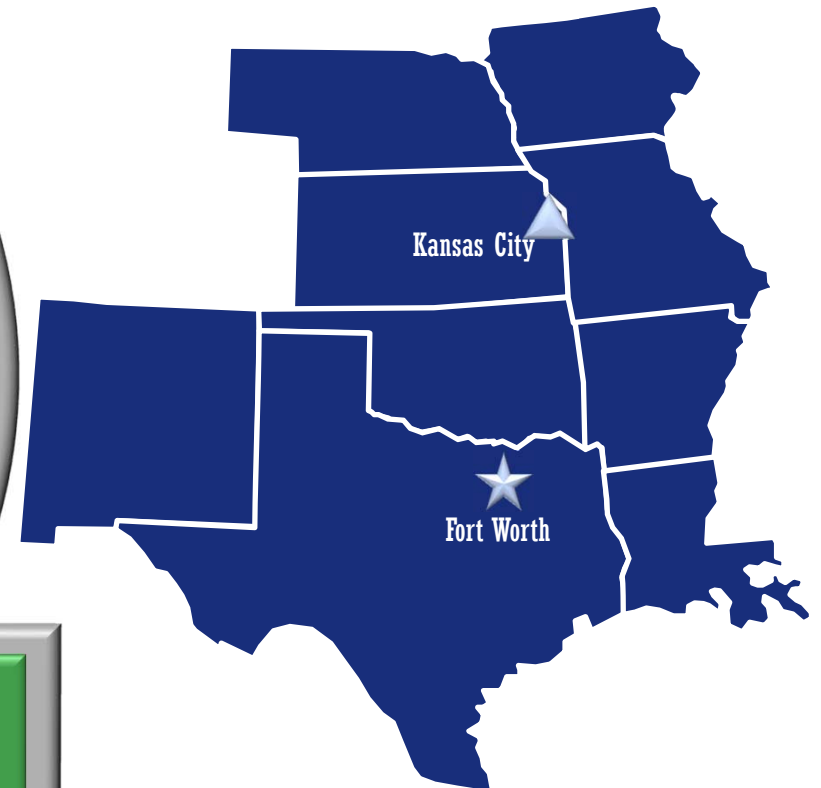


U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT



## Southwest Region

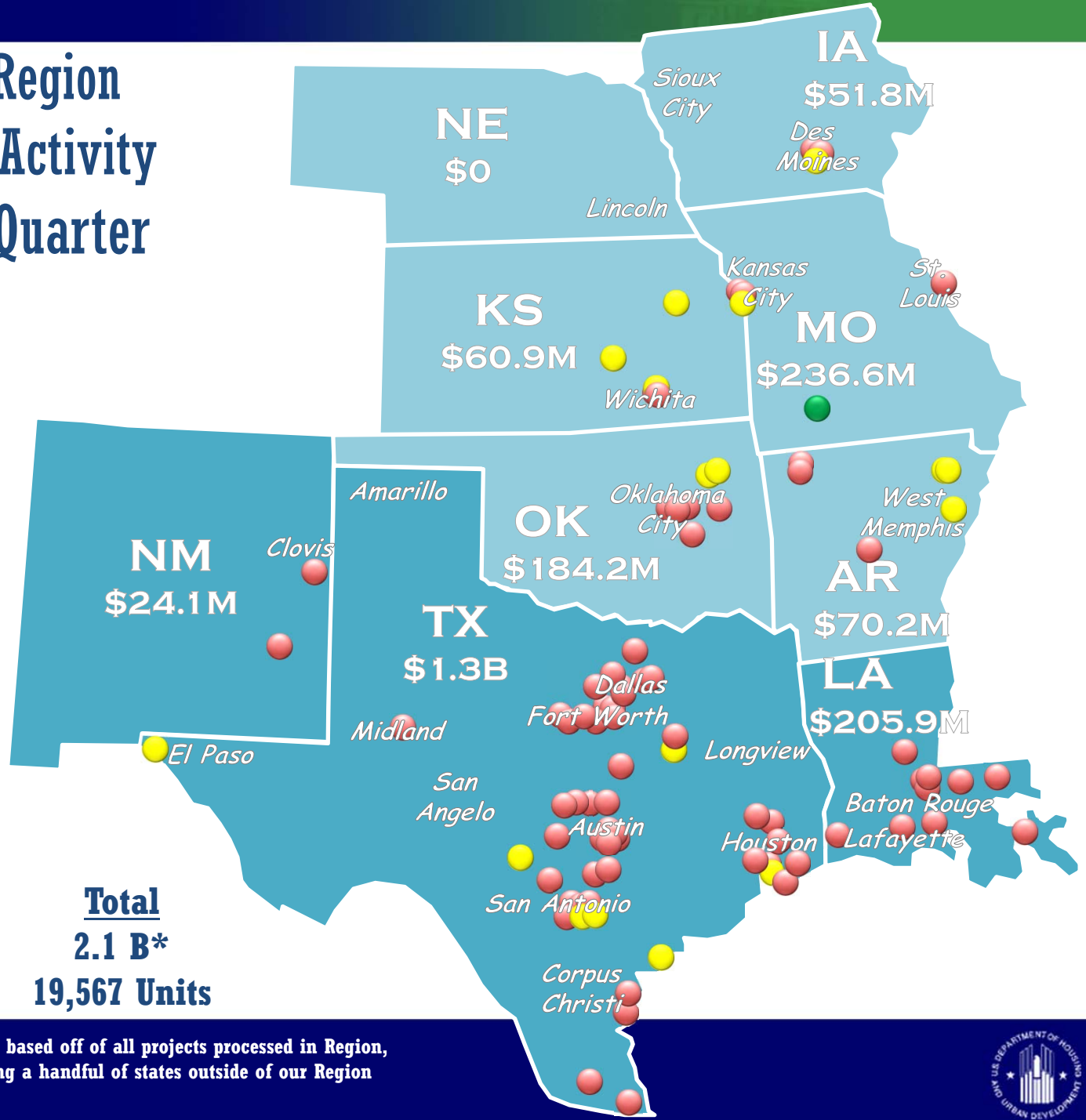


March 21-22 Conference



# Southwest Region Construction Activity FY17 – 1<sup>st</sup> Quarter

- **221d4 New Construction**  
\$1.8 B  
15,692 units
- **221d4 SubRehab**  
\$250.4 M  
2,987 units
- **220 SubRehab**  
\$54.3 M  
376 units
- **241a/223f refi**  
\$2.5 M  
364 units
- **HFA Risk New  
Construction/SubRehab**  
\$0 M  
0 units
- **213 Coop**  
\$10.7 M  
148 units



**Total**  
**2.1 B\***  
**19,567 Units**

\* Total is based off of all projects processed in Region, including a handful of states outside of our Region



