

# BedfordLending

## HUD a7 Processing Timeline

**Participants:**

BLC = Bedford Lending Corp.

CLT= Client

HUD = HUD

Steps	Resp	Days	Cumulative	Fees Due - They are all Mortgageable	Comments/Critical Requirements
<p><b>Pre-Qualification</b> - BLC to prequalify the project and will need information located in our Processing Checklist, namely:</p> <ul style="list-style-type: none"> <li>- Past 6 months rent roll and occupancy history</li> <li>- Financial statements for past three years and interim statements</li> <li>- HAP Contract if applicable</li> <li>- Copy of mortgage note and current title report.</li> </ul> <p>Once received, BLC will prepare a preliminary financial analysis and email to client.</p>	BLC & CLT	2	2		
<p><b>Engagement</b> - Client to formalize HUD agreements.</p>	CLT	3	5	\$2,500 Retainer	Waived for existing clients.
<p><b>Application Process</b> - No appraisal, market study or environmental reports are required, generally an a7 requires only a PCNA report.</p> <p>If goal is to secure Green certification for reduced MIP (25 basis points), we will need a year of utility bills along with building design (as-builts and site plan). See Comments.</p> <p>It generally takes 30 days for the PCNA report. During this period, BLC underwriter to gather required information from borrower and complete HUD submission package.</p>	BLC	30	35	\$5,000 - \$7,000 for third-party reports. Dependent on market costs associated with third-party reports.	<p>BLC will obtain quotes from qualified third-party vendors in local market.</p> <p>Need 12 months of tenant and common area utility bills in order to complete Green report. If not 100% available, sampling of tenant bills from different room sizes/types will work.</p> <p>We will need to be provided accurate building design details that include the gross square footage of conditioned space and building configuration. This item can be satisfied by being provided construction as built plans and an overall site plan.</p>
<p><b>BLC Review &amp; Submission</b> - Once third-party reports are secured, BLC will analyze the reports, submit a write-up with accompanying exhibits and reports to HUD for approval.</p>	BLC	5	40	Client needs to remit .15% of the mortgage amount to HUD.	Preparation of Application will occur at same time third-party reports being completed. Timely submission of exhibits from client will be critical.
<p><b>HUD's Screening of the Application</b> - HUD will issue approval, denial or approval with conditions.</p>	HUD	30	70		Subject to HUD workload. HUD has 45 business days to act on application, but generally processes faster.
<p><b>Coordinate Closing</b></p>	BLC	20	90	Title & Recording, and Borrower/Lender Legal have reduced costs for a7 versus other programs.	Fees spent on third parties and other mortgageable costs are mortgageable and credited at closing.