



Breaking Developments at HUD

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Director, FHA Multifamily Production

NH&RA Annual Meeting

February, 2016

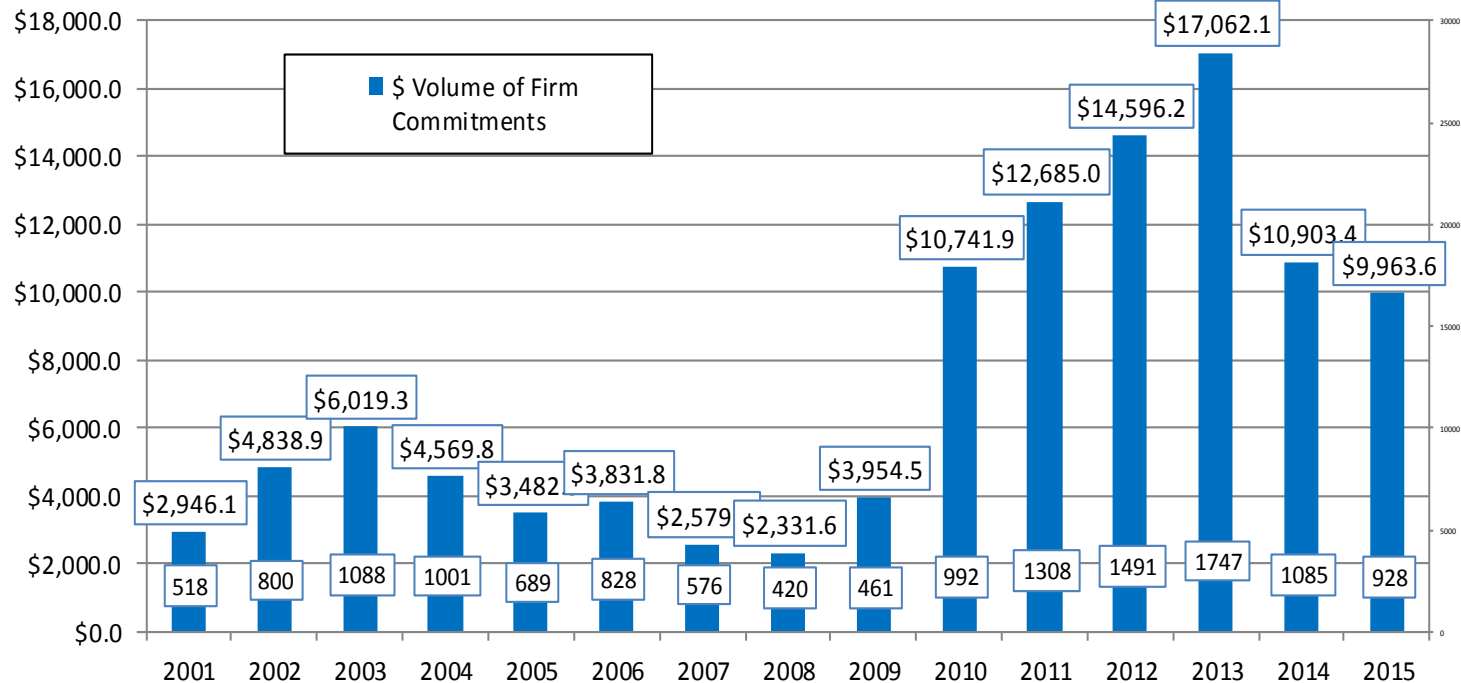
FHA Multifamily FY 2015

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



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 learned, 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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