CHAPTER 6, FIGURE 6-3

From Approval of Cost Certification to Final Endorsement	3
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NOTE: The target date for the completion of construction will be the same as the date which appears in Article 2 of the Lump Sum or Cost Plus Construction Contract. However, full advantage should be taken of the opportunity to achieve an earlier date through the use of the prevailing escrow policy and procedure.

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SECTION 2. FORMAT FOR REPORTING WORK PRODUCTS IN
FHA HOUSING PRODUCTION ACTIVITIES

- 6-6. PURPOSE. The purpose of this section is to provide a reports management control symbol and information on a format for reporting work products in FHA housing production activities. Field offices are to use the attached form (Figure 6-4) in reporting FHA workload activities. This report replaces workload information previously submitted on FHA Forms 2395C, "Time Distribution Summary," and 2395D, "Processing Performance Evaluation." The same definitions utilized in preparing these reports will be used to prepare the "Work Products in FHA Housing Production Activities" report.
- 6-7. REPORTING REQUIREMENT. This report is required effective July 1, 1972. The original report should be forwarded directly to the Director of the HPMC Budget Division, Room 6116, no later than the tenth working day of each month.
- 6-8. REPORTS MANAGEMENT SYMBOL. FHA Form No. 2399 is assigned Reports Management Symbol FF04-0007R.

4/74

HUD-Wash., D. C.

4010.1 CHG
CHAPTER 6, FIGURE 6-4

U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WORK PRODUCTS IN FHA HOUSING PRODUCTION ACTIVITIES

FHA FORM NO. 2399
0007R

FF04-

Office: _____

Month, Year

Block I - Home Mortgage Actions Only: (includes fee actions)

	Initial
Reconsiderations	
1. Valuation Section;	
New	_____

Existing	_____

Total	_____

2. Architectural Section	_____

3. Mortgage Credit Section	_____

Block II - Total Home Mortgage Inspections:

(Grand total of inspections made minus number completed by fee inspectors)

4. New: _____ Existing: _____ Total: _____

Block III - Project Mortgage Actions:

5. Net Feasibility Letters issued:..... Total: _____

6. Net Multifamily Projects Examined:
 (Commitments issued plus final rejects minus
 final reopened rejects)..... Total: _____

7. Total Projects Mortgage Units under Inspection
 at End of Month: (Excludes non-housing units
 such as Sections 207(m), 232, 242, etc.)..... Total: _____

Block IV - Field Review of Home Mortgage Appraisals and Construction Inspection:

(Number of Forms 1038 completed)

8. Valuation: _____ Architectural: _____ Total:

4/74

HUD-Wash., D.C.
Page 6-14

4010.1

CHG

SECTION 3. NOTIFICATION OF PLANNING BODIES OF PROPOSED
PROJECTS UNDER HUD HOUSING PROGRAMS PURSUANT
TO OFFICE OF MANAGEMENT AND BUDGET A-95
PLANNING INSTRUCTIONS

6-9. PURPOSE. The purpose of this section is to implement, with regard to HUD housing programs, the requirements of the Inter-governmental Cooperation Act of 1968 as set forth in

Reference

(2) of the Foreword.

6-10. BACKGROUND. Reference (2) of the Foreword establishes a project notification and review system. Special procedures have been provided within the system for major HUD housing programs.

a. The housing programs to which the procedure applies include:

(1) Subdivisions under all home mortgage insurance programs, except Section 809;

(2) Title X;

(3) Multifamily mortgage insurance programs, except Section 810;

(4) Mobile home Courts; and

(5) Low-rent public housing (conventional, turnkey, leased).

b. The nursing home, intermediate care facilities, group practice facilities, and hospital programs are also included.

c. The procedure applies only to new construction, and is not applicable to proposals for the refinancing, rehabilitation, or acquisition of a previously occupied property.

d. The Office of Management and Budget has designated specific State, regional, and metropolitan planning bodies, or clearinghouses to participate in the system.

4010.1 CHG

6-11. REQUIREMENTS. Upon receipt of each application or other document covered in Figure 6-5, the field office will send a copy to the State clearinghouse and also to the regional or metropolitan clearinghouse identified in the OMB Directory. (In the Denver Region the regional office will perform this function with regard to low-rent public housing.) Although it is not required that the applicant's exhibits be furnished to the clearinghouses, it is essential that the site location be positively identified. This requires additional information in the cases of subdivisions and Title X projects, for which copy of the location map is often the most convenient means of identifying the location; and public housing, for which a copy of the plat is often most convenient.

4010.1

CHG

CHAPTER 6, FIGURE 6-

5

This table lists the minimum sizes of projects and developments to which the clearance procedure applies and identifies the Form number of each application document which is to be forwarded to the clearinghouses on new construction cases only. The first threshold column applies to applications for loans, loan guarantees, mortgage insurance, or other housing assistance in cities having populations in excess of 50,000 and contiguous urbanized areas having a population density of more than 100 persons per square mile. The second threshold column specifies the clearance criteria applicable to all other geographic areas located outside cities of 50,000 and contiguous urbanized areas.

