



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

OFFICE OF HOUSING

September 26, 2012

To: FHA MAP Lenders

Re: Application to Participate in HUD's Tax Credit Pilot Program

The FHA Low Income Housing Tax Credit Pilot Program (the "Pilot Program"), launched through publication of Mortgagee Letter 2012-1 and Notice H 2012-1 on February 3, 2012, requires HUD to pre-qualify MAP lenders for participation in the Pilot Program. Twenty MAP lenders were selected in April of this year. In conjunction with a geographic expansion of the Pilot announced on September 20th, 2012, additional MAP lenders are now invited to request qualification by HUD to participate in the Pilot Program. Lenders already approved to participate in the Pilot Program need not reapply. Lenders who applied in the earlier solicitation but were not approved may either : 1) notify HUD in writing that they wish to rely on their earlier application, or 2) submit a complete new application. In these cases HUD must receive the lender's complete new application or a written request for HUD to rely on the previous application, on or before the deadline below.

All applications or requests to rely on a previous application must be received by HUD within 30 days of the date of this letter. Once approved, lenders are eligible to submit Pilot Program applications for mortgage insurance to any Hub Office. However only certain offices have been selected as Pilot Processing Hubs¹, and applications for projects in other Hub jurisdictions will be assigned to one of the Pilot Processing Hubs for review.²

HUD will deliver its lender selection decisions no more than 30 days after the submission deadline. Successful applicants will be able to submit project applications immediately upon notification of their acceptance into the Program, and may also request transfer of already submitted MAP LIHTC projects from standard MAP processing to the Pilot pipeline for a period of 45 days from the date of their acceptance. Certain conditions apply to such transfers, as described in Part III of Notice HUD 2012-1.

To apply, lenders must submit an expression of interest and statement of qualifications within 30 days of the date of this letter to HUD's HQ Office of Multifamily Development. HUD will then assess and compare lenders with respect to their relevant lending and Tax Credit experience, as well as staff qualifications and procedures, based on the materials provided. Prior lending activity through one or more of the Pilot Processing Hubs is a consideration in the selection process. HUD will then select additional lenders determined to be most qualified to participate in the Pilot.

¹ These include Atlanta, Boston, Chicago, Denver, Detroit, Fort Worth, Los Angeles, San Francisco, and Seattle.

² Lenders should contact Lynn Wehrli (202 402-5210) or Sean Gallagher (206 220-5208) to determine which Pilot Processing Hub will underwrite projects that are not located in a Processing Hub's jurisdiction.

The submission must be sent in electronic format, and it must include the following:

1. Brief narrative description³ of experience in the underwriting and processing of FHA MAP loans for LIHTC and/or tax exempt bond transactions during Fiscal Years 2009, 2010, 2011 and 2012. Please provide a chart as well, including the project names, locations by city and state, loan amounts and closing dates of these transactions, the agency and program name of any other GSE or other state or federal loan program used, if any, and the current status and performance of each of the insured loans.
2. Brief narrative description of experience underwriting loans to projects receiving Section 8 project-based rental assistance, including the number of such loans closed during Fiscal Years 2009, 2010, 2011 and 2012.
3. Brief narrative description of experience underwriting Section 223(f) loans that required a waiver of the 3-Year Rule, including the number of such loans closed during Fiscal Years 2009, 2010, 2011 and 2012.
4. A staffing plan including identification and resumes of key staff that would manage and underwrite the projects proposed for the Pilot, and a list of LIHTC loans these staff have managed and/or underwritten.
5. Excerpts of written procedures evidencing applicable business practices, and narrative supporting any unique features of your firm's a) oversight of repair escrows and b) management of multiple sources of funds for a single transaction.
6. Anticipated volume of Pilot projects, and a list of eligible Tax Credit Pilot projects that will be ready for submission to HUD from October 1st, 2012 through March 31st, 2013. (Note: This may include projects already in the MAP pipeline which, if eligible, may be transferred to the Pilot within the first 45 days following lender selection.)

In addition, lenders must be deemed to be in good standing, and in compliance with all FHA and MAP program requirements, with no unresolved findings as a result of HUD or other governmental audit, investigation, or review. If HUD determines that a lender is not in good standing, whether as a result of lawsuits, cause determinations or letters of findings relating to discrimination and equal opportunity that have been issued or filed against the lender, or otherwise, and if these matters have not been resolved to HUD's satisfaction by the time the application for participation is submitted, the lender may be ineligible to participate in the Pilot Program.

³ This and all other narrative descriptions must not exceed one page in length.

Lenders approved to participate in the Pilot program will be announced within 60 days of the date of this letter. Applications should be addressed to Lynn.Wehrli@HUD.gov. As noted above, only electronic applications are required, but if applicants wish to send paper copies as well, they may be mailed to the following address:

Lynn Wehrli
HUD Headquarters Office of Multifamily Development
U.S. Department of Housing and Urban Development
451 7th Street SW, Room 6222
Washington, DC 20410

ATTN: Tax Credit Pilot Program Lender Application

Questions may also be addressed to Lynn Wehrli, at Lynn.Wehrli@hud.gov or (202) 402-5210.
Thank you for your interest in the Tax Credit Pilot Program.

Sincerely,

Marie D. Head
Deputy Assistant Secretary for Multifamily Housing