



OFFICE OF HOUSING

# Western Mortgage Advisory Council Annual Conference

September 13, 2022 | Denver, CO

OFFICE OF MULTIFAMILY HOUSING PROGRAMS

Jeff Little, General Deputy Assistant Secretary, Office of Housing

Matt Naish, Regional Director, Multifamily West

Larry Flood, Production Division Director, Multifamily West

**Remarks By:**  
**Jeff Little**  
**General Deputy Assistant Secretary,**  
**Office of Housing**



# Production HQ Leadership & Staff Updates

Director: Willie Fobbs III  
*+ 1 Program Assistant*

Acting Deputy Director:  
Zachary Skochko

## Technical Support Division

Director: David Wilderman

*7 team members*

MAP Guide policy, technical support, CNA e-Tool, & more

## Program Administration Division

Director: Scott Greuel

*6 team members*

Systems/data, contracting, Risk-Sharing/FFB, & more

Recent Production HQ Staff Hires:

### Tech Support Division

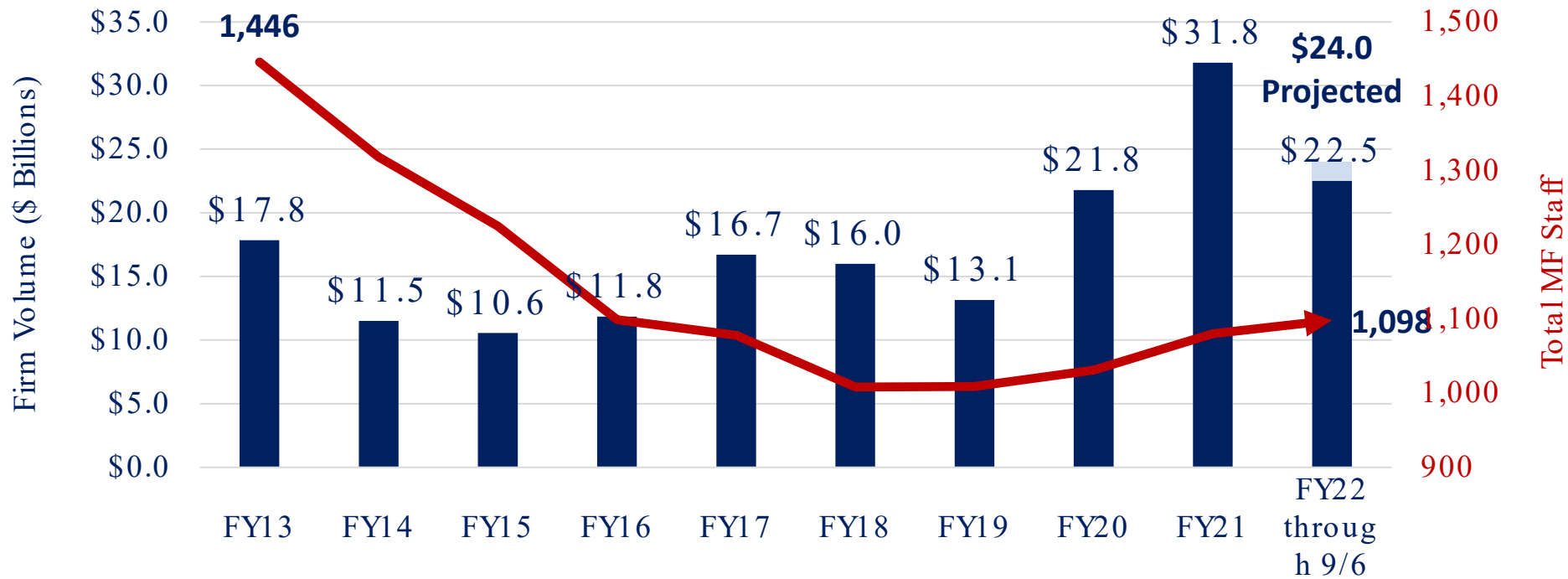
- Peggy Lawrence
- Jacob Russell
- Larry Ferguson
- Kathy Brewer

