

# HUD Multifamily Housing News

"A National Perspective"



## Message from Deputy Assistant Secretary Ben Metcalf



First, I would like to let you know that you can now subscribe to *HUD Multifamily Housing News* directly from the HUD Mailing Lists page of the HUD website, at <http://portal.hud.gov/hudportal/HUD?src=/subscribe/maillinglist>, in the section called "Homes."

You may have noticed that as part of our Multifamily for Tomorrow transformation we have been working on improving our communications. So I want to make sure that you are aware of two other publications that may help you keep up to date on the latest from the Office of Multifamily Housing. The newest is *OAMPO Focus*, a quarterly publication of our Office of Asset Management and Portfolio Oversight. *OAMPO Focus* offers staff and stakeholders information that was previously provided in a number of Asset Management newsletters. *OAMPO Focus* provides policy clarifications, frequently asked questions, case studies, and contributions from staff and guest industry partners.

You can find the latest issue of *OAMPO Focus* on our Multifamily website under "What's New" at [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/housing/mfh](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh). In addition, our Office of Recapitalization offers the monthly *RAD Newsletter*, which you can find on our RAD website in the "What's New" section at <http://portal.hud.gov/hudportal/HUD?src=/RAD>.

In late February, we debuted the Multifamily Policy Drafting Table, a web-based tool where we can post drafts of upcoming proposed policies and receive feedback. After Multifamily offices have digested feedback and cleared policies internally, Multifamily will post the final policy content on HUDClips. You can now find the Multifamily Accelerated Processing (MAP) Draft Guide posted, with feedback due by April 30, 2015. Multifamily Policy Drafting Table can be viewed at [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/housing/mfh/MFH\\_policy\\_drafts](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/MFH_policy_drafts).

Of course, improving the way we do business is at the heart of the *MFT*. We recently kicked off the transformation of the Midwest Region with an open house in Chicago. I can report that energy in the Regional Center (Chicago) and 2 Satellite Offices (Detroit and Minneapolis) is high as both new staff and veterans undergo six weeks of training under the new operational model. Thanks so much to Midwest Region Director Dan Burke and his team for all their hard work.

To close out on an equally positive note, on March 2 I watched proudly as Secretary Castro announced the second round of the 811 Project Rental Assistance (PRA) awards of \$150,369,989 to 25 State Housing Agencies. In turn, the state agencies will provide permanent affordable rental housing and needed supportive services to more than 4,500 households returning from institutions to independent living. Any funding awards cycle represents a team effort – and Danielle Garcia, now chief of OAMPO's Subsidy Oversight Branch, deserves a special recognition for her hard work. Thank you Danielle!

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# Policy Updates

## **Memo - Affordable Housing Clarifications (February 2, 2015)**

This Memo from the DAS summarizes recent operational changes and clarifications of existing policy to accommodate affordable deal flow and make it easier to finance affordable and LIHTC units. These adjustments will be reflected in the forthcoming revised MAP Guide.

The Memo can be found at: [http://portal.hud.gov/hudportal/documents/huddoc?id=Afford\\_hsg\\_Clarifications.pdf](http://portal.hud.gov/hudportal/documents/huddoc?id=Afford_hsg_Clarifications.pdf)

## **FR-5779-N-01 Standardizing Method of Payment for FHA Insurance Claims (February 20, 2015)**

This proposed rule is a cost-savings measure to update HUD's regulations regarding the payment of FHA insurance claims in debentures. Section 520(a) of the National Housing Act affords the Secretary discretion to pay insurance claims in cash or debentures; however, HUD has not paid an FHA insurance claim using debentures in approximately 10 years and there are no current debentures being serviced by Treasury for HUD. This regulation change will save HUD money by eliminating the need to maintain an interagency agreement with Treasury for issuing and servicing debentures, saving HUD over \$206,000 per year.

The Federal Register Notice can be found at: <https://federalregister.gov/a/2015-03457>

## **Memo - Delegations of Authority Related to Multifamily Transformation in Midwest Region (February 24, 2015)**

The Multifamily Transformation resulted in changes to the organizational structure of the Chicago Regional Center, which are not reflected in the 2012 Delegations of Authority posted in the Federal Register on June 20, 2012. This Memo from the DAS is intended to re-delegate to Chicago's Regional Center Director and directors of Production and Asset Management, and to the Detroit and Minneapolis Satellite Office Coordinators, the authority these officers need to conduct business.

## **Revised Multifamily Accelerated Processing (MAP) Guide**

On February 27, the draft Multifamily Accelerated Processing (MAP) Guide was posted to the Policy Drafting Table on Multifamily website and will remain available for

public feedback for 60 days. The final MAP Guide will be posted on the Multifamily Housing website on or around July 15, 2015. The MAP Guide is the primary source of guidance for Multifamily loan applications, loan underwriting, construction monitoring, and loan servicing, and is published approximately every three years. The revised MAP Guide will include technical corrections and edits, integrate previously published policy, incorporate operational changes, and introduces proposed policy improvements.

Link to Drafting Table:

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/housing/mfh/MFH\\_policy\\_drafts/MAP\\_DRAFT\\_GUIDE](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/MFH_policy_drafts/MAP_DRAFT_GUIDE)

## **FR-5822-N-01 and Housing Notice on Required Actions for Multifamily Housing Projects Receiving Failing Scores from HUD's Real Estate Assessment Center (March 2, 2015)**

The 2015 Appropriations Act makes some important changes to the Department's current protocol for treating multifamily projects that receive physical inspection scores of 59 or below from HUD's Real Estate Assessment Center (REAC). This Notice provides guidance to ensure compliance with the relevant sections of the Act and will help to ensure that appropriate steps are taken when a multifamily housing property does not meet the REAC physical inspection standard for being decent, safe, sanitary and in good repair.

