Breaking Developments at HUD
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Director, FHA Multifamily Production

NH&RA Annual Meeting
February, 2016
FHA Multifamily FY 2015

FHA Firm Commitments
All Apartment Programs (NC/SR, 223(f), 223(a)(7), 241(a), other)

Total $ Volume of Firm Commitments Issued ($millions)
and number of Firm Commitments

$ Volume of Firm Commitments
FHA Multifamily FY 2015 Production
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MAP Guide Changes

- Incorporated all outstanding MLS, Notices and memos
- Incorporates MFT business model – single underwriter, etc
- Age restriction policy relaxed for refi
- CNA and R4R: 20 year horizon, but relaxed req’ts for yrs 11-20
- 3 year requirement for seasoning under 223(f) is retained
- Increased limits under Section 223(f), to $15k (indexed) x HCF
- Changes for LIHTC deals:
  - Equity Pay In schedule better aligned with industry norms
  - Equity Bridge Loan – increased flexibility
- Simplification of large loan threshold and policy >$75m
- Allows underwriting up to 75% of projected energy savings
- Adds Chapter 18 on 223a7 refinancing
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LIHTC Pilot in 221(d)(4) – New Constr & S/R

• Build on the success of 223(f) Pilot to date
  • Production increases, process timing and streamlining
  • Lessons leaned, adopted into MAP
• Design council, lender roundtable held in 2015
• Housing Notice later in 2016 to expand the Pilot
  • Retain the 120 day target
  • Simplified application checklist
  • Streamlined Architectural and Cost review
  • Broader acceptance of state agency reports
  • Delegation of certain escrow releases to lenders
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Mortgage Insurance Premium (MIP) Reductions

• Published for 30 days public comment on January 28, 2016
• Four rate categories:
  • Market rate (unchanged, except oppty to go green, below)
  • Broadly Affordable (90% affordable) - 25 bps
  • Affordable/Mixed income (10%-90% affordable, IZ) – 35 bps
  • Green/Energy Efficient – 25 bps
• Simplified rate structure
• Can generate approx 3% - 5% additional loan proceeds
• New rates effective April 1, 2016
• New originations only, not retroactive to closed deals
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Thank You!

Q & A

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