

Comment Matrix – HUD Draft ML: Multifamily Improvements for MAP Efficiency

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Source: 00 - MAP Efficiencies from Drafting Tabler 2.26.26.pdf (drafting table copy for public comment)

Seeded topics are a convenience only. Please verify the exact draft language in the source PDF when drafting comments.

#	Topic	MAP Guide / Ref	PDF page	Submitter Name	Submitter Email	Comment / Concern	Suggested Revision	Rationale	Priority
1	Discount Fees mortgageable within max lender fees (3.5% / 5.5% bonds)	3.1.4 / 3.1.11.A / 3.7.23.1 11.1 / 13.14.8	2	Charley Conkling	cconkling@walkerdunlop.com	In the Draft ML, at the top of page 3, it states "any portion of the discount fee exceeding the 3.5% Lender Fee is not mortgageable and must be paid from the borrower's non-mortgageable/nonproject funds. For example" then goes on to show the modifications to the language in the MAP Guide. The modifications to the MAP Guide language does not explicitly state that any portion of the discount fee exceeding 3.5% lender fee is non-mortgageable. I would recommend adding that clarifying statement in the MAP Guide references for 3.1.4 and 3.1.11.A	Add a sentence at the end of the 3.1.4 and 3.1.11.A section to state that any discount fees above the allowable maximum lender fee may be included as non mortgageable cost. Revise the last sentence in MAP Guide 3.1.11.A to read "...as long as it is clear that the mortgageable discount is within the base 3.5% lender fee and any excess is considered non-mortgageable."	Avoids confusion and difference of interpretations. Lenders should be able to charge a larger discount fee if warranted and consider the excess portion non-mortgageable. (1) Because a deal is small, that does not necessarily mean it will be easier and incur a lower amount of legal fees. (2) As long as the Lender Legal Fees (LLF) goes directly to OUTSIDE counsel and does not stay with the lender, LLF be removed completely from max fee calculation.	Medium
2	Increase small balance loan (\$2M) lender max financing and placement fee gain of 1% - fee cap to 4.5% for mortgages (6.5% bonds)	3.1.11	3	Charley Conkling	cconkling@walkerdunlop.com	A 4.5% Max Lender fee on a \$2M loan equates to \$90K and some legal fees alone could exceed \$50K then the GNMA fee is added so there is less than \$40K for Lender origination fees. This still makes transactions less than \$2M unprofitable for lenders.	Increase the small loan amount threshold from \$2M to \$5M. Explicitly state that Lender Legal fees can be treated as non-mortgageable and not included in the cap. While the Borrower pays lender legal, it is not a fee earned by the lender, and the costs of good counsel are increasing significantly as transactions become more complex. Lender legal ranges from \$20k-\$60k.	It's currently not profitable for lenders to consider processing transactions that are \$5M or less. Drives more volume of smaller loans	High
3	Encourage waiver requests with firm application; assumptions if late; waivers in writing	3.1.35	3	Charley Conkling	cconkling@walkerdunlop.com	The change states that all waivers must be approved in writing by HUD. HUD does not send Lenders a copy of the waiver approval. (1) Despite lenders' best efforts, issues will arise late in the game that need a waiver, especially on complicated affordable transactions. (2) "Subject matters retained by HQ" should be defined so that lenders know what to expect.	HUD should send Lenders a confirmation email (or confirm via the Firm Commitment) if the waiver has been approved or not approved. Add language that HUD must document for the Lender all approved waivers. A best practice would be to memorialize the list of approved and denied waivers in the Firm Commitment as the "document of record." An email from the HUD UW to the Lender should be provided upon approval or denial prior to FC issuance. (A) "Good cause" should not be limited only to deal feasibility, as some PDD espouse. Waivers should be favorably looked upon if, along with not increasing material risk, they: (1) reduce transaction costs, (2) reduce administrative burden on stakeholders, (3) increase efficiency, or (4) make HUD as competitive as possible with other lending options. (B) "HQ-retained decisions include . . ."	Ensures Lenders are aware of all approved waivers and alerted if waivers are not approved - Listing approvals/denials within the FC creates better tracking for all parties. Certainty of execution, continuous improvement to the MAP program, and remaining responses to market dynamics.	Low
4	Encourage waiver requests with firm application; assumptions if late; waivers in writing	3.1.35	3	Riahna Phillips	Rphillips@adroccap.com	Re: "Likewise, if a waiver is not considered during application processing, lenders should assume disapproval unless the lender can show a change in circumstance that prevented the waiver from consideration during HUD underwriting." There are instances where situations will arise after submission and prior to closing that necessitate a waiver and this language makes it challenging to approve a waiver post firm issuance. We recommend softening this language.	Request: soften the language by eliminating the "change in circumstance" and allow more flexibility. "Likewise, if a waiver is not considered approved during the application processing, lenders should assume disapproval unless the lender can justify with good cause." "Not considered" should be "not approved."	Allows more flexibility for potential waivers that may arise post submission	High