### Program Admin Division

- Yolanda Stowers
- Juan Enrique Seneca



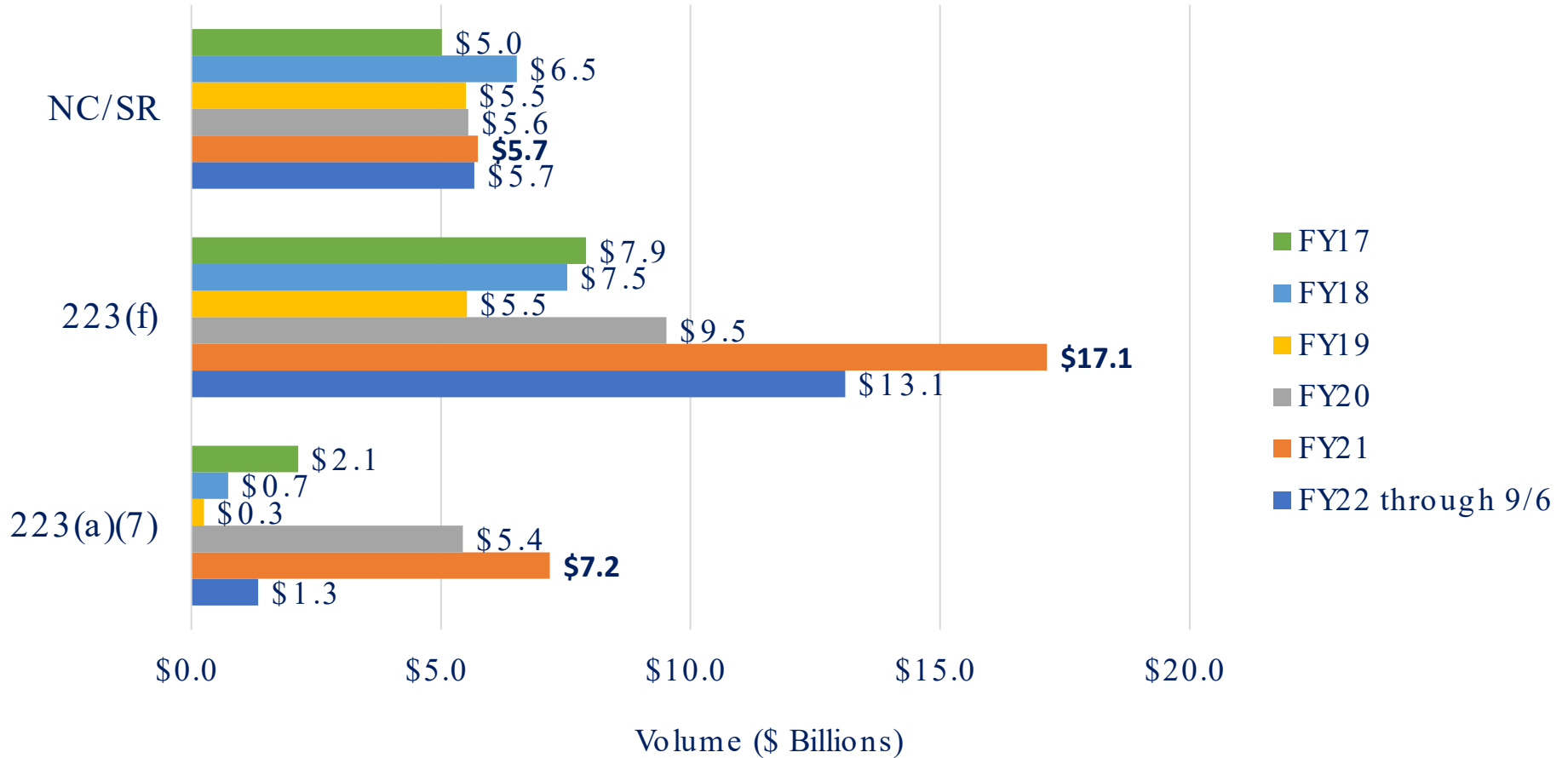
# Firm Commitment Volume, Staffing Challenges FY13 to FYTD22



Volume (\$B)	\$17.8	\$11.5	\$10.6	\$11.8	\$16.7	\$16.0	\$13.1	\$21.8	\$31.8	\$22.5
Firms	1,815	1,120	993	915	1,101	942	750	1,131	1,686	1,058
MF Staff	1,446	1,318	1,225	1,099	1,078	1,008	1,009	1,031	1,080	1,098



# Firm Commitment Volume by Program FY17 to FYTD22



# Application Queue Update



Queue implemented in Oct 2020, peaked in spring 2021 (2020 MAP Guide effective date)

240 applications currently in-processing: 212 by HUD (full internal capacity w/ WLS) + 28 by contractor (NuvoSum)

64 applications currently in the queue (in 2 Regions)

# Underwriting & Closing Support Services Contract Update

- 12-month contract awarded to NuvoSum in Dec 2021; provides loan underwriting and/or closing support services through Dec 2022: up to 300 223(f)s + 200 223(a)(7)s
- 161 applications (primarily 223(f)s) assigned to NuvoSum since Jan 2022 (4 of 5 MF Regions have utilized); 122 firm commitments have been issued so far, and 35 loans have closed utilizing NuvoSum's closing support services
- HUD staff must complete ENV review/HEROS and other specific tasks for all applications assigned to contractor
- Competitive 5-year contract procurement is underway; goal is for long-term contract to be awarded when current 12-month contract expires in Dec 2022





# Revised Loan Committee Review Thresholds

Previous Thresholds (2017)		NEW Thresholds (Effective 8/29/2022)	
	Market-Rate NC/SR		NC/SR
Less than \$5M	Signature	Less than <b>\$25M</b>	Signature
\$5M to < \$45M	RLC	<b>\$25M</b> to < <b>\$55M</b>	RLC
\$45M or greater	NLC	<b>\$55M</b> or greater	NLC
	Affordable NC/SR and 223(f)		223(f)
Less than \$20M	Signature	Less than <b>\$35M</b>	Signature
\$20M to < \$50M	RLC	<b>\$35M</b> to < <b>\$60M</b>	RLC
\$50M or greater	NLC	<b>\$60M</b> or greater	NLC
	223(a)(7)		223(a)(7)
Less than \$75M	Signature	Less than \$75M	Signature
\$75M or greater	NLC	\$75M or greater	NLC
Large Loan Threshold	\$75M or greater	Large Loan Threshold	\$75M or greater





# Other Hot Topics

## Recently-Published Policy:

- Mortgagee Letter: Surplus Cash (2022-16)
- Admin Memo: Direct-to-Firm Extension
- Admin Memo: Guidance on Considering Climate Change in EA Factors
- Guidance: Acceptable Separation Distance, Fall Hazards, and Pipelines

## Some FY23 Policy Initiatives:

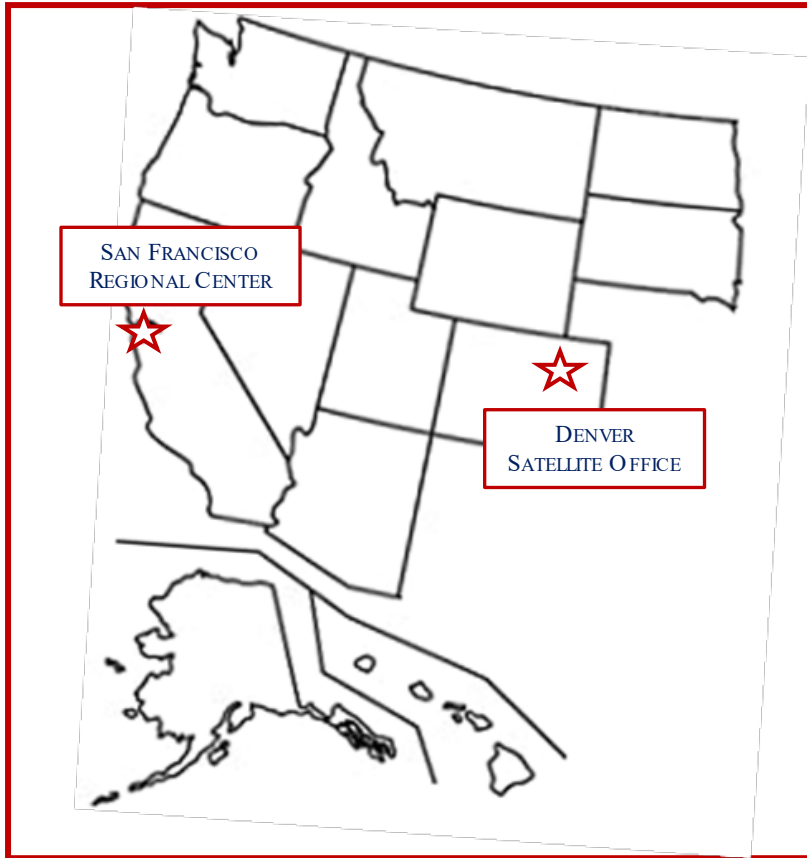
- Cost Not Attributable ML—in clearance
- Multifamily IT Modernization
- Inflation Reduction Act –Green and Resilient Retrofit Program (GRRP)



