



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

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MEMORANDUM FOR: All Multifamily Hub Directors  
All Multifamily Program Center Directors  
All Multifamily Operations Officers

FROM:   
Janet M. Golrick, Acting Deputy Assistant Secretary for  
Multifamily Housing Programs, HT

SUBJECT: Multifamily Development Application Pipeline Management

As you are aware, FHA's multifamily mortgage insurance programs have experienced unprecedented demand over the past year. The purpose of this memorandum is to implement a standardized queue process for all Multifamily mortgage insurance applications in our pipeline to provide enhanced transparency to our customers and to facilitate improved communication with lenders regarding anticipated processing timeframes.

We are currently working on a Housing Notice for this process, but there is a need to implement these procedures as soon as possible. Therefore, in the interim, effective no later than ten business days from the date of this memorandum, each Multifamily Hub Director must ensure that Program Centers within their jurisdiction have implemented the following procedures for management of new applications, and to the extent possible, for applications in the existing pipeline.

GENERAL GUIDELINES:

1. At least bi-weekly, all Hub or Program Centers must send a log containing the information contained in Attachment 1 (Queue Log) to all lenders with applications pending, with a copy to staff designated by the Multifamily Hub Director. The Multifamily Hub will post the logs on their publicly available website. This log should replace any existing pipeline or queue information currently provided to lenders or displayed on your local websites.
2. Applications should be recorded on the Queue Log based upon the date placed in processing as defined in the Queue Processing Actions section below.
3. Applications will be processed on a "first in, first out" (FIFO) basis. The Multifamily Hub Director may make exceptions to FIFO processing to accommodate transaction timing needs of applications using Low-Income Housing Tax Credits or other substantial amounts of supplemental public funds.

4. Applications should not be moved up or down in the queue based on individual requests from lenders with applications that do not have transactional timing needs described in item 3 above.

#### QUEUE LOG PROCESSING ACTIONS:

The following actions must be taken on all applications:

##### Application Intake (0-7 business days)

Upon receipt of an application, the office will screen for completeness within one day. If the application is incomplete, it will be returned to the lender immediately. If the application is complete, FHA will accept the fee, enter the application into DAP, assign the application an FHA number, assign the application into the Queue Log and initiate the Early Warning System assessment (EWS). Sample EWS templates are found in Attachment 2.

It is important to note that these EWS templates are examples and that each Program Center will develop their own EWS based upon market characteristics and risk factors within their jurisdictions.

If the application is acceptable based upon the EWS screening, the supervisor will assign it to a team for processing. If the EWS screening identifies a programmatic violation or underwriting flaw that would cause the application to be rejected, the lender must be notified and provided a timeline to remedy the deficiencies no longer than seven days from the notification. If the lender fails to meet the timeline or the identified deficiencies are not resolved, the application will be rejected.

##### Application Processing

Program Centers process the application, update the Queue Log to reflect processing status, and provide the lender with bi-weekly status updates on the application.

The Queue Log provides lenders with the status and estimated processing completion date for their applications. In communicating with lenders, Program Centers should avoid providing specifics about which technical discipline is currently processing the application.

Applications should be assigned to the production team for technical processing and review only when the team has capacity. Program Centers may exercise discretion with regard to the capacity of their teams, but generally production teams should work on no more than five applications at a time.

TRANSITION TO QUEUE LOG:

During the transition process in implementing these procedures, applications already received where technical processing has not yet commenced, must receive an EWS review immediately.

If you have any questions, please contact Daniel Sullivan, Acting Director, Office of Housing Development at 202-402-6130.

Attachments: 1. Queue template  
2. EWS templates

**Queue Template**

Queue Number	Received Date	FHA #	Status	Estimate Completion Date

**Queue Number**

Place in the queue of applications.

**Received Date**

Date on which the application was placed in queue (determined to be complete, fee accepted, entered in DAP).

**FHA #**

Identification number assigned by FHA after fee has been processed.

**Status**

Current status of the application submitted. Options include:

- Application received and EWS assessment initiated.
- In technical processing/staff review
- Awaiting hub loan committee review
- Awaiting national loan committee review
- Waiting for lender response to deficiencies
- Pre-application invitation letter issued
- Firm commitment issued
- Preliminary Reject Issued
- Other

**Estimated Completion Date**

Projected date that a decision will be issued. This date will be updated every two weeks.



# New Construction or Substantial Rehabilitation

Project name: Lender name: FHA#: Project address: Primary market: Proposed mortgage: Total units:	For ordinary processing Initial review by: _____ Due on: _____ Review for these issues: _____ _____ _____ _____
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Check all characteristics that apply to this project:

<input type="checkbox"/> Section 8	<input type="checkbox"/> Transit-Oriented
<input type="checkbox"/> Tax Credit	<input type="checkbox"/> Benefits from Abatements/Grants
<input type="checkbox"/> Urban Renewal	<input type="checkbox"/> Located in Locally-Designated Investment Zone

<input type="checkbox"/>	<input type="checkbox"/> Green Build / Energy Conserv.	<input type="checkbox"/> Other (Identify)
<input type="checkbox"/>	<input type="checkbox"/> Other (Identify)	<input type="checkbox"/> Other (Identify)
<input type="checkbox"/>	<input type="checkbox"/> Other (Identify)	<input type="checkbox"/> Other (Identify)

Category	Criteria	High risk	Medium risk	Low risk	Value for this project	Assessment		
						H	M	L
Mortgage Credit	1. Debt Service Coverage Ratio	< 1.2	1.2 - 1.3	> 1.3				
	2. Sponsor's cash contribution (\$ amount of borrower cash divided by mortgageable development cost)	< 0%	0% - 5%	> 5%				
	3. Commercial income divided by total income	> 10%	5% - 10%	< 5%				
	4. Ancillary income divided by total income	> 10%	5% - 10%	< 5%				
Valuation	5. Projected occupancy % minus market occupancy %	2% above market	Within 2% of market	2% below market				
	6. Correlated rents divided by average comparables	Floorplan						
		Studio	10% above avg	Within 10% of avg	10% below avg			
		1 BR	10% above avg	Within 10% of avg	10% below avg			
	2 BR	10% above avg	Within 10% of avg	10% below avg				
7. Average expenses per unit divided by average comparables	Average:	10% below avg	Within 10% of avg	10% above avg				
Other	8. Specialized demographics (i.e., seniors, military, students)	> 35%	15% - 35%	< 15%				
	9. Successful similar projects by sponsor(s)	0	1 - 5	> 5				
	10. Successful similar projects by lender	0	1 - 5	> 5				
	11. Successful similar projects by management	0	1 - 5	> 5				
	12. Successful similar projects by contractor	0	1 - 5	> 5				
	13. Successful similar projects by architect	0	1 - 5	> 5				
	14. Environmental concerns	Requires mitigation	Additional info. required	NC Concerns				