5	Encourage waiver requests with firm application; assumptions if late; waivers in writing	3.1.35	3	Terry Wellman	Terry.Wellman@berkadia.com	"MAP Guide 3.1.35.A gives discretion to Regional Center Directors to waive certain provisions of the MAP Guide except where statutory and regulatory requirements exist. . . All waivers must be approved in writing by HUD." Can HQ override the region's approval of the waiver? If so, why not just let HQ make decisions on all?	(1) "HQ-retained decisions include . . ." (2) Also, with assistance from RCDs, HQ shall annually review waivers granted over the preceding calendar (or fiscal) year to determine if any MAP Guide changes are warranted.	Certainty of execution, continuous improvement to the MAP program, and remaining responses to market dynamics.	Low
6	Opportunity Zones reduced application fees continue post 'Broadly Affordable' elimination; criteria for 0.1%	3.1.36	4	Adlana Buck	abuck@x-caliber.com	"a. . . with a remaining term of at least 15 years; or	"...at least 15 years after final endorsement ; or"	Provides clarification as to a specific date for the start of the remaining 15 year period.	Low
7	New construction: reduce non-mortgageable working capital escrow from 4% to 2% and add mortgageable construction contingency 2-5%	3.2.10	5	Adlana Buck	abuck@x-caliber.com	Language mentions that 2% of the WC is allocated for accruals of taxes, insurance, and interest. Is this all it can be used for? Historically these funds could also be used for MIP, marketing, leasing office setup, equipment not covered under the construction contract (i.e. fitness equipment)	Clarification should be given on exactly what these funds can be used for (add MIP, marketing, lease office setup, equipment not covered under contract, model furnishing, and project expenses). These funds should continue to be allowed to cover additional items beyond the 3 that are mentioned as is currently allowed.	By not allowing these additional categories it can potentially raise the borrower's equity contribution	High

8	New construction: reduce non-mortgageable working capital escrow from 4% to 2% and add mortgageable construction contingency 2-5%	3.2.10	5	Blake Lacy	blake@masonjosephco.com	The draft states that Construction Contingency must range from 2% to 5% as determined by the Borrower & GC. Please confirm that FHA will not require a construction contingency greater than 2% for new construction projects.	Construction Contingency must range from 2% to 5% as determined by the Borrower and General Contractor based on the complexity of the project and at the discretion of the Mortgagor and Mortgagee. This amount shall be included on form HUD-92264, Line 71.	Prevents FHA from increasing construction contingency greater than the professional expectations of the Borrower and General Contractor.	High
9	New construction: reduce non-mortgageable working capital escrow from 4% to 2% and add mortgageable construction contingency 2-5%	3.2.10	5	Blake Lacy	blake@masonjosephco.com	During construction, will it be necessary to have approved Change Orders prior to releasing funds from the Construction Contingency budget line?	Request: clarify the release mechanism for contingency during construction (such as following the change order policy 12.8.1)	Provides clarity and ultimately consistency for processing release of contingency during construction.	High
	New construction: reduce non-mortgageable working capital escrow from 4% to 2% and add mortgageable construction contingency 2-5%	3.2.10	5	Anne Cooper	Anne.Cooper@lument.com	Construction contingency should be allowed to cover cost overruns and necessity, betterment and/or equivalent change orders. It would be helpful to explain the approval process for release of contingency	Request: consider modifications to the language on construction contingency use and mechanism for processing approvals: Construction Contingency is only available for cost overruns, necessity, betterment and/or equivalent change orders , and other miscellaneous direct construction expenses during the construction phase. Unused Contingency funds may be used after issuance of the Final Trip Report, form HUD-95379. Change order payments will be requested using Form HUD-92464M which includes certifications of the Borrower, Project Architect and HUD Inspector as to the change order work being acceptably completed. The amount requested on the HUD-92464M will be reflected on the HUD-92403 and approved by the MAP Lender. Unused Contingency funds may be deposited into the reserve for replacement account, applied to pay down the mortgage, or do further improvements, betterments or upgrades to the property. In the case of LIHTC, Contingency not used for repairs, betterments, or deposits to reserve for replacement may be used to pay the Developer Fee (deferred or otherwise) or any other HUD-approved project-related expenses (e.g., relocation costs) or mortgageable reimbursement items. See also MAP Guide sections 5.14.2; 8.13; 8.14.5; 12.8.1; 12.11.2.B; 13.14.1.C.3.b.; 14.10.		