Remarks By:  
Matt Naish  
Regional Director, Multifamily West

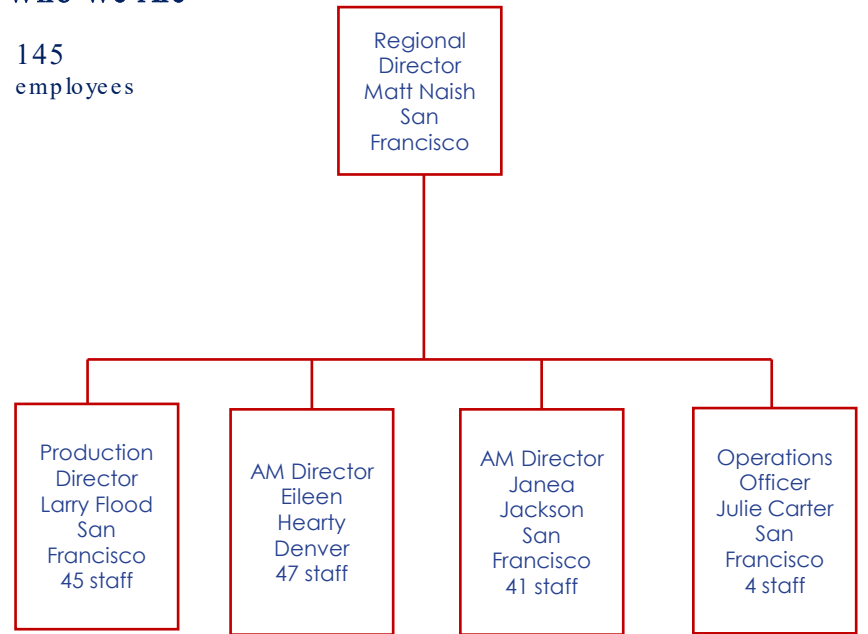


# Multifamily West Region



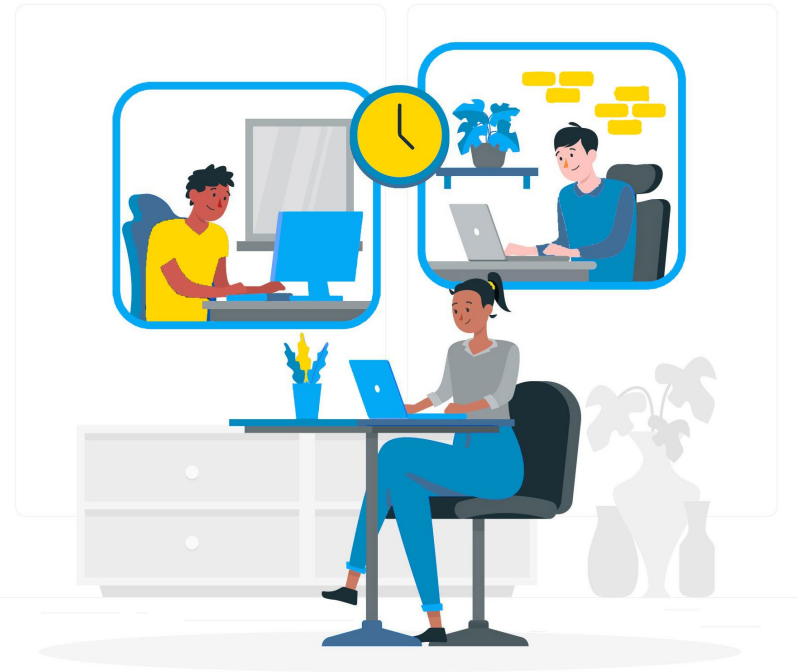
## Who We Are

145 employees



# West Region News

Most HUD staff and supervisors are *teleworking* and will be in the office 1-2 days per week.



**WE ARE PAPERLESS!**

This includes Applications, Plans & Specs, and Closings

# West Region News: Staffing

## Promotions:

- Julie Carter - Acting Operations Officer
- Bob Fradley - Acting Technical Branch Chief
- Danny Gallant - Acting Underwriting Branch Chief
- Darragh Clarke - Senior Underwriter
- Raquel Walstad - Senior Underwriter
- Tom Poulos - Program Analyst