# Southwest Region Concept Meetings

FY17: Oct.1 - Current

❖ **Arkansas**  
5 Concepts

❖ **Nebraska**  
1 Concept

❖ **Iowa**  
2 Concepts

❖ **New Mexico**  
0 Concepts

❖ **Kansas**  
4 Concepts

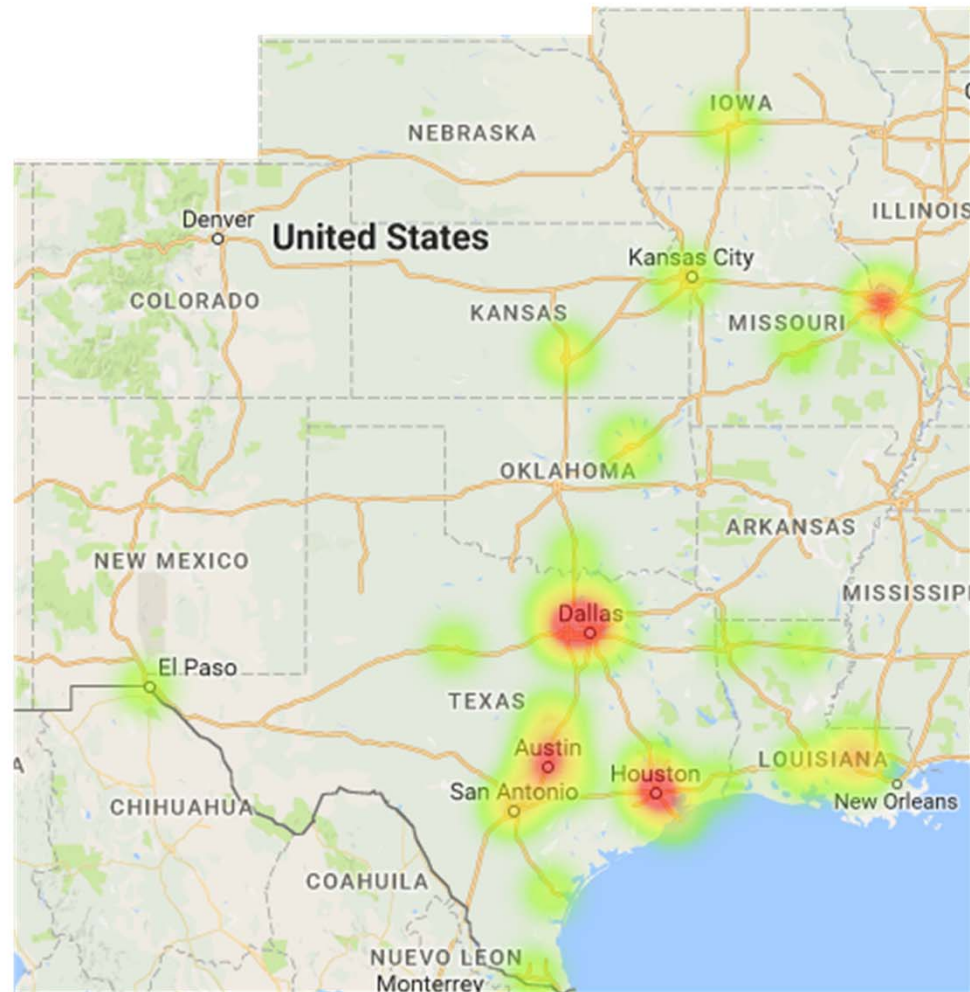
❖ **Oklahoma**  
5 Concepts

❖ **Louisiana**  
18 Concepts

❖ **Texas**  
102 Concepts

❖ **Missouri**  
15 Concepts

**Total**  
**161 Concepts**



# Low-Income Housing Tax Credit (LIHTC)

- **LIHTC was created in 1986 and made permanent in 1993, as an incentive for private developers and investors to provide much needed low-income housing.**
- **In July 2008, the Housing and Economic Recovery Act (HERA) provided statutory rulings for FHA multifamily program changes, to facilitate the use of insured mortgages with LIHTC developments.**
- **Generally, 9% LIHTC is awarded when 70% of the low-income unit costs are provided by the investor.**
- **Generally, 4% LIHTC is awarded when 30% of the low-income unit costs are provided by the investor.**
- **LIHTC properties tend to have lower debt service payments and lower vacancy rates than market rate properties.**



# Advantages of FHA Financing

## 221(d)(4) – New Construction/Sub-Rehab

- 40-year amortization loan including construction financing
- Non-recourse
- Timeline: 60 days from application to firm commitment. 30 days to initial close.
- Delayed submission of plans & specs (30 days prior to initial closing)

## 221(d)(4) – New Construction/Sub-Rehab LIHTC Program

- New 221(d)(4) Pilot Program coming soon
- Mortgage Insurance Premium: .25% due to HUD at closing, with 0.25% annually thereafter.
- Usually follow “direct to firm” application submission, but no pre-application fees apply if traditional two-stage processing occurs
- Interest Rate: Fixed rate subject to market conditions at rate lock.

