
Multifamily Accelerated Processing (MAP) Guide

- I. This Transmits Chapter 9 (Environmental Review) of the MAP Guide. The revision supersedes the existing Chapter 9 in its entirety. Environmental inspections dated on or after December 1, 2009, must follow these requirements of the revised chapter 9 and, prior to that date, may be voluntarily implemented.
- II. Significant changes and clarifications include:
 1. Environmental Report and Checklist. It is HUD and not the Lender that is responsible for the preparation of the Sample Field Notes Checklist and the Environmental Report, Form HUD-4128
 2. Reliance on ASTM Guides. The revised Chapter 9 lists the American Society of Testing Materials (ASTM) Practices and Guides that must be followed by the developer's environmental professional. An environmental contractor will have the ASTM documents, but the Hubs and Program Centers are not expected to purchase these Practices and Guides.
 3. Vapor Analysis. The steps described for remediation of hazards include the Phase I ESA and Phase II ESA, as does the previous version of the chapter, but the revised chapter includes a new test that has been developed since the MAP Guide was revised in 2002.
 4. Remediation Plans for Site Contamination. For most of the projects, the developer will bring any site contamination to minimum levels prior to Firm Commitment. The chapter also describes a Risk-Based Corrective Action (RBCA) which is designed for removal of contamination after firm commitment but before Initial Endorsement. A RBCA usually requires engineering controls, monitoring wells, and institutional controls. The Lender in a RBCA may be required to establish an escrow account to cover the cost of maintaining the remediation. Tenants must be notified that the process of remediating existing contamination is underway.

5. **Monitoring Wells.** The chapter being replaced states that properties with testing, flushing, or monitoring wells in operation may be evidence of site contamination, and are prohibited for FHA mortgage insurance. Field offices have been advised that they can waive that prohibition for good reason. The policy's change reflects the fact that the presence of a testing or monitoring well on the property no longer bars the property from consideration for mortgage insurance.
6. **Capping.** The chapter being replaced states that HUD will not accept property for mortgage insurance where a site contamination problem has been capped or paved over. The revised Chapter allows the use of engineering controls such as concrete or slurry walls, for risk-based corrective actions (RBCA).
7. **Costs of Remediation.** In unusual circumstances, the cost of remediation may be included in the mortgage. The RBCA must be completed, and the site must be tested and approved by the governmental authority (usually the State) prior to Initial Endorsement. The basic practice has been and continues to be that environmental site assessment and remediation should be completed before Initial Endorsement and the costs cannot be part of the mortgage costs. If, however, the remediation cost can be determined and agreed upon, and the costs are reasonable for the extent of work and do not subject the Department to unexpected risk, such costs may be mortgageable. For example, HUD may allow all or some of the removal of an underground storage tank as an eligible cost to be included in the construction costs, subject to the review by the Hub or Program Center.
8. **Additional Guidance.** Added guidance that details and outlines field personnel responsibilities in reviewing cases requiring remediation has been added.

1. Filing Instructions:

Remove Old

Dated: 03/15/2002

Chapter 9, Environmental Review

Insert New

Dated: 09/18/2009

Chapter 9, Environmental Review

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