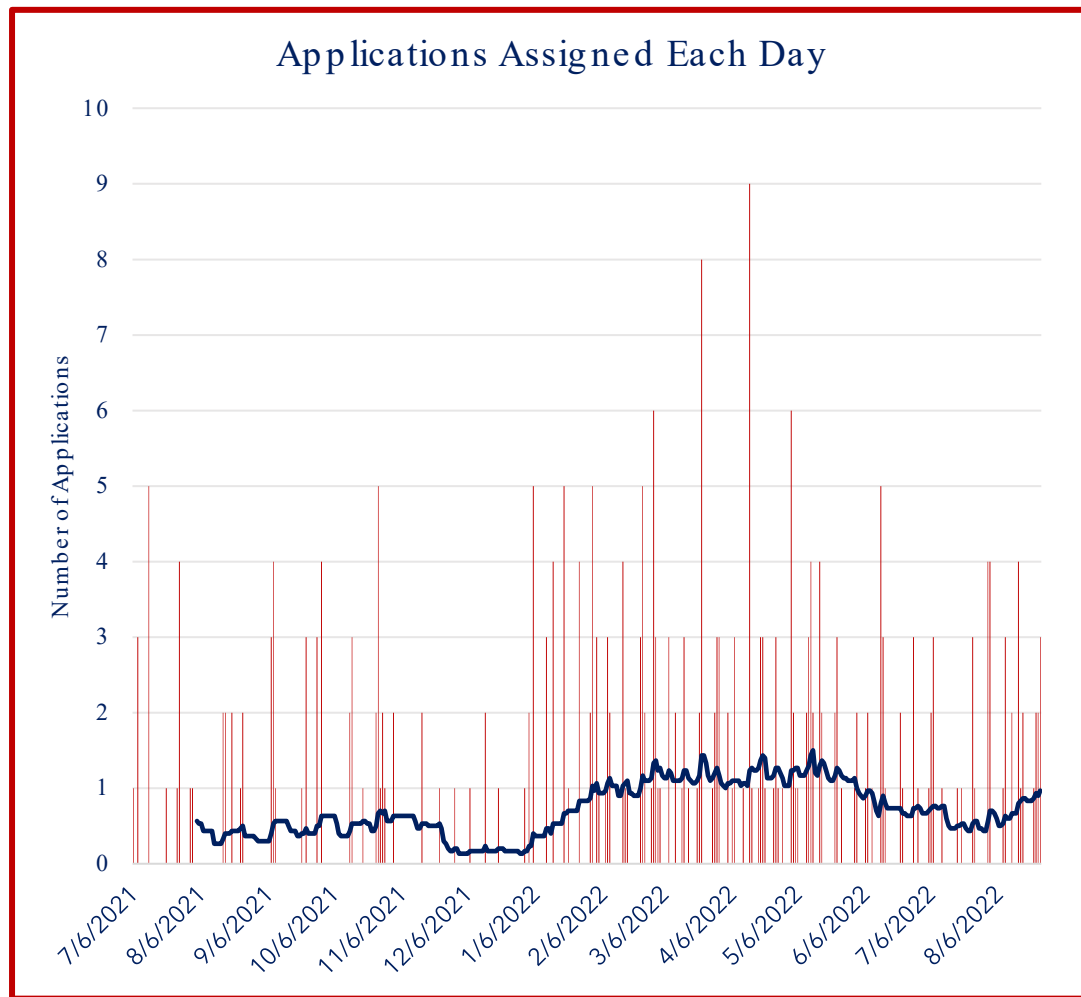
## Hiring:

- Operations Officer
- Technical Branch Chief
- Appraiser
- Construction Analyst
- Underwriting Branch Chief
- Senior Underwriter
- Underwriter
- Program Assistant