10	New construction: reduce non-mortgageable working capital escrow from 4% to 2% and add mortgageable construction contingency 2-5%	3.2.10	5	Blake Lacy	blake@masonjosephco.com	Please confirm that after the final Trip Report the unused mortgageable Contingency budget can be reallocated to fund any mortgageable expenses (including Developer Fee on affordable transactions).	Request: Unused Contingency funds may be used after issuance of the Final Trip Report, form HUD-95379...	Allows more flexibility for utilizing unused contingency to fund any mortgageable expenses (including developer fee on affordable transactions). Ensures consistency by explicitly allowing.	High
11	New construction: reduce non-mortgageable working capital escrow from 4% to 2% and add mortgageable construction contingency 2-5%	3.2.10	5	Blake Lacy	blake@masonjosephco.com	This change is good for cost-constrained loans. However, I think we should suggest that the 2%-5% contingency for new construction be an optional mortgageable cost. For DCSR constrained loans, it's beneficial for it to be an escrow outside the loan for which an LOC can be used.	Request: allow Lenders to decide if they want the 2% contingency as part of non-mortgageable or mortgageable.	Allows more flexibility - if the loan is not cost constrained, it may be more beneficial to have the contingency as non-mortgageable.	High
12	New construction: reduce non-mortgageable working capital escrow from 4% to 2% and add mortgageable construction contingency 2-5%	3.2.10	5	Trevor Smith	Trevor.Smith@lument.com	If a loan is not const constrained, and there is unused contingency that can't be returned to the owner, the effect is artificially increasing the owner's equity requirement. If the loan is const constrained, then unused contingency should not be returned to the owner	Request: Allow for unused coningency to be returned to the owner at final endorsement (or added to the IOD) if the final mortgage as determined by the form 2850 concludes the loan is not cost constrained (criterion 3)	Allows more flexibility to return unused contingency funds if the loan is not cost constrained and the money is not needed to fund the reserve.	High
13	New construction: reduce non-mortgageable working capital escrow from 4% to 2% and add mortgageable construction contingency 2-5%	3.2.10	5	Trevor Smith	Trevor.Smith@lument.com	If change order costs exceed contingency and thus are funded by the borrower (12.8.3) those increases in costs should be mortgageable eligible	Confirm any approved contingency draw is cost certifiable.	Provides clarification on the impact of contingency costs in excess of the amount approved at IE.	High
14	Deferred critical accessibility repairs: streamline approval; RPD may approve up to +6 months without HUD-2 waiver	3.7.1*, 5.10.7 and Appendix 5	6	Molly O'Connor	moconnor@walkerunlop.com	The Draft ML states that the RPD may now approve an "extended period not to exceed six additional months for unusual circumstances". To clarify, does this mean the Regional Production Director can approve the deferral of accessibility repairs up to 18 months after closing? And anything beyond that still requires HUD HQ approval and a HUD-2? Or is it that any deferral up to 6 months after closing doesn't need a CAP or HUD-2 anymore? Example references elderly and disabled but I believe that is one example and does not preclude family projects	Clarify the specific timing for RPD approval time period to state the total months post closing (6 or 18). Clarify to allow for exception even for all types of projects (families / elderly / etc.). Revise the text in the ML to read "...the Regional Production Director may now approve an extended period not to exceed six additional months (from the original 12 months) for unusual circumstances..."	There are times where a Borrower is working in good faith to complete non-critical repairs but is delayed due to weather, material availability, resident turnover, etc. and additional flexibility is warranted.	Medium

15	Projects completed <3 years; allow submission at 85% occupancy; flexibility on DSCR; Regional Production Director discretion; reserves/holdbacks	3.7.2.B*	7	Molly O'Connor	moconnor@walkerdunlop.com	Item 3 states closing with the 1-month DSCR can be authorized at the Regional level - does this mean the 3 month requirement is still the MAP default, and 1-month can be requested via waiver? Similar question for Item 5, is a waiver required? Also, for Item 5, it states we will need to ask for this in our narrative - I would imagine everyone will just start asking for this as a default, since you won't know if you need it until after closing? And do you also need to ask for Item 3 up front, or is that something the Regional Director can decide once a deal is in closing? It seems the requirement for three consecutive T-1s to close (without a DSC escrow) is intact.	Add clarification on whether Item 3 and 5 will require a HUD 2 waiver. Allow the three month test to close to be a three month average (a T-3), as opposed to three consecutive T-1s. For the release of cash out / debt service reserve, allow for the earlier of 4 consecutive months or 6 month average.	Other changes clarify whether the Regional Director can make decisions with/without a waiver, so this would keep the language consistent.	High
