




U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WASHINGTON, DC 20410-8000

MAY 10 2012

MEMORANDUM FOR: MAP Lenders, HUD-FHA Business Partners, 3rd Party Due Diligence Professionals

FROM: 
Marie D. Head, Deputy Assistant Secretary for Multifamily Housing Programs, HT

SUBJECT: Request for Comment on Proposed Mortgagee Letter providing guidance for Project Capital Needs Assessments and Reserve for Replacement Escrows

For the past year the Office of Multifamily Housing has been developing revised guidance for the preparation, review and use of Project Capital Needs Assessments, (PCNAs) and for sizing deposits to Reserve for Replacement Escrows for FHA insured projects. The purposes of the revised guidance include:

- Coordination and consistency between MF Development and Asset Management practice and policy;
- Addressing the long term physical integrity of HUD insured projects;
- Addressing questions about accessibility requirements.

The new guidance should improve the accuracy and usefulness of PCNAs while making the work of preparing, reviewing and using these third party reports as efficient as possible. We rely on our business partners to do the preponderance of this work. Accordingly, we have posted the proposed draft of the new guidance on the Multifamily Housing website and we invite you to read and comment on the proposed draft.

Comments should be in writing and addressed through pertinent trade associations such as the Mortgage Bankers Association, the National Association of Homebuilders and its Multifamily Housing Council, regional lenders associations and professional associations. All trade groups with an interest in FHA Multifamily programs are encouraged to solicit comment from their constituents and summarize these comments in writing not later than June 1, 2012.

Comments should be addressed to Mr. Dan Sullivan at Daniel.J.Sullivan@hud.gov or by mail delivery to Rm 6148, U.S. Dept. of Housing and Urban Development, 451 7th Street SW, Washington DC 20410-8000.