



**Multifamily
Accelerated Processing**

Secretary Andrew Cuomo

Overview

Multifamily Accelerated Processing (MAP) is a new way for approved lenders to apply for Federal Housing Administration (FHA) multifamily mortgage insurance. MAP will replace existing "fastrack" procedures with a single national process for all multifamily offices of the U.S. Department of Housing and Urban Development (HUD).

This brochure provides a summary of the MAP process, and shows graphically the process flow and requirements both for lenders and HUD staff. A detailed explanation of the procedures is contained in the MAP Guide, which is available on the worldwide web at www.hud.gov/fha/mfh/map/mapguide.html

What is FHA Multifamily Mortgage Insurance?

FHA insures mortgages for new construction, substantial rehabilitation, purchase, or refinance of apartment buildings and health care facilities. The insurance covers the lender if a borrower defaults on the insured loan. Insured mortgages have a fixed interest rate and are self-amortizing.

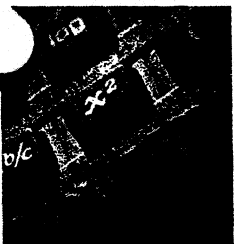
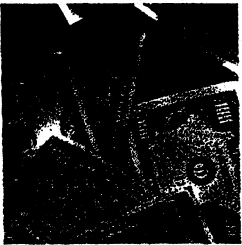
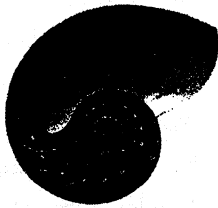
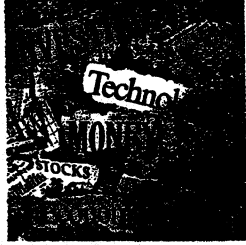
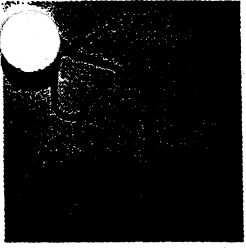
HUD Programs to which MAP Applies.

- * Multifamily housing under Sections 221(d)(3) and 221(d)(4) and Section 220 programs for the new construction or substantial rehabilitation of multifamily housing,
- * Section 232 programs for health care facilities, and
- * Section 223(f) programs for purchase or refinancing of existing multifamily housing or health care facilities.

How does MAP Work?

This brochure shows how the steps of the MAP process flow work, what work needs to be done at each stage and by whom. For new construction and substantial rehabilitation, there are two phases. If HUD approves the pre-application, the lender is invited to the second phase. For purchase or refinancing, there is only one phase.

- * At the pre-application stage for new construction or substantial rehabilitation, the lender gives HUD a written description of the proposed project, preliminary sketch plans Phase I environmental assessment,



a market study, an estimate of income with supporting comparable rents, and an estimate of expenses. The Lender's reviewers (architectural, project cost, and valuation) evaluate the information provided to them by the borrower and from the environmental site assessment. Then the Lender's underwriter submits the information to HUD.

* HUD experts in architecture, cost, and valuation review the lender's exhibits and conduct a site visit. In the case of a health care facility, HUD reviews the experience of the proposed management. Based on these reviews, HUD will either invite the lender to apply for a Firm Commitment for mortgage insurance, or decline to consider the application further.

* Applications for a firm commitment include the contract drawings and specifications, the appraisal, the cost breakdown, credit reports and financial statements of the principals, a complete environmental report, a surveyors' report, management plan, and sample lease. The Lender underwrites the application following its own architectural review, cost review, valuation review, and mortgage credit

analysis, and recommends to HUD whether a proposed loan is an acceptable risk.

* If HUD determines that any underwriting conclusions are not supportable, they may recommend either modifying or rejecting a firm commitment application. If the conclusions are appropriate, the application is approved.

* Lenders apply directly for a firm commitment for purchase or refinancing of existing multifamily housing and health care facilities. A market study is required for an existing health care facility, but not for an existing apartment. The Lender submits information on the income and expenses and vacancy ratios for the property for the past three years. A Phase I Environmental Site Assessment is required. The Lender submits the list of required repairs and the replacement reserve. The Lender's Underwriter makes the underwriting recommendation.

* To apply for MAP insurance processing, a mortgagor must apply through a qualified MAP lender to a Hub office. Any person who wishes to apply for FHA insurance in a conventional, non-MAP manner will continue to be able to do so.

Multifamily Accelerated Processing

*Architecture & Engineering



Reviews: project feasibility, site conditions, acceptability of site, design and outline specifications.

*Project Cost



Reviews: cost package.
Calculates: bottom line amounts.
Reports: on cost.

*Valuation



Evaluates: proposal.
Prepares: market study, rent and expense comparables.
Inspects: property for acceptability.
Reports: on reasonableness of rents, expenses and replacement cost.

*Environmental Information



Completes: Phase I Environmental Site Assessment (ESA).
Collects: environmental and compliance finding information.
Reports: on environmental issues.

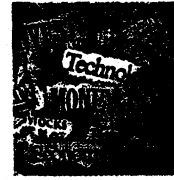
Lender

Mortgage Credit/Underwriting



Determines: general and financial acceptability of non-profit sponsor.

Recommendation to Proceed



Assembles forms & Reports including: A&E, cost, valuation, mortgage credit, environmental report and recommendation.

*These tasks are performed concurrently.