16	Cash-out Holdback: revise incentive holdback calc; RPD may approve without HUD-2 waiver	3.7.12*	7	Adlana Buck	abuck@x-caliber.com	"HUD will refer Lenders who fail to manage the repair proceeds.....to Counterparty Oversight Branch". What if the Lender has managed the process but the borrower continues to not complete repairs? Is there talk of using a 2530 flag to encourage borrowers to complete repairs rather than punish the Lenders?	2530 flags on the borrowers should be used to enforce completion of required repairs rather than lenders being referred to Counterparty Oversight Branch unless there is strong evidence that Lender has not monitored the repair process.	Assists Lenders will enforcing compliance with clients	Medium
17	Cash-out Holdback: revise incentive holdback calc; RPD may approve without HUD-2 waiver	3.7.12*	7	Trevor Smith	Trever.Smith@lument.com	Concern that the language will lead to differing opinions in the interpretation for the new requirements.	Please clarify if the 50% cash hold back identified in 3.7.12 remains in place and the RPD can approve using the two-step process or is it that the two-step process is the new requirement for calculating cash holdback, but the RPD can approve it to a lower appropriate amount.		Medium
18	Cash-out Holdback: revise incentive holdback calc; RPD may approve without HUD-2 waiver	3.7.12*	7	Mike Bisanz	Mike.Bisanz@colliers.com	The basic calculation along with the minimum / maximum test could present issues where the ceiling amount is lower than the floor amount - please revisit the min and max thresholds. For example, on a deal with \$1M cash out and \$50K in deferred repairs, the holdback is the lesser of the 50% cash out or 200% of deferred repairs (so \$100K in this case) then the min/max threshold is 25% of cash out or \$250K and max is less of the basic calculated amount or \$100K.	Please consider revisions to ensure the ceiling amount cannot be lower than the floor amount. It would be helpful to have a table to illustrate the two step approach and/or an example.		High
19	Capitalization rates guidance revised—cap rates generally in range of mortgage constant; below may be reasonable if supported	3.7.13	8	Michelle Small	msmall@merchantscapital.com	Re: "Capitalization rates should generally be in the range of the mortgage constant." The cap rate should be determined by the appraiser's analysis of market data and regardless of the mortgage constant.	Request: eliminate the requirement that the cap rate should be in the range of the mortgage constant altogether.	Ensures cap rates are driven by market data.	Low
20	Wind/named storm deductibles: cap at 5% insurable value per-building; eliminate \$475k cap; liquidity analysis	3.9.2.4.3	9	Blake Lacy	blake@masonjosephco.com	Please clarify that the 5% deductible is on a per building basis. Paragraph 3 contradicts this by stating "per location".	Recommend correcting "per location" to "per building" for consistency purposes. Believe this was a typo.	Provides consistency and avoids confusion	High
21	Wind/named storm deductibles: cap at 5% insurable value per-building; eliminate \$475k cap; liquidity analysis	3.9.2.4.3	9	Blake Lacy	blake@masonjosephco.com	If the policy includes a deductible of 5% or less of the Insurable Value, why is it necessary to justify the deductible amount during underwriting with a liquidity and extensive portfolio review of the owner? Should this be reserved only for those requesting a deductible exceeding 5% via a waiver request?	In the event the deductible exceeds 5%, the Lender's justification should be as follows: 1) The liquidity analysis to cover the deductible should include aggregate ownership of the principals, or 2) in lieu of this requirement, the owner can provide a certification of payment of the deductible in the event of a claim. (This has been a recent standard from HUD HQ)	Simplifies analysis and provides mitigants to address potential payment of future deductibles	High
22	Wind/named storm deductibles: cap at 5% insurable value per-building; eliminate \$475k cap; liquidity analysis	3.9.2.4.3	9	Blake Lacy	blake@masonjosephco.com	To mitigate the workload for HUD staff and the volume of potential waivers requesting a deductible above 5%, all waivers should be approved for the life of the loan, so long as the annual coverage upon renewal does not exceed the approved amount in the waiver.	As long as the annual coverage upon renewal does not exceed the approved deductible percentage of this guidance or waiver, the deductible is approved for the life of the mortgage.		High

23	Wind/named storm deductibles: cap at 5% insurable value per-building; eliminate \$475k cap; liquidity analysis	3.9.2.4.3	9	Blake Lacy	blake@masonjosephco.com	Please clarify that the owner does not need to evidence 2x - 3x liquidity of the dollar amount of the deductible for not only the Subject transaction, but for the overall portfolio in the future. This assumes that 1) all of the owner's REO is geographically located in the same area, and 2) all properties within the REO would sustain damage at the same time. The 2 or 3 times liquidity requirement is not clear if this is per building (presumably the one with the highest TIV) or for the total deductible across the entire property. Total loss/maximum deductible are unlikely to be reached. Has HUD every had a claim on a property that resulted solely from the inability to pay the deductible. Borrowers are strongly incentivized to pay deductibles as the amount of the deductible is often far less than the equity they have in the property. The owner could refinance equity they have on other properties or take out supplemental loans or bring in partners or sell assets. The borrowers are motivated to ensure they have funds since it is better for them to do so financially. Additionally, it is not clear which principals should have to demonstrate this liquidity. Note, the requirement for a Lender to evaluate the historical liquidity of the owner is problematic. The MAP Guide only requires a current PFS so this would require additional due diligence. The most recent PFS is the most relevant.	