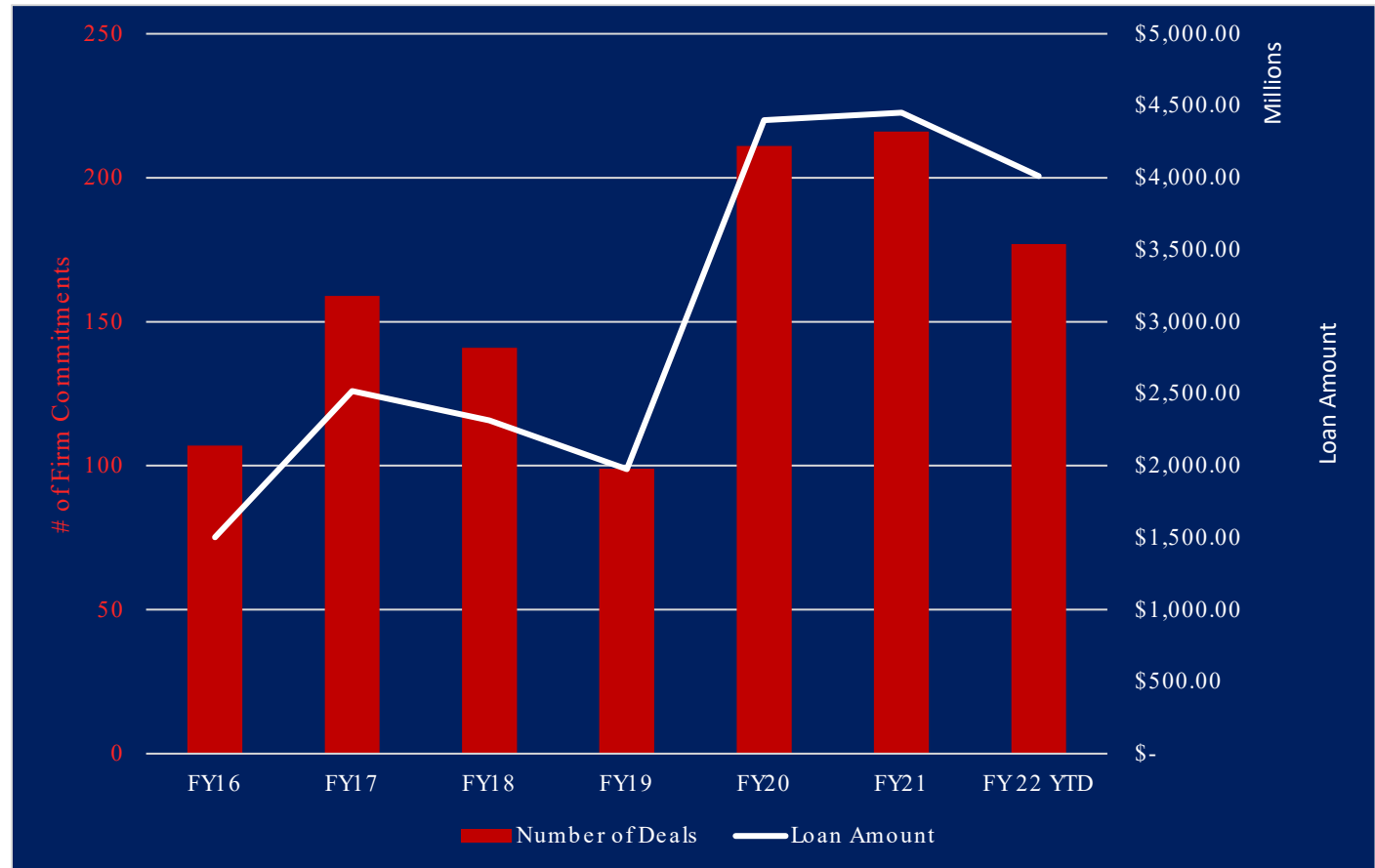
# West Region Queue Trends

- The queue is down over 75% this year.
- We anticipate no longer needing a queue by the end of 2022.
- Year-over-year, we've doubled application assignments.
- We're continuing to update applications in the queue.



# West Region Firm Commitments Issued

YTD in FY22, the West Region has issued *\$4.01 billion* in firm commitments for mortgage insurance.



42% of all Firm Commitments have been affordable in FY22!

YTD FY22 has seen 174 firms issued, with 13,684 units!

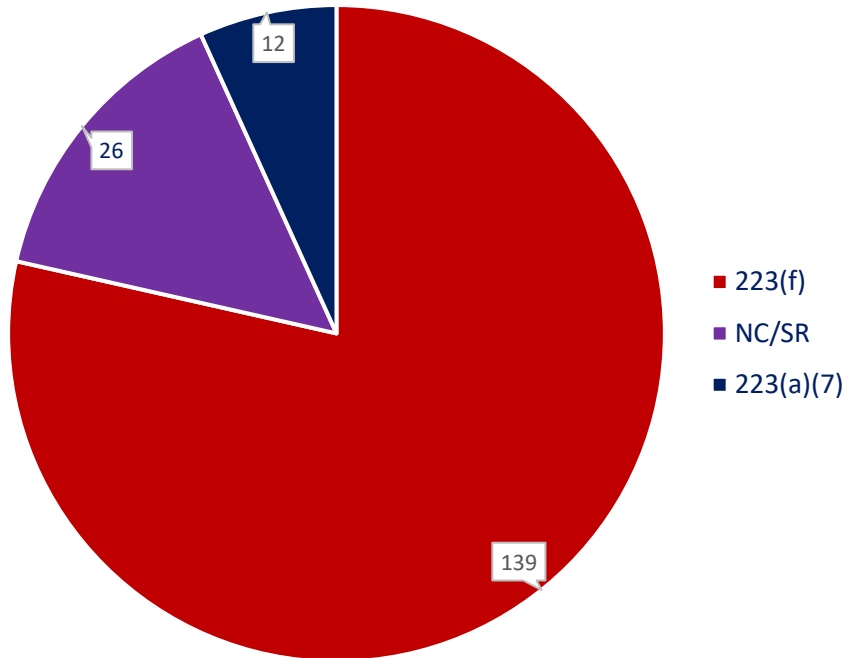




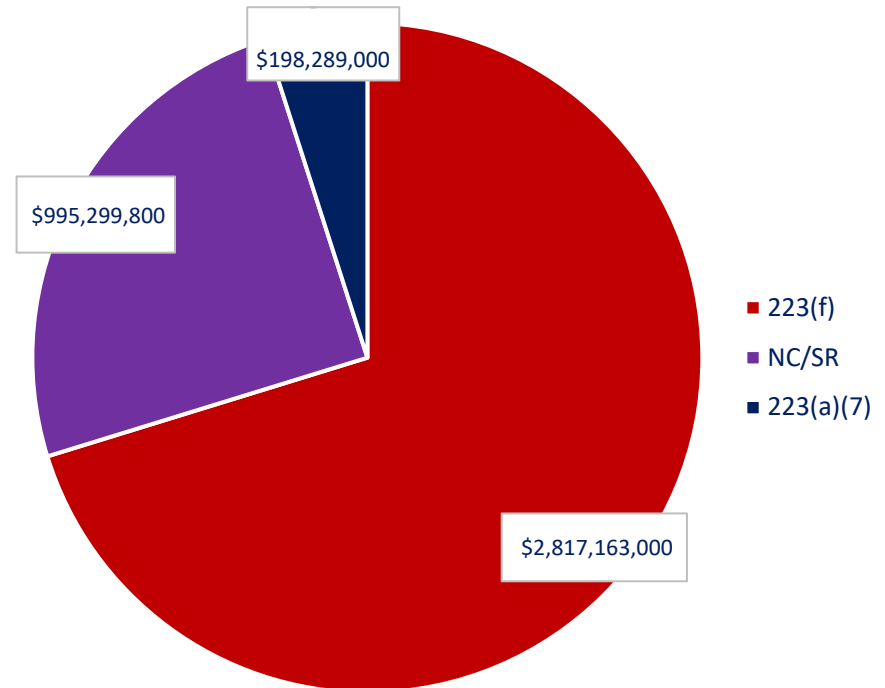
# Firms Issued: By Program Type

In FY22, 223(f)s were, once again, an overwhelming portion of our business.