# Advantages of FHA Financing

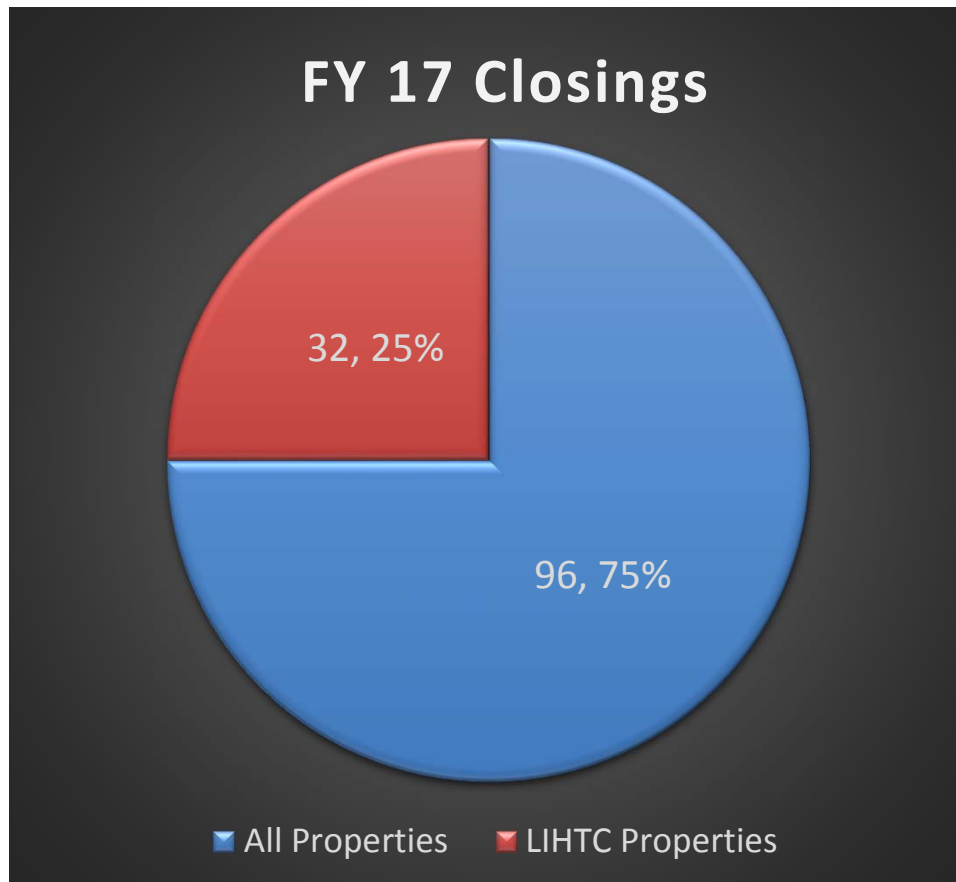
## 223(f) – Refinance

- 35-year amortization loan including construction financing
- Non-recourse
- Usually follow “direct to firm” application submission, but no pre-application fees apply if traditional two-stage processing occurs
- Timelines: 45 days from application to firm commitment. 30 days to close.

## 223(f) – Refinance LIHTC Program

- Up to \$40,000 in repairs per unit with no Davis-Bacon requirement
- Mortgage Insurance Premium: .25% due to HUD at closing, with 0.25% annually thereafter.
- HUD Application Fee: 30 basis points (\$3 per \$1,000) of requested loan amount, due with application to HUD.
- Interest Rate: Fixed rate subject to market conditions at rate lock.
- Construction period may exceed 12 months\*

