



To all HUD Lenders,

I wanted to initially provide information for how we are going to accept applications during this period of HUD offices working remotely due to COVID-19, as well as how we are going to handle closings and most specifically wet ink signatures on notes and signatures/notaries on regulatory agreements for recording.

Application Submission

We have created a central mailbox for Lenders to submit applications to the MW Region – mwloanincoming@hud.gov. This is being updated on our regional website. We do not require a certain form of electronic delivery but are assuming that all lenders have a secure electronic file sharing platform that can be used. Our only requirements are that it be secure and easily accessible with submissions organized in the usual application exhibit format used when previously sending us electronic submissions on a thumb drive.

Lesley Johnson, Underwriting Branch Chief in Chicago, is the primary user as our Regional Workload Lead, but Underwriting Branch Chiefs in all of our offices, as well as the Production Director, have access to the mailbox as backups. Once received, the applications will be uploaded to our internal share point system for screening and review by the assigned underwriter. Please send emails to Lesley Johnson, Paul Vasilakos, Ray Stiles, Chris Nielsen and me with instructions for how to access your individual file sharing platform as needed.

Please do not send hard copy applications, or components of those applications, anywhere until you receive instructions from the assigned underwriter. There may be individual exhibits, such as construction documents, that could be challenging to review in a home work environment, and underwriters will direct you regarding the destination of those documents for shipping. Eventually, we will likely need an original hard copy application for our files, but you will be advised about shipping that at a time when the office in question is functioning and can receive it.

Closings

So far, closing documents submitted electronically have been successfully reviewed and while some attorneys are not accustomed to this, OGC both within the region and in HQs has assured us that everyone will adapt to virtual review of documents without paper submission.

Unlike most Production related approvals of documents (firms, amendments, waivers, etc.) which can be signed digitally during this time, the Note and Regulatory Agreement for Closings still require wet ink signatures and a notarized signature in the case of the Regulatory

Agreement. Going forward, the standard procedure within our region will be that I am the signatory on all Notes and Regulatory Agreements. Lender counsel should send those documents in hard copy with corresponding Lender and Borrower signatures to my personal residence via UPS or FedEx with paid return shipping labels, ideally for UPS as that is the easiest drop location near my home.

Hard copy, signature ready documents are greatly appreciated so that I do not have to print these documents to execute them. I am arranging for my signature to be notarized in various ways so there are backup plans. I will return the signed and notarized Regulatory Agreement to Lender Counsel for recording. OGC prefers that I retain the Notes, date them when I am advised we are closed, and then send them back to Lender Counsel. I will scan and pdf fully executed copies before shipping them out.

I should note that this will be the standard practice, but there are backup plans in place in each closing office and the closing parties may decide that the local solution for signature and notary is more efficient on a case by case basis. Unless an alternative is worked out, please direct counsel to send those documents to me for signature. I will provide my home address upon request from counsel. Please build in additional time to account for this remote process and the challenges of recording where the transaction will be closing. I will be relying on OGC and Housing reviewers to confirm that the Regulatory Agreement can be released for recording.

Thank you all for your assistance and cooperation during this challenging time. Communication is always the key but even more so now. HUD may not be in the office but be assured we are working and doing everything we can to keep your applications moving timely toward firm commitment and from there to closing. I greatly appreciate individual offers from many lenders to extend extra help to the extent we need it and we will certainly reach out as needed. You will likely hear more from me through the MW Lenders Association as common issues arise or guidance needs to be communicated.

Hang in there, stay safe and healthy, and stay in touch.

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