

New Construction Firm Commitment Stage II

Multifamily Accelerated Processing

*Architecture & Engineering



Reviews: A&E report, exhibits, deliverables and A&E part of HUD Form 92264.
Examines: adherence to codes & standards, handicapped accessibility in detail and design.

Recommends: on A&E review.

*Cost



Reviews: lender's cost package mortgagor's cost package.
Compares: cost breakdown and detailed estimates with HUD data.

Examines: identity of interest relationships and property insurance schedule.
Recommends: on cost.

*Valuation



Reviews: lender's appraisal for errors, appropriateness and reasonableness.
Highlights: changes from pre-application.

Recommends: approves HUD Form 92264, rents, estimated income and expenses and replacement cost.

*Mortgage Credit



Reviews: lender's credit report, acceptability of sponsor, mortgagor, key principals and contractor.
Performs: HUD Form 2530 clearance process.
Determines: maximum

insurable mortgage amount and total financial requirements for settlement.

Verify: sources of funds to meet cash requirements.

Recommends: on key players, financing and credit.

*Environmental Assessment



Makes: environmental assessment.

Determines: no federally prohibited environmental factors.

Completes: HUD Form 4128.

Recommends: on environmental factors.

HUD

Architecture & Engineering



Reviews: A&E exhibits and narratives.

Inspects: property with owner's representative, architects and fire marshal.

Determines: project conditions, repairs,

placements and project reasonableness.
Completes: HUD Form 92264 and project report.

Reports: A&E review results.

Project Cost



Reviews: mortgagor's repair estimates and project A&E report.

Prepares: detailed repair cost estimate, HUD Form

264, property insurance schedule and placement reserve.

Reports: on cost.

Valuation



Prepares: complete appraisal, HUD Form 92264, market rent comparable analysis, expense comparable

analysis, replacement cost and replacement reserve estimate.

Inspects: property, project eligibility, need for repairs, occupancy/rent and operating financial data.

Reports: on reasonableness of rents, income and expenses, replacement reserve and total replacement cost.

*Mortgage Credit



Analyzes: financing, credit, capability and financial stability of borrower.

Prepares: credit report and underwriting report.

Determines: financial acceptability of sponsor,

mortgagor, key principals, maximum mortgage amount and other loan terms.

Reports: on loan risk.

*Environmental Information



Reviews: Phase I Environmental Site Assessment (ESA)

Provides: information for field notes checklist.

Reports: on environmental issues.

Lender

Team Leader Underwriting Review



Reviews: deliverable acceptability and completeness, reviewers reports, underwriting summary, review quality, transaction and conclusions.

Reports: on review results, any changes to application, proposed waivers of underwriting requirements, adequacy of initial operating deficit, environmental conditions and other concerns, if any.

Firm Commitment Decision



Director reviews: reports and recommendations.

Issues: firm commitment.

Underwriting



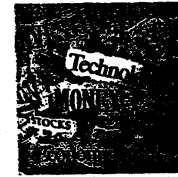
Determines if: loan processing meets HUD requirements, is sound, acceptable risk and any non-critical repairs after closing.

Certifies: all forms/reports were

reviewed, complete, accurate, meet standards, preparer is qualified and insured and loan is acceptable HUD risk.

Reports: on risk, underwriting narrative analysis and exhibits.

Firm Commitment Recommendation



Assembles forms & reports including: A&E project report, cost report, valuation, mortgage credit underwriting report, HUD Form 92013,

HUD Form 92264 and environmental report.

Recommends: on project.
Submits to HUD.

*These tasks are performed concurrently.

*These tasks are performed concurrently.