Revise language: "The wind/named deductible remains capped at 5% of the Insurable value per location building. For any waivers above the 5% deductible, the dollar amount of the deductible is subject to HUD underwriting the financial capacity of the owner to ensure the owner demonstrates liquidity equal to 2 or 3 times the dollar amount of the deductible sufficient financial capacity to fund the deductible. The Lender should evaluate the historical current liquidity of the owner and provide an analysis of the owner's ability to fund the deductible for the Subject property. All deductible waivers are approved for the life of the loan provided the annual coverage upon renewal does not exceed the approved deductible percentage, not only for the subject transaction, but for the owner's overall portfolio of real estate in the foreseeable future."	Owners are highly incentivized to pay deductibles and have numerous options to access liquidity if needed. A historical liquidity analysis and evaluation of funding deductibles will open up various interpretations unnecessarily that will create inconsistency and friction with processing applications. Simplifying the approval process and providing more flexibility for justifying waivers will reduce friction and still address the risk.	High
24	Eliminate Large Loan segment and associated risk mitigation based on mortgage size	3.10; 4.2; 7.1; 8.14; 12.15; 18.4	9	Michelle Smee	Michelle.Smee@cbre.com	RE: "See also MAP Guide sections 4.2; 7.1; 8.14; 12.15; 18.4." After discussing the elimination of the large loan requirements, specific MAP Guide sections are referenced. This omits sections 3.10.1 through 3.10.5 - can you confirm those sections will be modified as well? Please confirm the minimum net worth and liquidity requirements and higher IOD are not required either	Please add MAP guide sections 3.10.1-3.10.5 at the end (in addition to the 4.2, 7.1, 8.14, 12.15 and 18.4) - please add a discussion confirming that the higher net worth, liquidity and IOD requirements are not required.	Clarifies what requirements are eliminated from 3.10-3.10.4	Medium
25	EMAD review of market studies for new construction only at RPD request (not mandatory)	4.4.2.A; 7.5.14.B and 7.18.8.A.2	10	Blake Lacy	blake@masonjosephco.com	The statement that HUD underwriters may rely on their knowledge of the submarket condition and data from the internet dismisses the validity of the professional 3rd party reports that are required to be ordered and submitted with the applications. There should be a priority of consideration that the HUD Underwriters should first and foremost consider the conclusions of the appraiser/market analyst.	...HUD Underwriters shall rely first and foremost on the professional Appraiser and Market Analyst conclusions from the third-party reports. These conclusions can be supplemented by additional data as needed from other trusted sources. Also, in the event that EMAD data is used to discourage a transaction, the Lender shall be provided access to EMAD data that led to the decision and be	Ensures HUD is relying upon the third party market study reports for analyzing market.	Medium
26	Non-LIHTC heavy 223(f): contingency and assurance of completion may be excluded from upfront Aggregate Cost estimate; include in final if spent	5.1.2.A.1.b	11	Terry Wellman	Terry.Wellman@berkadia.com	We would recommend the costs for determining a heavy f should be based on hard costs alone (same definition of contingency on page 6) - remove all soft costs including architectural	The proposed revision for the Kitchen Sink ML is as follows: Paragraph 5.1.2.A.1.b is hereby revised to read: For non-LIHTC transactions, contingency and assurance of completion amounts may be excluded in the upfront estimate of the Aggregate Cost. However, the final Aggregate Cost at the completion of all construction must include all actual amounts spent from the contingency reserve and assurance of completion escrows, as well as any cost increases incurred from change orders. The final Aggregate Cost must not exceed the Aggregate Cost Limit for any applications for refinance or acquisition pursuant to Section 223(f). To determine if the repairs for a transaction are under maximum Adjusted Per Unit Cost, only the cost of the repairs and the General Contractor fees (General Requirements, Overhead, and Profit) shall be used. No other soft costs (architect fees, relocation, permits, etc.) shall be included in the calculation.	Four main benefits: 1. Simplification of the calculation for lenders and HUD staff; 2. Allow more projects to qualify under a Heavy (f), especially smaller projects; 3. Make the Heavy (f) more competitive with the GSEs; and 4. Does not increase at all to HUD, the lender, or borrower.	High