Number of Firms Issued

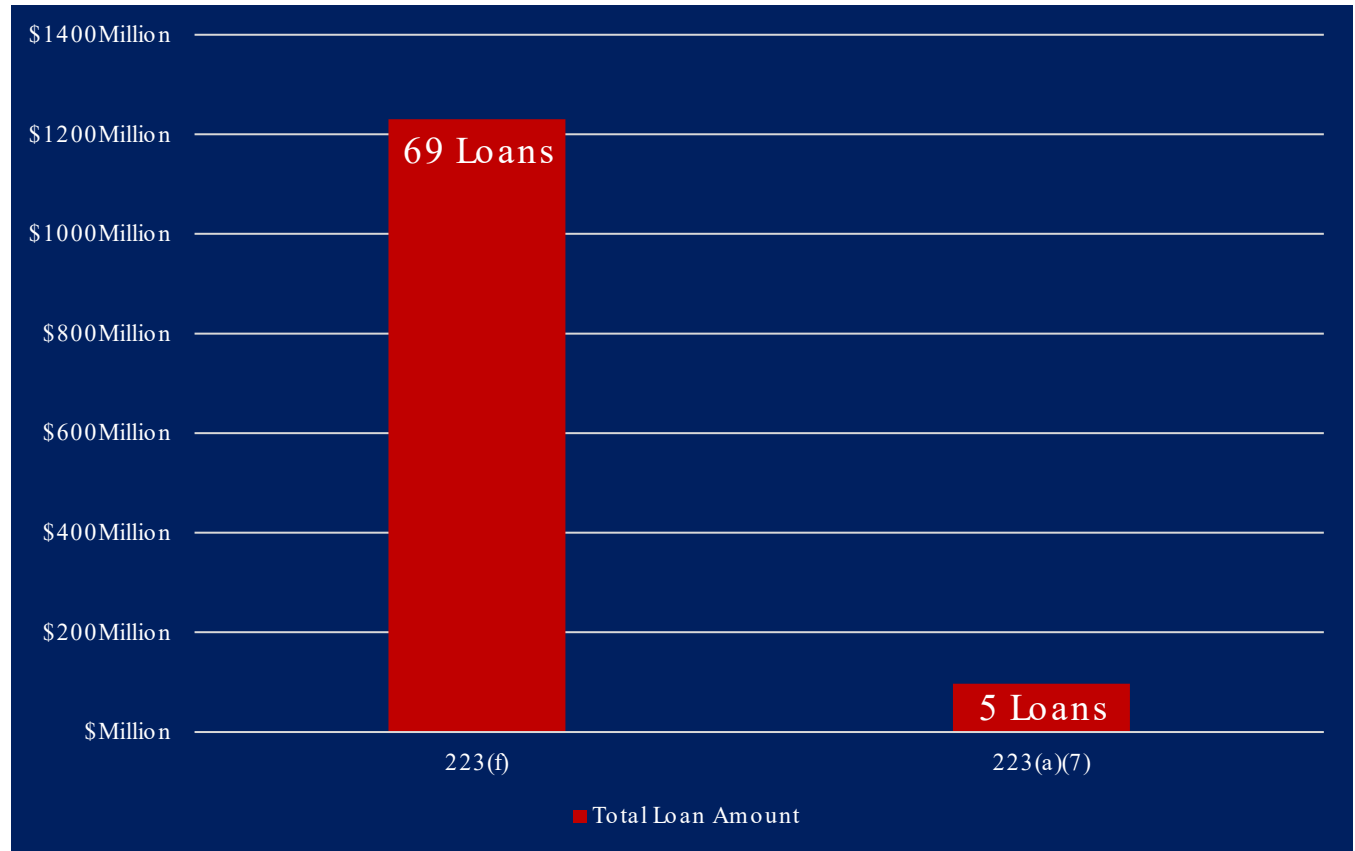


Loan Amount



# West Region Workload Share: NuvoSum

**YTD in FY2022, the West Region has issued \$1.33 billion in Firm Commitments in conjunction with NuvoSum.**



50% of all 223(f)s have been processed via NuvoSum in FY22!



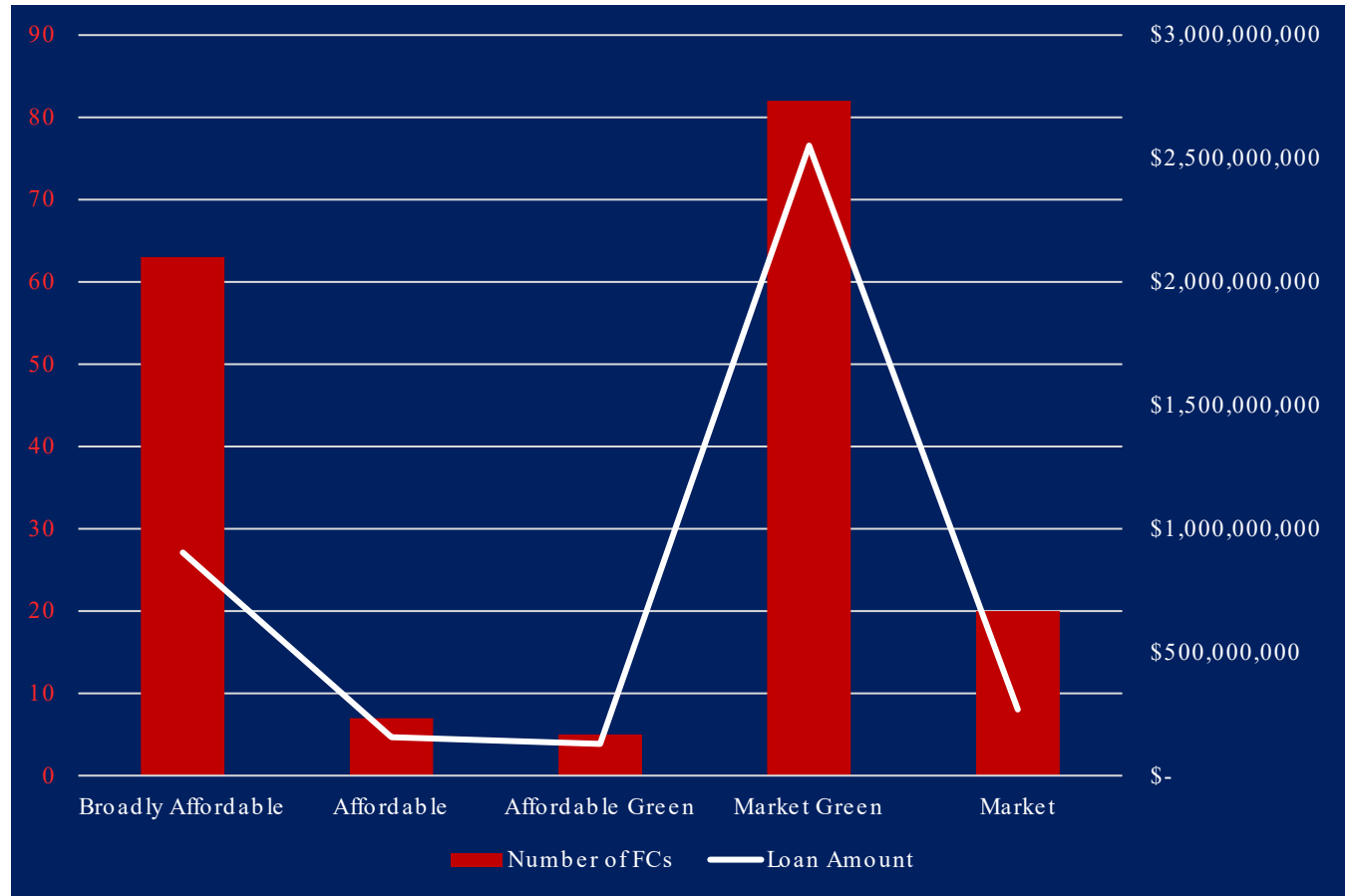
NuvoSum has only been issuing Firms for 6 months