# Southwest Region Closings

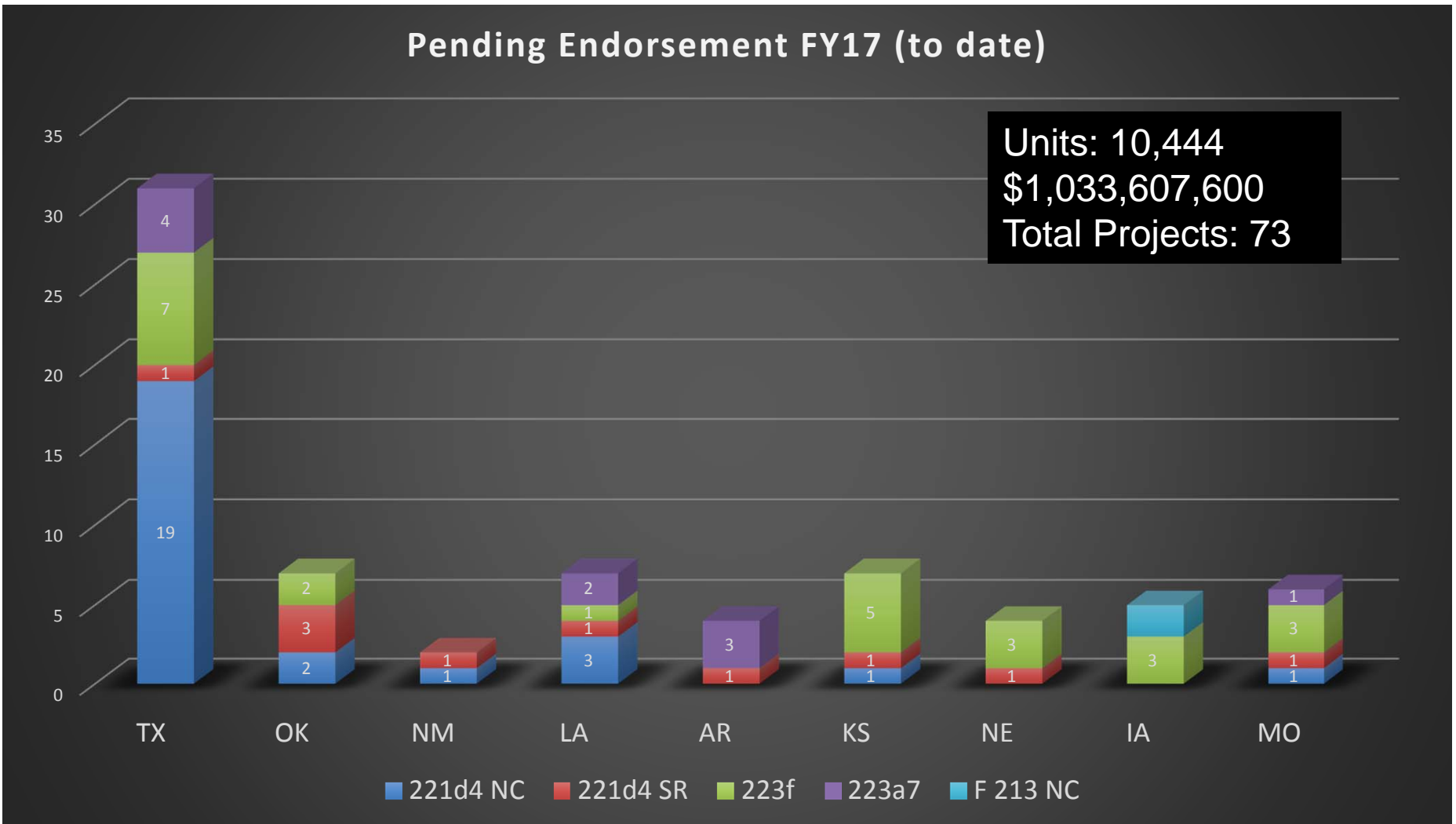


- Out of 33 LIHTC deals closed in FY 17, one property is located in Nebraska
- Property Information:
  - Initial 221(d)(4) New Construction
  - 192 Units
  - \$15,891,500, at a Broadly Affordable (0.25%) MIP rate
  - Project is located in Omaha