The Federal Register Notice can be found at: <https://federalregister.gov/a/2015-04261>. The Housing Notice can be found at: <http://portal.hud.gov/hudportal/documents/huddoc?id=15-02hsgn.pdf>.

## **Memo - Renewal of Expiring Project Assistance Contracts (PACs) Under the Section 202 Program of Supportive Housing for the Elderly and for Persons with Disabilities for Fiscal Year (FY) 2015 (March 18, 2015)**

This Memo provides instructions for renewing expiring PACs for Section 202 for all of FY 2015.

The Memo can be found at: [http://portal.hud.gov/hudportal/documents/huddoc?id=Renewal\\_of\\_Expiring\\_PACs.pdf](http://portal.hud.gov/hudportal/documents/huddoc?id=Renewal_of_Expiring_PACs.pdf)

## Policy Updates, Cont'd

### FR-5779-N-01 HUD Approval of Requests for Transfers of Multifamily Housing Project-Based Rental Assistance, HUD-Held or Insured Debt, and Income-Based use Restrictions (March 31, 2015)

This notice establishes the terms and conditions by which HUD will approve a request for the transfer of project-based rental assistance, debt held or insured by the Secretary, and statutorily required income-based use restrictions from one multifamily housing project to another (or between several such projects). Section 214 allows for transfers on properties with both an assistance contract and a use agreement. A companion Housing Notice will be published at a later date.

The Federal Register Notice can be found at: <https://federalregister.gov/a/2015-06776>.

## Publications of Interest

### HUD Publishes Glossary of Multifamily Affordable Housing Preservation Terms

On March 3, 2015, HUD's Multifamily Office of Recapitalization published a glossary of terms commonly used to describe multifamily assisted properties and affordable housing preservation transactions. This document is part of a series of resources that HUD is developing for Multifamily property owners describing the various options that are available to preserve and recapitalize their affordable properties.

- Link to Glossary: <https://www.hudexchange.info/resources/documents/Glossary-of-Multifamily-Affordable-Housing-Preservation-Terms.pdf>

## Senior Staff Profile: Carolyn Cockrell Director, Program Systems Management Office

Carolyn began her service in the Office of Multifamily Housing Programs in 2005. During that period, she has led enterprise-wide information technology initiatives to enable the successful achievement of the mission, objectives and goals of multifamily housing programs.

Prior to joining Multifamily Housing, Carolyn served in several senior-level positions, in the Office of the Assistant Secretary for Administration and the Office of the Chief Information Officer. She has led the development, modernization and deployment for numerous IT systems during her 28 years with the Department. In fiscal year 2012, Carolyn accepted the dual role of leading the FHA IT Transformation Initiative.

Prior to accepting the call to public service, Ms. Cockrell was an information technology specialist at Corning Incorporated, Corning, New York. Early in

her career, Ms. Cockrell held academic positions at Cornell University, The Pennsylvania State University, and Sinclair Community College in Dayton, Ohio.

Ms. Cockrell earned a Master of Science degree from the University of Illinois, Champaign-Urbana, IL. and a Bachelor of Arts degree from Grambling State University, Grambling, LA.

Carolyn and her team are working with Field and Headquarters staff to implement new business solutions and processes that will increase staff capacity and efficiency. When she is not working on Multifamily systems Carolyn enjoys planting flowering shrubs and bushes.



# Multifamily for Tomorrow Update

## Multifamily Introduces the New Midwest Region in Chicago, Minneapolis, and Detroit

Earlier this month, the Office of Multifamily Housing Programs and the Office of Field Policy and Management co-hosted an official kick-off event in the Chicago, Minneapolis, and Detroit offices to introduce the new Multifamily Midwest Region.

Hundreds of stakeholders from around the Midwest Region attended the event to hear from Senior Multifamily leaders and to meet the new Midwest Multifamily leadership team. The event also provided an opportunity for stakeholders to engage regional leaders and representatives with questions about the new Multifamily structure and business model. The model includes the following components:

**Workload Sharing** to evenly distribute the Multifamily workload across the country, **the Underwriter Model** in Production which segments applications by risk and assigns them to a single, specialized underwriter based on complexity, and the **Account Executive Model** in Asset Management which segments assets by risk and complexity and assigns them to a single, specialized point of contact.

These improvements will allow Multifamily to provide better customer service, operate more efficiently and consistently, and improve risk management.

The Midwest Region is the second of the five new Multifamily regions to implement the new HUD Multifamily business model. In November 2014, Multifamily introduced its new Southwest Region, which has its Regional Center in Fort Worth and a Satellite office in Kansas City.



Caption: Stakeholders await presentations by Multifamily leadership at kickoff event in Chicago

Multifamily expects to introduce its new Southeast Region soon. Leadership and front-line job opportunities for the Southeast Region are currently being posted on USAJOBS.GOV; the formal kick-off and start of front-line training are both scheduled for July 2015.

For those unable to attend the event in person, please go to <http://youtu.be/jktZK3KJZd8> for a message from Deputy Assistant Secretary Ben Metcalf, on the introduction of the new Multifamily Midwest Region. In addition, a video with employee perspectives from the Southwest region can be found at: <https://youtu.be/dUxXAWOsugw>.

For more information about the *Multifamily for Tomorrow* transformation, please visit the MFT website at [http://portal.hud.gov/hudportal/HUD?src=/transforming\\_hud/multifamily\\_transformation](http://portal.hud.gov/hudportal/HUD?src=/transforming_hud/multifamily_transformation). For questions, please contact [mft@hud.gov](mailto:mft@hud.gov).