# Firms Issued: Affordable & Market Rate

Firms for Affordable deals in FY22 are expected to be up 17% over FY21.

Firms have been issued on 4,800 affordable units, FYTD.



 Firms issued on 30 LIHTC developments, totaling 2,276 units!

 2,522 assisted units preserved!



# Workload Share: Other Regions

WLS BC screens applications for potential WLS.

Deficiencies cured; any updates are made.

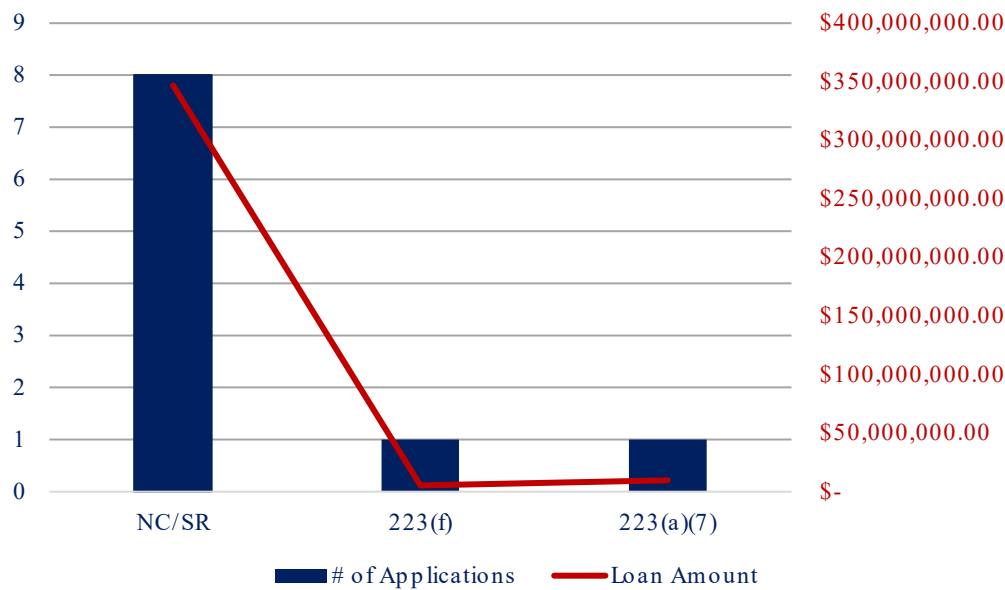
WLS BC drafts request and summary of application, sends to HQ.

Headquarters sends request to other regions.

Regions review request and summary and determine if they have capacity and appropriate staffing.

If they do, they accept, and you are assigned an UW!

