



OFFICE OF HOUSING

January 4, 2019

MEMORANDUM FOR: FHA Multifamily Lenders

FROM: Lamar Seats, Deputy Assistant Secretary, Office of Multifamily Housing Programs

SUBJECT: Impact of Government Shutdown on Multifamily FHA Mortgage Insurance Applications and Production Activities

As you are aware, the partial government shutdown continues as the Department of Housing and Urban Development's spending authority expired on Friday, December 21, 2018, due to the lack of appropriated funding. Pending appropriations needed to operate, most FHA Multifamily activities must cease for the duration of the shutdown. Separate guidance will be issued with respect to Asset Management activities.

Excepted and intermittently available staff will be available for those activities which affect life and safety, and for which binding obligations must be honored under the terms of their contracts. During the first 30 business days of a shut down the following will apply:

- Closings will be conducted for FHA Multifamily Initial Endorsements on projects with Firm Commitments issued on or prior to December 21, 2018, that have a scheduled closing during the shutdown period, and closings on Final Endorsements that have critical external deadlines. Contact the Regional Production Division Director by e-mail to confirm scheduled closing dates.
- MAP Lenders servicing construction loans and administering non-critical repair escrows may, at their and Owners' and General Contractors' risk, process interim construction draws. Contract construction inspections which have been funded will be conducted. HUD will perform or review construction inspections on a post-review basis at such time the government re-opens.
- No change orders will be processed or approved.
- No applications for Multifamily FHA mortgage insurance will be accepted or processed.

We apologize for the disruption in service and look forward to resuming normal operations once government funding resumes. Please contact Pat Burke, Acting Director of MF Production at patricia.m.burke@hud.gov if you have any questions about this memorandum.



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January 4, 2019

MEMORANDUM FOR: Section 8 Property Owners, Project Rental Assistance Contract (PRAC) Property Owners, and other Assisted Property Owners

FROM: Lamar Seats, Deputy Assistant Secretary, Office of Multifamily Housing Programs

SUBJECT: Impact of Government Shutdown on Multifamily Asset Management Activities

As you are aware, the partial government shutdown continues as the Department of Housing and Urban Development's spending authority expired on Friday, December 21, 2018, due to the lack of appropriated funding. Pending appropriations needed to operate, most asset management activities must cease for the duration of the shutdown.

Excepted and Intermittent staff will be available for those activities which affect life and safety, and for which binding obligations must be honored under the terms of contracts. During the first 30 business days of a shutdown, the following activities will continue:

1. Making payments under Section 8 contracts, rent supplement contracts, Section 236 agreements, and Project Rental Assistance Contracts (PRAC) on an as needed basis to ensure ongoing viability of assets and preservation of affordable housing. Payments will be contingent on budget authority being available from prior year appropriations or recaptures. Payments may require processing Section 8 and PRAC renewals for expiring contracts and processing amendment funds for non-expiring Section 8 contract renewals.

Please note that HAP/PRAC payments from funds obligated prior to a shutdown period are anticipated to occur without any major disruption.

Owners of properties with FHA insured mortgages or 202/811 Capital Advances may submit requests for releases from their reserve for replacement accounts to cover funding shortfalls caused by non-payment of monthly rental subsidy.

2. Process payments to PBCAs.
3. Continued management of HUD-owned and Mortgagee-in-Possession projects.
4. Approval of emergency repairs related to health and safety.
5. Respond to issues relating to the imminent threat to the safety of the residents, or to the protection of property in HUD-insured or assisted multifamily projects.



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We look forward to resuming normal operations once government funding resumes. Please contact Jen Larson at (202) 402-7141 or at Jennifer.L.Larson@hud.gov if you have any questions regarding this memorandum.