Form	Application Type	Type of Threshold 1/		
		Urban	Non-urban	
Subdivisions 2/ 2250		25 lots	10 lots	FHA-
Title X 3550		None	None	FHA-
Multifamily projects Mortgage insurance programs 2013		50 units	25 units	FHA-
Cooperative and Condominium 3201		50 units	25 units	FHA-
Mobile Home Courts 2013		50 spaces	25 spaces	FHA-
Nursing Homes and Intermediate Care 2013				FHA-
Facilities ICF)		50 beds	25 beds	(NH-
Hospitals 2013		50 beds	25 beds	FHA-
				HOSP.
Group Practice Facilities 2013		50 FTP 3/	25 FTP 3/	FHA-
				GP-1
Public housing programs Conventional projects 52651		50 units	25 units	HUD-
Turnkey projects 52651		50 units	25 units	HUD-
Leased new construction 52651		50 units	25 units	HUD-

1/ Refers to single sites.

2/ Planned unit developments are processed as subdivisions and may include proposals under multifamily as well as single-family programs.

3/ Full-time professionals employed per facility.

- 6-12. CLEARINGHOUSE REVIEW. The clearinghouses will have 30 calendar days in which to comment on the applications. Clearinghouse comments will generally include observations concerning the consistency of the proposed project with State or area-wide development plans. They will also generally include identification and comments on potential environmental impact pursuant to Section 102(2)(c) of the National Environmental Policy Act of 1969 and appropriate HUD issuances on the subject.
- 6-13. HUD PROCESSING. This paragraph should be read very carefully with regard to the timing and treatment of A-95 clearances. During the clearinghouse review, processing may proceed concurrently in the HUD field office. The field office will carefully consider the merits of any advisory comments received within the clearinghouse review period in making a determination as to the feasibility of the proposed project or development. The HUD office must exercise its best judgment in determining whether to accept or reject comments offered by the A-95 planning body. This consideration will include any appropriate consultation with applicants. Comments received after expiration of the clearinghouse review period but prior to the completion of processing shall also be considered.
- a. In order that the clearinghouses may have 30 days to review the applications and forward their comments, a reasonable allowance must be made for mail transmittal to and from the clearinghouses. Accordingly, the total time allowed for receipt of clearinghouse comments will normally be 34 days from the postmarked date on which a copy of the application is mailed by the HUD field office. If comments have not been received within the above time frame, the office shall proceed with processing without further delay.
 - b. When HUD processing is tentatively completed prior to expiration of the review period and comments have not been received, no further action shall be taken until either comments have been received and considered or the review period has expired. In such cases, it may be advisable to telephone the clearinghouses; they may be in a position to expedite the comments or to give a reliable indication that no comments are forthcoming, thus enabling the HUD field office to proceed with processing.
-
-

c. Upon completion of the processing stage in which the comments received from the clearinghouses are considered, a copy of the HUD feasibility letter or other letters of approval or disapproval concluding the processing stage will be forwarded to the clearinghouse within seven days. This information will keep the clearinghouses informed as to HUD decisions regarding the applications covered by the A-95 procedure. The information forwarded will be:

insurance practice

(1) For subdivision, Title X, multifamily mortgage projects, mobile home courts, nursing homes and intermediate care facilities, hospitals, and group facilities, a copy of the feasibility letter or Site Appraisal and Market Analysis (SAMA) letter.

(2) For public housing projects, the letter of notification of site approval or disapproval.

6-14. RELATIONS WITH CLEARINGHOUSES. The purpose of the notification and review procedure established by A-95 planning instructions is to improve the quality of the communities in which HUD housing projects and developments are located. This is a common goal of HUD and the State, regional, and metropolitan planning bodies. The possibility of achieving this objective will be greatly enhanced if the field offices establish effective working relationships with the clearinghouses with which they are collaborating. Close liaison should also simplify and facilitate the entire notification and review process.

NOTE: Sponsors may contact the clearinghouses prior to submitting the feasibility application, and some HUD field offices have found it worthwhile to advise sponsors to do this.

6-15. POINTS OF CONTACT IN HUD CENTRAL OFFICE. Any necessary information concerning the relation of these procedures to other features of field office processing may be requested from the Director, Underwriting Standards, Housing Production and Mortgage Credit

- Federal Housing Administration (HPMC-FHA). Information concerning the Department's general policies for relations with clearinghouses may be requested from the Office of Community and Environmental Standards in Community Planning and Development.

Page 6-19

4/74

HUD-Wash., D. C.

4010.1 CHG

SECTION 4. REIMBURSABLE AGREEMENTS

- 6-16. PURPOSE. This Section contains HPMC-FHA procedures to be followed in making reimbursable agreements and processing requests for reimbursable activities.
- 6-17. RESPONSIBILITY. All HPMC-FHA reimbursable agreements within the Department, as well as those with other Departments of the Government, will be made by the Director, Office of Administration, HPMC-FHA.
- a. The Director, Office of Administration, HPMC-FHA shall provide to the Director, General and Subsidiary Ledger Division, a copy of the written agreements which shall serve as the basis for billing for reimbursement.
 - b. The Director, Office of Administration, HPMC-FHA is also responsible for assuring necessary coordination and appropriate advice to all organizational elements affected.
- 6-18. PROCEDURE. Requests for reimbursable HPMC-FHA activities in the field offices will be processed as prescribed in Reference (1) of the Foreword. The field offices will obtain a reimbursable program code only after notification from the Director, Office of Field Support, to proceed with the activity. The acquisition of a program code does not, in any way, exclude the need for central office approval of a reimbursable agreement.
- a. All time expended in the performance of reimbursable activities must be reported as prescribed in Reference (3) of the

Foreword.

- b. In providing estimates, care must be taken to assure that clerical support and supervisory review hours are included, as well as appraisal time and travel.
- c. For purposes of providing estimates upon request for appraisal services, a standard hourly rate of \$10.50 to cover personal services has been established. This rate will be adjusted by future pay increases as necessary.