27	Capital Needs Assessment: CNA >180 days may be accepted with justification at RPD discretion without HUD-2 waiver	5.10.3*	11	Michelle Smee	Michelle.Smee@cbre.com	Re: "Upon evaluation of the lender's request and reasonable justification for a stale report, the Regional Production Director, at its discretion, may accept expired reports without the need for a HUD-2 waiver." Lenders would prefer confirmation on approval prior to submission to avoid a long delay. We would recommend indicating Lenders can request approvals prior to submission as a best practice to ensure RPD's will review prior to submission.	Request: We would recommend adding language that Lenders can request approvals prior to submission. This will ensure RPD's will review those requests early (trying to avoid RPD's from reviewing after submission then denying a request and causing a long delay)	Ensures consistency on how RPDs are reviewing Lender requests and prevents HUD staff from spending time unnecessarily on reviewing an application if the request is denied after submission (and Lenders time and expectations)	Medium

28	Non-LIHTC heavy 223(f); contingency and assurance of completion may be excluded from upfront Aggregate Cost estimate; include in final if spent	5.1.2.A.1.b	11	Adlana Buck	abuck@x-caliber.com	There have been discrepancies between field offices regarding the amount of repairs per unit for heavy f. Some offices want at least a \$1,000/unit "cushion" to allow for potential changes orders and cost overruns so the SR threshold is not hit. Other offices want \$2,000/unit.	HUD should include standard guidance for a "cushion" that they want included in the per unit amount for repairs. Even though the calculation allows for a specific dollar amount that can't be exceeded there is no guidance on how much "wiggle room" there needs to be in the number at initial closing. A standard "cushion" amount deemed acceptable to HUD should be stated.	Consistency across offices and more clarity for lenders during underwriting.	Low
29	Capital Needs Assessment: CNA >180 days may be accepted with justification at RPD discretion without HUD-2 waiver	5.10.3*	11	Trevor Smith	Trever.Smith@lument.com	Each transaction will have its own circumstances, but how stale of reports are HUD generally willing to accept? Our experience has been approximately 30 days stale.	HUD should provide some context to how stale a report can be while maintaining flexibility for the RPD - general timeframe	Ensures general consistency across the country	Low
30	Appraisal/market study effective date: expired reports may be accepted with justification at RPD discretion without HUD-2 waiver	7.5.2 / 7.6.1*	12	Michelle Smee	Michelle.Smee@cbre.com	Re: "Upon evaluation of the lender's request and reasonable justification for a stale report, the Regional Production Director, at its discretion, may accept expired reports without the need for a HUD-2 waiver." Lenders would prefer confirmation on approval prior to submission to avoid a long delay. We would recommend indicating Lenders can request waivers prior to submission as a best practice to ensure RPD's will review prior to submission.	Request: We would recommend adding language that Lenders can request approval prior to submission. This will ensure RPD's will review those requests early (trying to avoid RPD's from reviewing after submission then denying a request and causing a long delay)	Ensures general consistency across the country and prevents HUD staff from spending time unnecessarily on reviewing an application if the request is denied after submission (and Lenders time and expectations)	Low
31	Eliminate paint-to-paint requirement; define dwelling unit size methodology; allow paint-to-paint + up to 10% wall thickness adjustment if needed	7.5.7.A.1	12	Charley Conkling	cconkling@walkerdunlop.com	3.Change in SF calculations for dwelling units – however, it appears the only mention of changing SF calculations has to do with dwelling unit SF and is only included in comments related to Chapter 7 (Valuation and Market Analysis). The etool is mentioned in those comments, but only dwelling unit SF is noted. There are other noted improvements to the Tool which could reduce data entry time and cost. a.Allow Building Gross Sq.Ft. to be entered manually in the etool. b.Make it so entering all Common Spaces (and Sq.Ft. associated with each Common Space) is not required or used for Building Gross Sq.Ft. calculations in the etool. c.Net Rentable Sq.Ft. is calculated once dwelling units (sizes & quantities) have been added to each building, which makes sense. But to make Gross Building Sq.Ft. in the etool match the Gross Building Sq.Ft., determined from the most reliable source available (e.g., construction documents, etc.), Common Areas (and Sq.Ft. associated with each CA type) must be added to each building to make up the balance. This method is not efficient. FYI - This was one of the changes proposed by HUD back in 2021 that never happened.	Revision only references SF calculations for dwelling units - nothing in regard to the E Tool. Improvements to the Tool which could reduce data entry time and cost. a.Allow Building Gross Sq.Ft. to be entered manually in the etool. b.Make it so entering all Common Spaces (and Sq.Ft. associated with each Common Space) is not required or used for Building Gross Sq.Ft. calculations in the etool. c.Net Rentable Sq.Ft. is calculated once dwelling units (sizes & quantities) have been added to each building, which makes sense. But to make Gross Building Sq.Ft. in the etool match the Gross Building Sq.Ft., determined from the most reliable source available (e.g., construction documents, etc.), Common Areas (and Sq.Ft. associated with each CA type) must be added to each building to make up the balance. This method is not efficient. FYI - This was one of the changes proposed by HUD back in 2021 that never happened.	Ensure consistency on reporting of Square Footages	Medium
