

July 22, 2021

The Honorable Marcia L. Fudge  
Secretary  
U.S. Department of Housing and Urban Development  
451 7th Street SW  
Washington, DC 20410

Re: FHA Multifamily Processing Delays

Dear Secretary Fudge:

The undersigned national associations are writing to urge you to address the severe processing delays that are impeding the financing of sorely needed affordable housing in the Federal Housing Administration (FHA) multifamily and healthcare programs.

Our organizations represent a broad range of stakeholders affected by these processing delays, including for-profit and non-profit multifamily property owners, lenders, developers, managers, housing cooperatives, and housing agencies involved in providing affordable rental and cooperative housing to millions of American families.

We look forward to working with you and other Housing and Urban Development (HUD) officials to leverage the FHA multifamily and healthcare programs to increase the supply of affordable rental housing so every American will have a safe and affordable place to live.

HUD Multifamily Accelerated Processing (MAP) lending participants report that the average time an application spends in the queue waiting to be assigned an underwriter is now up to 6 months versus the historical norm of 1-2 months. As a result, the average time from application to closing for a refinance can be longer than a year. These delays are slowing HUD's ability to both increase supply and reduce the cost of multifamily housing and residential healthcare facilities.

We understand that two major contributing causes of the processing delays are the recovery of the economy and high demand for FHA's lending programs. Last year, HUD and its MAP lenders funded the production of the largest supply of multifamily, seniors, and healthcare housing in the program's history, and are on record to surpass that total this year. In fiscal year (FY) 2020, HUD had 1,131 firm commitments issued totaling \$21.8 billion. In the first five months of FY 2021, HUD has issued 1,195 firm commitments totaling \$22.8 billion, and is on pace to do \$34 billion by the close of the year.

That demand and volume, however, has taxed available HUD staffing resources. We appreciate that the HUD team is working hard to ensure the current pipeline is prioritized and that loans are closed as efficiently as possible. However, despite those best efforts, our members continue to endure delays, including the protracted time it takes before a loan is even assigned to a HUD underwriter.

That said, we believe there are solutions to mitigate these delays. In the near term, HUD should utilize additional contractor resources to supplement the workloads of HUD underwriter staff. We understand that the process to procure such support is underway, and we urge you and other

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HUD officials to work with the Office of the Chief Procurement Officer (OCPO) to complete the process of bringing additional contracted service providers on board as quickly as possible.

As an additional near-term action, we also urge HUD to consider temporarily redistributing underwriting workloads across regions. We understand that some regions, like Chicago, may currently have smaller pipelines than other regions and may be able to provide temporary staffing help to other regions that are experiencing the greatest delays. The experience of the pandemic has taught us all how to do more from remote locations. Regional offices could also identify and share processing best practices across regions.

For the longer term, we urge HUD to utilize a balance of permanent and contracted resources. This would include hiring, training, and retaining critical HUD staff across regions, complemented by IT enhancements, together with the flexible use of contracted service providers to manage unexpected or peak demand.

The undersigned organizations and our respective members share HUD's objective of increasing the supply of affordable multifamily housing and residential healthcare facilities, and we appreciate your consideration of our views.

We look forward to working with you and other HUD officials to address this important issue, and we would be pleased to participate in further discussions with you and your staff. If you have any questions or for further information, please contact Mike Flood at [mflood@mba.org](mailto:mflood@mba.org).

Respectfully,

CCIM Institute  
Council for Affordable and Rural Housing  
Institute of Real Estate Management  
Mortgage Bankers Association  
National Apartment Association  
National Association of Affordable Housing Lenders  
National Association of Home Builders  
National Association of Housing Cooperatives  
National Affordable Housing Management Association  
National Housing Conference  
National Leased Housing Association  
National Multifamily Housing Council

cc: Adrienne Todman, Deputy Secretary of the U.S. Department of Housing and Urban Development

Lopa Kolluri, Principal Deputy Assistant Secretary for the Office of Housing and the Federal Housing Administration

Ethan Handelman, Deputy Assistant Secretary for Multifamily Housing