

the
Community
Concepts
Group



P. O. BOX 16129
TALLAHASSEE, FLORIDA 32317

PHONE 850-656-2808
FAX 850-656-0161
sleigh@comcast.net
www.cconceptsgroup.com

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Mr. Steve Auger, Executive Director
Mr. Ken Reecy, Director of Multifamily Programs
Florida Housing Finance Corporation
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301

RE: Comments to the Rule Process and Request for an Underwriting Workshop

Dear Gentlemen:

At various rule workshops over the past few months, I have made a comment regarding the benefits that could occur from a roundtable discussion between underwriters and developers. This would include FHFC moderating or participating to help improve the overall underwriting process for all involved.

The thought process behind this is a way to review and look for potential time savings and maybe even cost savings -- if it can be set up in a productive (not conflictive) environment.

I believe that it is something that could be done on an ongoing basis (at least every few years) as a way to continue to take advantage of the knowledge gained through years of experience by the underwriters and the developers that utilize FHFC.

In order to make sure it is considered and so it can be added to the comments about the process, I have tried to expound on the thought and including potential discussion around this issue or request.

1. Underwriting Workshop and Discussion of Guidelines.

The rules and other documents include information about the guidelines for the underwriting process. Through the years this information has been amended and changed as new issues have arisen. For those that are involved regularly in this process they are fairly familiar with the core requirements. That being said, even for someone familiar with the core process, there are

nuances that occur because of a new requirement or a particular development triggers interpretation that had not be previously experienced.

As new people (applicants, non-profits, different developers) come into the system with many of the new RFA's, it seems like it would be very difficult to navigate that process with no knowledge of what to expect. Many of the items that are needed don't occur until after the application has been scored and processed.

Having an open dialogue not only about the developer's frustration or lack of understanding, but about the underwriter's frustration with various aspects of this process may lead to ways to save time and still provide the level of due diligence needed to insure a thorough review and analysis.

2. Potential Topics or examples of items to be covered

Both developers and underwriters can develop their own list but here are a few examples of items that could be discussed.

- a. What is expected when an invitation to underwriting is received?
- b. A schedule with anticipated milestones and which items are required to reach those milestones (receipt of specifically identified material)
- c. Knowledge of whether materials are reviewed as received, or will not be reviewed until all items are received
- d. Time frame to produce a report and how long before a board meeting must the report be ready to make a specific meeting
- e. What is considered complete?
 - i. What items are necessary in order to get board approval?
 - ii. Which items can be provided "prior" to closing but are not necessary for Board Approval
- f. A system that would allow for a "frequent flyers" to provide complete financials once a year that are updated for each new transaction, instead of complete financials to even the same underwriter even if the deals are two months apart.
- g. Since applications are submitted without requirements for full lender commitments, there is some assumption that there is a lender interested in the development but not that they have received a firm commitment. With FNMA and Freddie Mac and HUD all being potential lenders, how will the HUD approval process play into the suggested 9 months to complete underwriting and close?
- h. What if there are external factors that impact the timing out of the applicants control how will that impact the process and timelines?
- i. How is an underwriter to proceed if they have too many projects to underwrite at one time based on their workload? Does their inability to perform reflect on their obligations or on a developer?

3. Equitability Regarding Scoring or Penalizing applicants that do not proceed under the new guidelines at the pace required

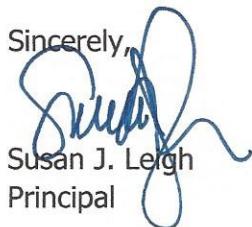
It appears that FHFC is moving toward a system that will hold developers accountable to the speed at which they may move through the underwriting process. If applicants/developers are going to be penalized, scored or rewarded for their movement through the underwriting process, I believe it is important to also set clear guidelines that the underwriter must follow from a timing perspective.

Currently, there are three different underwriters that approach the same tasks in different ways. Within each of these companies, the employees have a variety of level of experiences. The less experienced employee may take longer to move through the information requested and provided by the developer. There needs to be accountability on each side of the table since it could negatively impact an applicant if they end up with a less experienced person. The person may not have the ability to review or understand what is provided as quickly and delays on their part would impact the overall time table of review.

As an example, providing guidelines that would indicate *"that all reports would be ordered by the underwriter at the receipt of the paid fee and no later than 2-3-4-?? days following that payment"* would be helpful. Those external reports are very important and any delay in getting those ordered will delay the entire process. This is particularly critical in a rehabilitation situation. Or making sure that contracts with outside vendors that provide third party reports are required to complete those reports in a time frame consistent with the need for the timing of the underwriting process.

Thank you for taking comments regarding the FHFC processes. The processes involved in the review and analysis of all the projects that flow through Florida Housing are complex and have been developed over years. Experiences of both developers, staff, board and applicants have shaped the current programs and process. It is an evolving system and this is one of those areas that could probably use thoughtful discussion because there is seldom time to take a breath because of the ongoing workload. I believe could provide a benefit to FHFC as well as those that participate in your programs.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Susan J. Leigh', with a large, stylized flourish extending from the end of the signature.

Susan J. Leigh
Principal