



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

OFFICE OF HOUSING

February 21, 2012

MEMORANDUM FOR: FHA MAP Lenders

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

The department recently announced implementation of the Tax Credit Pilot Program in Mortgagee Letter 2012-1. MAP lenders who wish to participate in the first phase of the Pilot must be pre-qualified by HUD. To apply, you must submit to HUD's HQ Office of Development your expression of interest and qualifications within 30 days of the date of this letter. Once we receive the applications, we will 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. We will then select a limited number of lenders we determine to be most qualified to participate in the first phase of the Pilot. Additional lenders will be selected later as the Pilot is expanded to other Hub offices.

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

1. Brief narrative description¹ of experience in the underwriting and processing of FHA MAP loans for LIHTC and/or tax exempt bond transactions during Fiscal Years 2009, 2010 and 2011. 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. ⁴
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, and 2011.
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, and 2011.
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.

¹ This and all other narrative descriptions are not to exceed one page in length.

6. Anticipated volume of Pilot projects and a list of eligible Tax Credit Pilot projects within the four Pilot Hub areas that will be ready for submission to HUD from May, 2012 through calendar year end. (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 in good standing with all FHA and MAP program requirements, with no unresolved audit findings, warnings or investigations. If HUD finds that a lender is not in good standing 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, and if that lender has not resolved these matters to HUD's satisfaction by the time the application for participation is submitted, the lender may be ineligible to participate in the Pilot Program.

Lenders approved to participate in the first phase of 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, electronic applications are required, but if applicants wish to send paper copies as well, they may be mailed to:

Lynn Wehrli
HUD Headquarters Office of Multifamily Development
U.S. Department of Housing and Urban Development
451 7th Street SW, Room 6148
Washington, DC 20410
ATTN: Tax Credit Pilot Program Lender Application

Questions may 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 Head
Deputy Assistant Secretary
for Multifamily Housing Programs