



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

451 SEVENTH STREET, SW
WASHINGTON, DC 20410-1000

OFFICE OF HOUSING

March 1, 2013

Dear Multifamily and Healthcare Partners:

We would like to provide you with an update about commitment authority. Under HUD's budget, the Federal Housing Administration (FHA) has finite authority to issue mortgage insurance commitments under its Multifamily and Healthcare programs.

HUD is currently operating under a Continuing Resolution, which expires March 27, 2013, and under which FHA has partial-year mortgage insurance commitment authority. At the average daily rate of insurance issued fiscal year to date, FHA expects that it will utilize the limited resources during the current Continuing Resolution period.

FHA is working with its field offices to collect data on all mortgages in process that may be seeking FHA insurance commitments prior to March 27. To avoid exceeding our remaining authority, it is likely that we will have to prioritize which mortgage types are issued firm commitments for mortgage insurance prior to March 27, and which types must be delayed until FHA has new commitment authority; FHA expects to have new commitment authority upon passage of a HUD budget for fiscal year 2013, a Continuing Resolution for the remainder of fiscal year 2013, or pro rata in the event of a Continuing Resolution for less than the full remainder of the fiscal year.

All firm commitments already issued will be honored and may continue to move toward and through endorsement/closing. FHA will continue to accept and process new mortgage insurance applications under Multifamily and Healthcare programs.

FHA Multifamily and Healthcare will authorize 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:

1. Priority Projects. Priority projects include affordable, RAD, projects under any Multifamily or Healthcare program in Hurricane Sandy impacted areas, and those projects for which a firm commitment has already been issued and an increased mortgage amount is required. Affordable projects in this context means those under any program which have a project based rental subsidy, or Low Income Housing Tax Credits (either new allocations or refinancing of existing tax credit projects.)
2. Section 223(a)(7) transactions.
3. Market rate Section 223(f), and new construction/substantial rehabilitation applications.

Please direct 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