32	Eliminate paint-to-paint requirement; define dwelling unit size methodology; allow paint-to-paint + up to 10% wall thickness adjustment if needed	7.5.7.A.1	12	Molly O'Connor	moconnor@walkerdunlop.com	Would it be reasonable to add something in here clarifying that HUD's definition, now referenced as the "Dwelling Unit Size" of a unit, does not have to be used for the market analysis/92273s? The 92273 is based on the unit sizes at comps as reported in marketing material, i.e. Gross SF.	Add language to 7.7.2 that the unit sizes used on the 92273s should be consistent with the unit measurements used at the comparables, HUD Dwelling Unit Size would not be used if the 92273 is based on the reported Gross SF at comparables.	Ensures consistency on square footage	Low
33	Appraisal/market study effective date: expired reports may be accepted with justification at RPD discretion without HUD-2 waiver	7.5.2 / 7.6.1*	12	Trevor Smith	Trever.Smith@lument.com	Each transaction will have its own circumstances, but how stale of reports are HUD generally willing to accept? Our experience has been approximately 30 days stale.	HUD should provide some context to how stale a report can be while maintaining flexibility for the RPD - general timeframe	Ensures general consistency across the country	Low
34	Eliminate CPA/IPA review requirement for financial statements; RPD approve justification when financial statements not available for projects not under current ownership for at least 3 years - no waiver	7.8.2*	13	Charley Conkling	cconkling@walkerdunlop.com	The change requires The lender must reconcile the operating statements with support from recent expense receipts/bills, rent rolls and bank statements and make any necessary adjustments for line items including capital expenditures. Is HUD requiring we now collect bank statements and perform a more comprehensive review on an owners accounting? We are not CPAs if Lenders now need to perform this level of review.	Eliminate the requirement for review of the recent expense receipts/bills and bank statements	Lenders are not CPA's - a review of the rent roll / financials and borrower certification attesting to accuracy provides the data	Medium
35	Eliminate CPA/IPA review requirement for financial statements; RPD approve justification when financial statements not available for projects not under current ownership for at least 3 years - no waiver	7.8.2*	13	Michelle Smee	Michelle.Smee@cbre.com	The draft ML discusses that the MAP Guide 7.8.2 CPA/IPA financial statements are not required; however, the MAP Guide 8.5.1.2.C also requires last complete fiscal year must be CPA or IPA reviewed statement. We recommend you modify the reference to 7.8.2 to include 8.5.1.2.C	Request: please update the reference to 7.8.2 and include 8.5.1.2.C (to ensure both sections are revised)	Ensures consistency	Low
36	Market rate 223(f): consider max underwritten economic occupancy of 95% with RPD approval; recently constructed market rate deals excluded	7.8.9.A.1*, 7.7.7.B, 17.5.2.B.2.b and A.3.1.2	14	Charley Conkling	cconkling@walkerdunlop.com	5% vacancy requires RPD waiver	Approve by right for market 223f; we always need to justify UW vacancy against market and Subject	Simplifies and avoids difference in application for approval - focus on market support for justification	Medium

37	Market rate 223(f): consider max underwritten economic occupancy of 95% with RPD approval; recently constructed market rate deals excluded	7.8.9.A.1*, 7.7.7.B, 17.5.2.B.2.b and A.3.1.2	14	Adlana Buck	abuck@x-caliber.com	The draft ML states that "A lender may request this occupancy rate with a justification based on the property's operating history showing economic occupancy 95% or greater over a three-year history." - Can HUD please confirm the 95% is an average per year and not a requirement for each month over the previous 3 year period	Ensure HUD field offices are interpreting this guidance consistently on the three year 95%+ occupancy test	Consistency across offices and more clarity for lenders during underwriting.	Medium
38	Market rate 223(f): consider max underwritten economic occupancy of 95% with RPD approval; recently constructed market rate deals excluded	7.8.9.A.1*, 7.7.7.B, 17.5.2.B.2.b and A.3.1.2	14	Trevor Smith	Trevor.Smith@lument.com	As a general rule, restricting properties applying as a newly built property from being underwritten with a 95% occupancy factor is arbitrary application of this guidance.	Request: A stabilized two year period of 95% occupancy should be applied.	A two year period of stabilized performance provides sufficient mitigation to a property that just recently leased up and possibly used concessions as the units would have turned over at least once and/or had renewed leases.	High
39	Tax abatements: allow contributory value for variable/partial term abatements for 223(f) subject to standards and risk analysis; no value for <5 years	7.16	16	Charley Conkling	cconkling@walkerdunlop.com	This discusses Tax Abatements only. TIFs operate similarly and should be allowed for underwriting to a value B Piece.	We recommend the section be updated from Tax Abatement to "Tax Abatement and TIFs"	TIFs are similar to abatements and should be treated similarly to abatements	High
