



# Section 232 Closing Process

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# ORCF CLOSINGS IN ACTION



Paintbrush  
Fresno, California



Anthem Lakes  
Jacksonville, Florida



Chestnut Ridge at Blowing Rock  
Blowing Rock, North Carolina



# Production Statistics FY17 as of 05/05/2017

	# Applications Received	Commitments Issued			Commitments Rejected	Closings		
		# Loans	Total Mortgage (\$ millions)	Total Units		# Loans	Total Mortgage (\$ millions)	Total Units
223(a)(7)	23	19	253	2,746	-	15	219	2,491
223(f)	222	147	1,617	17,113	1	134	1,362	14,721
NC/SR/241(a)	15	14	221	1,305	-	7	141	639
223(d) Op Loss	1	-	-	-	-	-	-	-
232(i) Fire Safety	1	1	1	71	-	-	-	-
<b>Total</b>	<b>262</b>	<b>181</b>	<b>2,092</b>	<b>21,235</b>	<b>1</b>	<b>156</b>	<b>1,722</b>	<b>17,851</b>

# Overview

## Who's involved in Closings? *Relationships are Key!!*

HUD TEAM	Lender Team
ORCF UW	Lender UW
HUD Counsel	Lender Counsel
HUD WLM	Lender Closing Liaison
Closer	Borrower/Borrower Counsel
Contract UW (GTM)	
Contract Closer (GTM)	

## Touch Time / Causes for Delay

## Transaction Documents – 60 Day PRA Notice published in Federal Register 5/19/17

## Policies & Resources Used in Closings

Closing Docs



Closing Table



## Partnership & Collaboration

- ✓ ORCF Closer contacts HUD Attorney.
- ✓ Inform OGC of issues & potential issues: waivers, lease, title & survey issues, unusual conditions. Come up with a game plan together.
- ✓ Keep all players in the loop.
- ✓ ORCF Closer & OGC share each other's review comments.
- ✓ Inform all parties when issues are resolved or remain outstanding.
- ✓ ORCF Closer & OGC collaborate on closing date.

# Touch Time

- ❑ Complete, clean, and accurate closing packages get reviewed and closed quicker
- ❑ All special conditions must be met and properly documented prior to closing
- ❑ Fast turnaround is KEY - Lender Counsel/Lender Closer-  
UW's responsiveness to HUD Closer & HUD Attorney
- ❑ Causes for delay
  - Title & Survey issues,
  - A/R Financing, Master Lease
  - Waivers that come in after Firm issuance
  - Incomplete or inaccurate documents
  - Environmental Issues

# Transaction Documents

## Documents that HUD Signs -

- HUD Firm Commitment, Special Conditions, and Amendments
- Regulatory Agreement – Borrower
- Regulatory Agreement – Operator
- Regulatory Agreement – Master Tenant  
(if applicable)
- Note – Endorsement Panel

# Policies & Resources Used in Closing

- Healthcare Mortgage Insurance Program Hand Book 4232.1 REV-1, Issued January 12, 2017 - (Chapter 9 - Closing, Chapter 10 – Construction, and Chapter 11 - Cost Certification)
- Hud.gov/ORCF Internet website  
[https://portal.hud.gov/hudportal/HUD?src=/federal\\_housing\\_administration/healthcare\\_facilities/residential\\_care](https://portal.hud.gov/hudportal/HUD?src=/federal_housing_administration/healthcare_facilities/residential_care)
- Email Blasts – “From the Closing Corner”
- Lean Thinking/FAQs
- Checklists and Punchlists

# Instructions for Lenders on the ORCF Closing Process

- Assignments – HUD Closers will be assigned when closing packages are complete and ready to be submitted to the HUD Attorney. When the legal closing package is sent to the assigned HUD Attorney, Lender email
- [ORCFCloser@hud.gov](mailto:ORCFCloser@hud.gov) and a HUD Closer will be assigned (September 26, 2013 Email Blast)
- ORCF Documents – Use of the ORCF OMB approved documents is required for all closings.

# Instructions for Lenders on the ORCF Closing Process

- Signing of Closing Documents – Due to the virtual environment embraced in the 232 LEAN program, it is critical that any and all communications regarding execution of closing documents go through ONLY the assigned Closers/GTM for Contract Closers to prevent delays in the closing process (September 26, 2013 Email Blast).
- Transaccess (§ 9.4.F) – When mailing the Transaccess CD/document (Email Update Feb. 2013), please notify the assigned Closer by email and copy [Transaccess@hud.gov](mailto:Transaccess@hud.gov), indicating it has been sent (May 7, 2014 Email Blast)

# ORCF CLOSING TEAM

The ORCF Team is involved in several areas in addition to facilitating 232 Closings:

- Non-Critical Repair Escrow (NCRE)
- IREMS
- DAP
- 290
- Contract Closing
- Processing Firm Extensions
- Title Survey Review
- Lender Liaison for Closing

# THE ORCF CLOSING TEAM



Jason Roth, WLM  
Closing Team



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Kelley Mason



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