Workload Share Applications

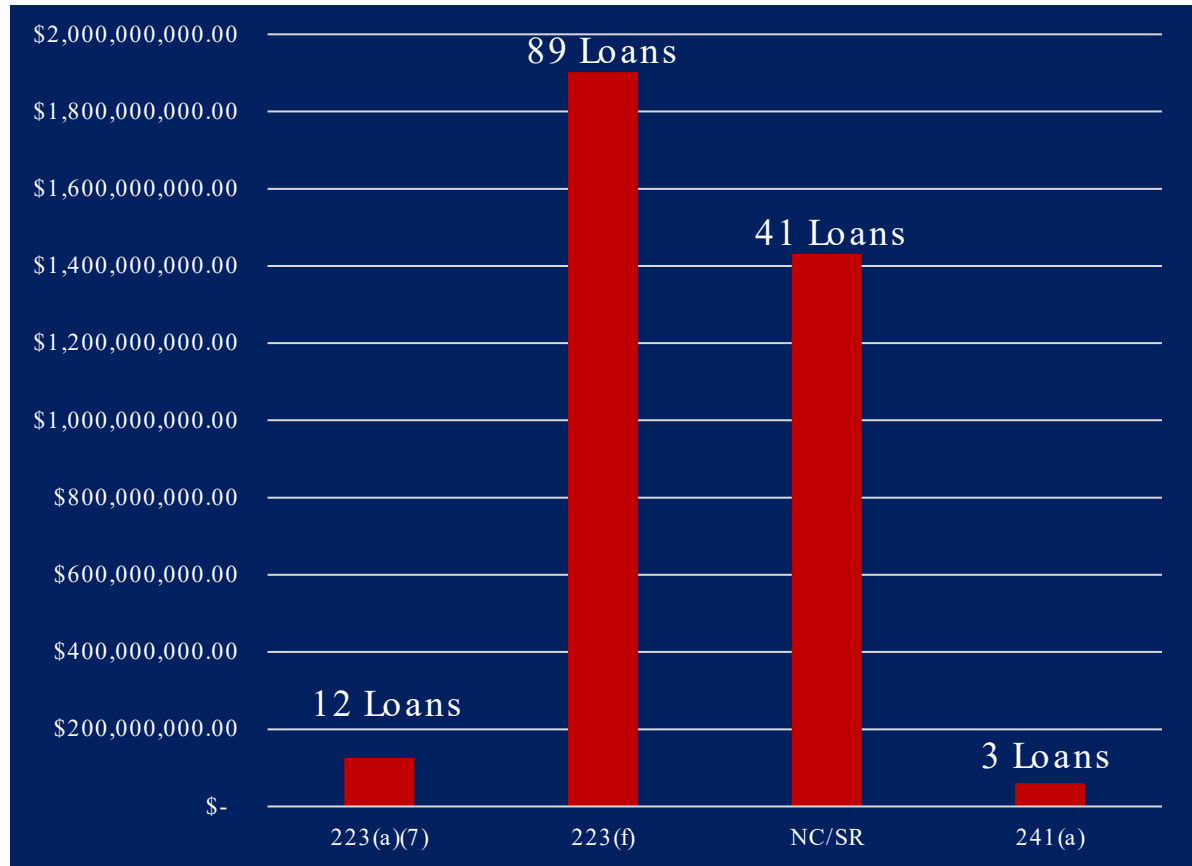


**Key:** Any application can be workload shared, but a region must have the capacity and appropriate staff.

# West Region: Closings

The West closed on **\$3.5 billion** in FHA Insurance FYTD, representing **16,958 units**.

FYTD, we've closed on **4,667 units** of affordable housing.



 38.6% of Closings were Affordable

 Endorsed 1,322 Units of LIHTC NC/SR



# West Region: Unification

Regardless of HUD office, we are now:

- Assigning Applications to Underwriters and Tech Staff
  - Applications no longer sit in queue waiting for qualified staff in the application's "office"
- Balancing Staff amongst Supervisors
- Training and mentoring staff

What this doesn't mean:

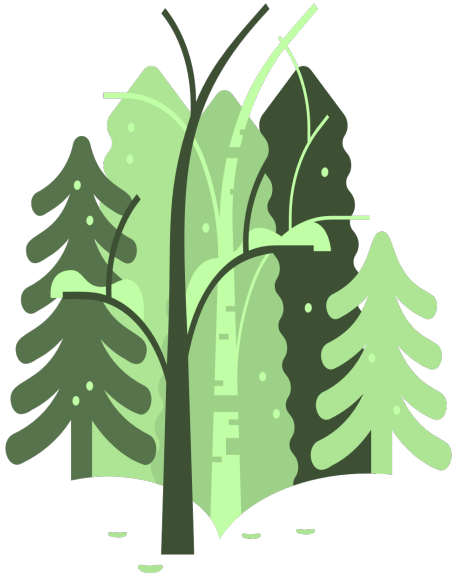
- We ignore the benefits of having two offices

Where possible:

- Local staff will be assigned to local transactions and complete site visits



# Climate Change



1. After December 1, all NC/SR applications with an EA-level review must consider all *reasonably foreseeable* climate impacts.
2. Depending on the climate, we might expect the below to be considered:
  - Excessive Heat
  - Harsh Winters
  - Wild fires
  - Flooding
  - Power Outages
  - Drought
3. These risks should be mitigated via appropriate means.

Applications in the Queue Do Not Need to Update their Environmental Review!



# Direct-to-Firm Applications

## Nationally:

1. The Direct-to-Firm submission option for §221(d)(4) applications has been extended through March 31, 2023.
2. If there are no complex environmental issues, those with:
  - Pre-applications in the queue may convert to a Firm App.
  - Existing encouragement letters may submit Direct-to-Firm.
3. If the application is rejected, the application fee will be considered earned.

## In the West:

1. Lenders may submit a Direct-to-Firm Application, at their own risk, for applications which did not have existing encouragement letters when the memo was issued.
2. We may choose to encourage a Pre-Application at concept.



# Connect with Us!

[West-MFConceptMeetings@hud.gov](mailto:West-MFConceptMeetings@hud.gov)

- Schedule Concept Meetings

[West-MFEarlyFHANumbers@hud.gov](mailto:West-MFEarlyFHANumbers@hud.gov)

- FHA number requests

[West-MFApplicationIntake@hud.gov](mailto:West-MFApplicationIntake@hud.gov)

- Notify West Region of application submissions

[West-223fEscrowReleases@hud.gov](mailto:West-223fEscrowReleases@hud.gov)

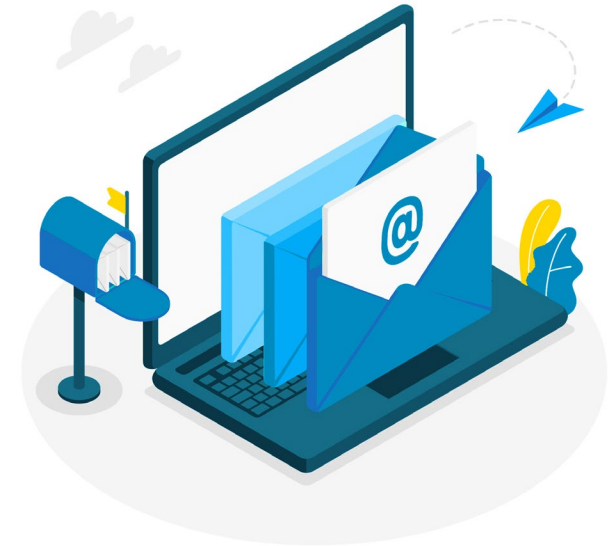
- Construction processing and draw requests for all 223(f) loans

[West-ConstructionProcessing@hud.gov](mailto:West-ConstructionProcessing@hud.gov)

- Construction processing for all NC/SR loans

[SF.Incoming@hud.gov](mailto:SF.Incoming@hud.gov) or [Den.Incoming@hud.gov](mailto:Den.Incoming@hud.gov)

- Submit Asset Management routine servicing requests and correspondence



# Connect with Us!



Scan me!

- Scan the QR code
- Enter your e-mail address
- Subscribe to HUD's new GovDelivery e-mail lists
- For the West Region, select the Production and/or Asset Management state lists that apply to you

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*get the word out.*