40	Tax abatements: allow contributory value for variable/partial term abatements for 223(f) subject to standards and risk analysis; no value for <5 years	7.16	16			Refer to attached word document with proposed changes	Refer to attached word document with proposed changes		
41	Foreign nationals: all principals (active/passive) must provide SSN/EIN and submit to full credit review (passive and active); Section 50 signatory citizenship/residency requirement	8.3.3.D.1 / 8.3.5	17			Requires full mortgage credit for all foreign national participants. Oftentimes, an equity raise may include numerous very small investors. This seems excessive if the FN has minimal ownership and no operational control of the property. Adding this requirement could add unnecessary due diligence for a potential foreign national with very limited and passive ownership in the project. Also, Does this mean that citizenship must be verified for everyone involved in the transaction? Down to minor equity investors?	Recommend modifying to only require Foreign National full mortgage credit if the ownership percentage is over a certain threshold such as 25% (or a lower threshold such as 10%) and verification of citizenship is not required for every person involved in a transaction. If this is not a viable option, consider requiring a passive FN participant to provide evidence of a US SSN to prove that they have legal status in the US and do not require any additional mortgage credit documentation or 2530 clearance. If the FN is an active principal then all MC documents should be required.	If the objective is to ensure that no illegal FN are participating in the HUD programs evidence of a US SSN for that individual should be sufficient. If the FN is passive they have no operational control and are not financially responsible for the project.	High
42	Clarify forms and exhibit requirements (e.g., HUD-92013 timing; eliminate 92013-D, 92438, 2283 replaced; 2880 not required for pure market-rate w/ no govt involvement)	Forms/Exhibits	19	Ann Gurley	NewPoint	Need to conform removal of 2283 with Building Loan Agreement. BLA states "total Maximum Advance in BLA Item 5-HUD total Development cost found on 2264 part G Line 72 AND the 2264A Part B.1.c. This number is referenced as Line 45 from the 2283.	Should refer to the numbers from 2264 and 2264a		Low
43	Clarify forms and exhibit requirements (e.g., HUD-92013 timing; eliminate 92013-D, 92438, 2283 replaced; 2880 not required for pure market-rate w/ no govt involvement)	Forms/Exhibits	19	Raelee Jones	rjones@centennialmortgage.com	Re: combining Title Report (4-2.A) and Easement and Maintenance Agreements (4-2.B). Are both now to be included as exhibit 4-2.A and 4-2.B will remain "empty" until such time as the submission checklist is revised?	Until the Submission Checklist is revised, advise lenders to put the preliminary title report and easement and maintenance agreements in 4-2.A while leaving 4-2.B blank. The remaining tabs in 4-2 should be used as currently titled.	Reduce confusion where lenders might move all other tabs up (i.e. from C to B, D to C, etc). This is a simple clarification of language with no change to the intent of the guidance.	Low
44	Clarify forms and exhibit requirements (e.g., HUD-92013 timing; eliminate 92013-D, 92438, 2283 replaced; 2880 not required for pure market-rate w/ no govt involvement)	Forms/Exhibits	19	Riahna Phillips	Rphillips@adroccap.com	Lenders review the Appraiser's 92264 to fact check the key property details and valuation assumptions in one place. Removing this document would add additional time to Lenders review and potentially lead to more inconsistencies between third party reports and lender write ups.	Request: remove the elimination of the 92264 from the appraisal report	Streamlines lenders review of appraisal and ensures lender and third party reports are consistent on property characteristics	Low
45	Clarify forms and exhibit requirements (e.g., HUD-92013 timing; eliminate 92013-D, 92438, 2283 replaced; 2880 not required for pure market-rate w/ no govt involvement)	Forms/Exhibits	19	Michelle Smee	Michelle.Smee@cbre.com	Re: Exhibit 4-2.A. The MAP Guide Sections A.4.4.2 and A.4.4.3 are also impacted. We would recommend adding the references for A.4.4.2 and A.4.4.3.	We would recommend adding the references for A.4.4.2 and A.4.4.3.		Low
46	Clarify forms and exhibit requirements (e.g., HUD-92013 timing; eliminate 92013-D, 92438, 2283 replaced; 2880 not required for pure market-rate w/ no govt involvement)	Forms/Exhibits	19	Michelle Smee	Michelle.Smee@cbre.com	Re: Exhibit 4-5. The MAP Guide sections A.4.4.2 and A.4.4.3 also apply. We would recommend adding the references for A.4.4.2 and A.4.4.3 to avoid confusion.	We would recommend adding the references for A.4.4.2 and A.4.4.3 to avoid confusion.		Low
47	Clarify forms and exhibit requirements (e.g., HUD-92013 timing; eliminate 92013-D, 92438, 2283 replaced; 2880 not required for pure market-rate w/ no govt involvement)	Forms/Exhibits	19	Michelle Smee	Michelle.Smee@cbre.com	Re: Exhibit 5-5.A. This applies to the MAP Guide section A.4.4.2 and clarify that Exhibit 5-5.C in Section A.4.4.3 is not required.	We would recommend adding MAP Guide section A.4.4.2 and clarify that Exhibit 5-5.C in Section A.4.4.3 is not required.		Low