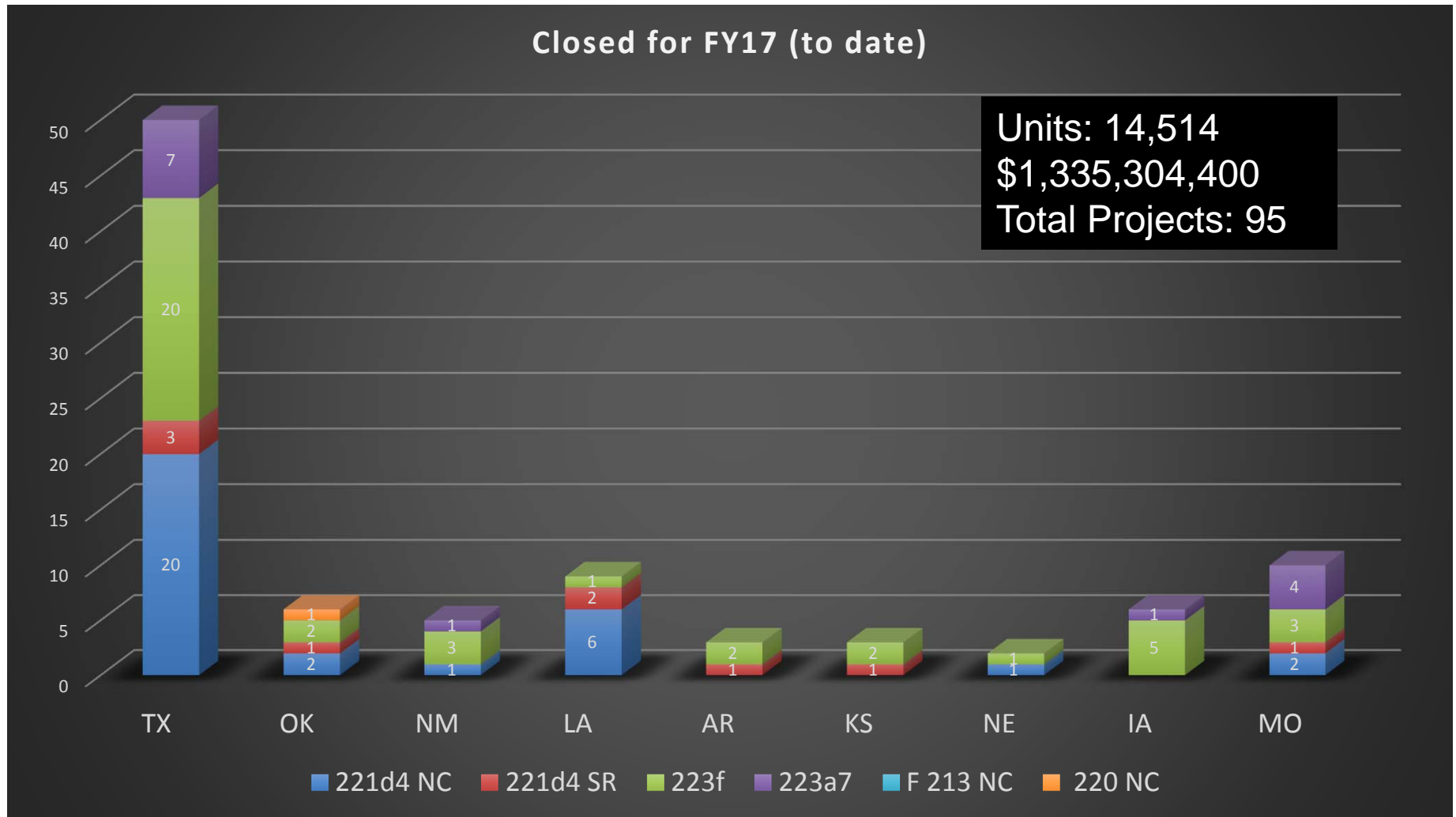
# Southwest Region Pipeline Numbers

Pending Endorsement FY17 (to date)

