



**U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT**

WASHINGTON, DC 20410-1000

OFFICE OF HOUSING

June 28, 2013

Dear Multifamily and Healthcare Partners:

Under HUD's budget, the Federal Housing Administration (FHA) has finite authority to issue mortgage insurance commitments under its Multifamily and Healthcare programs. The Department is approaching its \$25 billion limit of Commitment Authority allotted for fiscal year 2013 to operate its FHA Multifamily, Risk Share and Healthcare Programs. At the current usage rate, FHA will not have sufficient Commitment Authority for all applications currently in the pipeline. In order to balance the Department's goals, and to ensure the most effective use of the limited remaining authority, FHA will begin prioritizing the use of Commitment Authority on July 15, 2013. Multifamily Hubs and Program Centers, and the Office of Healthcare Programs, will continue to issue commitments following normal procedures through July 12, 2013.

All firm commitments already issued will be honored and may continue to move toward and through endorsement/closing. FHA will also continue to accept and process new mortgage insurance applications under Multifamily and Healthcare programs, authorizing issuance of Firm Commitments based on the available amount of commitment authority on a first come/first serve basis, in accordance with the following priorities:

Within the Office of Multifamily Housing Programs, the priority order will be:

Priority 1: Projects Affected by Hurricane Sandy: Multifamily transactions being processed under notice H13-05, "Hurricane Sandy/Superstorm Response - Expedited Processing for FHA Multifamily Mortgage Insurance Applications".

Priority 2: Affordable Transactions¹: Risk Share Loans, (542(b) GSE and 542(c) HFA); Affordable Multifamily New Construction and Sub Rehabilitation; Affordable Multifamily Projects under Section 223(f); and Affordable Multifamily Refinance Projects under Section 221(a)(7).

Priority 3: Market Rate Transactions, in the following order: Multifamily New Construction/Substantial Rehabilitation; Multifamily Market Rate Refinance under Section 223(a)(7); and Multifamily Market Rate under Section 223(f).

¹*Affordable in this context means projects with at least 15 years of remaining use restrictions that 1) meet the Low Income Housing Tax Credit rent/income restrictions, or 2) have at least 15 years remaining on project-based Section 8 contracts or use restrictions tied to mortgage based subsidies.

Within the Office of Healthcare Programs the priority order will be:

Priority 1: Hurricane Sandy Recovery Transactions.

Priority 2: Currently FHA Insured Loans that are Troubled Assets (Below a 1.2 DSCR).

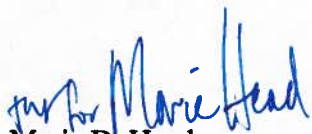
Priority 3: Affordable New Construction.

Priority 4: New Construction.

Priority 5: Affordable Refinance.

Please direct your questions regarding the status of a particular transaction to the respective office managing the application.

Sincerely,



Marie D. Head

Deputy Assistant Secretary

Office of Multifamily Housing Programs



Roger Miller

Deputy Assistant Secretary Office of
Healthcare Programs