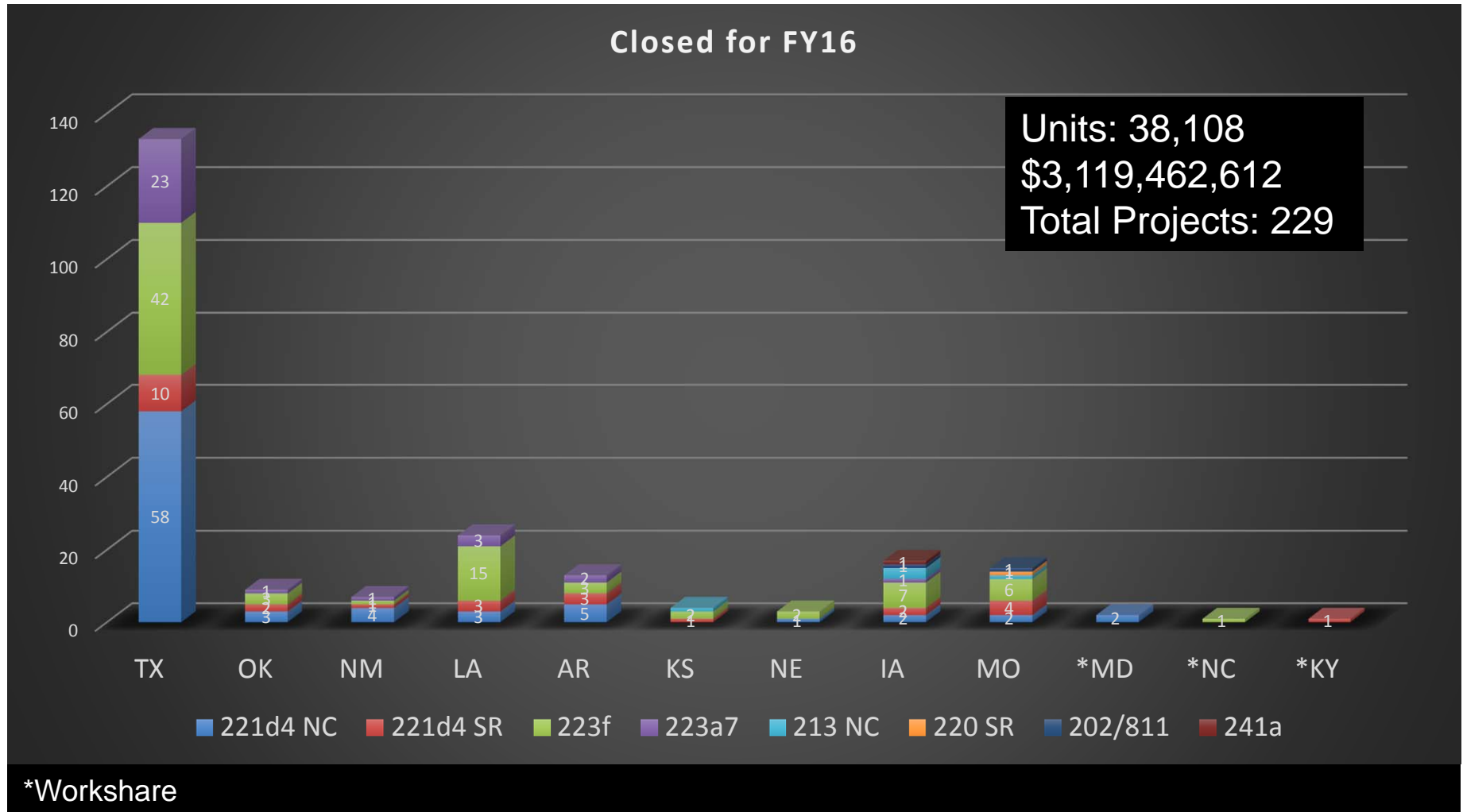




# Southwest Region FY17 Closings



# Southwest Region FY16 Closings



# Contacts for LIHTC Applications

Jovanna Morales – LIHTC Branch Chief: 817-978-5768

[Jovanna.M.Morales@hud.gov](mailto:Jovanna.M.Morales@hud.gov)

Lisa Campfield –Program Analyst: 817-978-5654

[Lisa.A.Campfield@hud.gov](mailto:Lisa.A.Campfield@hud.gov)



# Construction Email Box

Our Construction Mailbox is monitored daily by our analysts

We encourage you to submit the following construction requests to [SWConstruction@hud.gov](mailto:SWConstruction@hud.gov) upon Initial Closing of all New Construction/Sub Rehab loans:

- *Permissions to Occupy (PTO)*
- *Change Orders*
- *Draw Requests*
- *Construction Inspections*
- ***Repair Escrows -COMING SOON – These requests will transition from Asset Management to Production***

## Production Email Box

The Southwest Production team recently set-up a NEW inbox. We encourage you to submit the following production inquiries to [SWProduction@hud.gov](mailto:SWProduction@hud.gov):

- *Concept Meeting Correspondence (please mail concept packages)*
- *Pre-Application and Firm Application Correspondence (application packages should be mailed)*
- *Requests for FHA Numbers*
- *Requests for Production Pipeline activity within the Southwest Region*

# Other Electronic Mailboxes



**The following two mailboxes are used to receive new incoming work from external and internal clients:**

## **[MFSouthwest@hud.gov](mailto:MFSouthwest@hud.gov)**

This box receives general correspondence/incoming requests for all properties serviced by the Southwest Region. Oversight of this box is assigned to support staff and their respective Branch Chiefs.

## **[MFSouthwestMARs@hud.gov](mailto:MFSouthwestMARs@hud.gov)**

This box receives all incoming Monthly Accounting Reports (MARs) for properties serviced by the Southwest Region. Oversight of this box is assigned to support staff and their respective Branch Chiefs.