



MORTGAGE BANKERS ASSOCIATION

January 19, 2024

Mr. Ethan Handelman
Deputy Assistant Secretary for Multifamily Housing
U.S. Department of Housing and Urban Development
451 7th Street, SW
Washington, DC 20410

Re: Consensus draft of Revised MAP Guide Chapter Six

Dear Deputy Assistant Secretary Handelman:

We are writing to express support for the publication of the revised MAP Guide Chapter Six that was submitted to Multifamily Production leadership last week by Kevin Han, Office of Multifamily Production Technical Support Division. This revision is the result of an 18-month consensus-based revision process involving HUD, MAP lender stakeholders, and third-party industry experts (the “task force”). The revisions provide more explicit written guidance to all participants, addressing several questions and comments that have come up since the issuance of the 2020 MAP Guide. Additionally, the updated chapter provides a resiliency path to Green MIP for affordable and market rate properties, similar to how the Green and Resilient Retrofit Program (GRRP) provides a resiliency path to improve the energy-efficiency for Section 8 and Public Housing multifamily properties.

Background

The Chapter Six revision process began with a two-day in-person brainstorming session led by Kevin Han in July 2022. At that session, which involved lenders, third-party energy consulting representatives, and HUD staff, a broad outline of the needed changes to Chapter Six based on experience under the original version was developed. Afterwards frequent email consultation, as well as occasional ad-hoc meetings at the various regional lender council conferences where Kevin and task force members were available, led to several drafts that were discussed and reviewed by Kevin and the task force.

The consensus-based revision process is regularly used for such standards as building codes, green certification programs and ASTM standards. In this case, with the support of the MBA working group for Green MIP, the revisions have been crafted by consultation among third-party energy professionals, lenders active in the Green MIP program, and with cooperation from the 150-member ASTM Task Group WK62996 that is crafting ASTM's industry standard for the Property Resiliency Assessment. This is a considerable

sample of the stakeholders affected by Chapter Six, and one of the largest groups we are aware of to ever draft such an important piece of HUD guidance.

The most recent consensus-based draft, dated January 5, 2024, was reviewed by the task force and served as a basis for the revised Chapter Six that was submitted by Kevin Han to Multifamily Production leadership for clearance on January 9, 2024. As a result of the consensus-based drafting approach and amount of stakeholder involvement, the MBA anticipates industry wide-support for the revision with a smooth public comment and clearance process.

Participants

The following lenders were most active on the MBA task force. Note that combined, they account for approximately 60% of FHA Multifamily Production's Firm Commitments issued in HUD's fiscal year 2023.

- Berkadia
- CBRE
- Colliers Mortgage
- Dwight Capital
- Greystone
- Lument
- Merchants Capital
- Rockport Mortgage

The following firms specializing in energy design or consultation took an active role in developing the draft revisions:

- AEI Consultants
- Dominion Due Diligence Group
- Nova Group
- Partner Engineering & Science

A major portion of the sustainability path to Green MIP was developed in cooperation with the ASTM Task Group WK62996 within ASTM E06.25 Performance of Buildings - Whole Buildings and Facilities.

- Holly Neber, Task Group WK62996 Co-Chair, CEO, AEI Consultants
- Damian Wach, Task Group WK62996 Co-Chair, Vice President, PGIM

Recommendations

Immediate recommendation: The task force and MBA support the expedient publication of the Chapter Six revision as is written.

Future recommendation: Additional incentives for energy efficiency and resilience in affordable housing are needed beyond what can be accomplished through a re-drafting of MAP Guide Chapter Six. The inability to address this issue through MAP Guide revisions should not discourage the publication of the currently submitted Chapter Six revision. Since affordable properties already qualify for a lower 0.25bps/0.35bps MIP, the incentive for these properties to qualify for the 0.25bps Green MIP do not overcome the costs they face to do so. The policy changes needed for better participation of affordable properties in the Green MIP program will likely need to be done through a lengthier Federal Register publication process that involves another lower MIP category. Nevertheless, there is strong advocacy for such policies, and we believe HUD will find that this support is industry wide. Therefore, the task force urges HUD, in consultation with the MBA's Green MIP working group and members of the affordable housing community, to pursue larger policy changes outside of MAP Guide revisions to support Multifamily Housing's Green MIP program for affordable properties.

Sincerely,



Mike Flood
Senior Vice President
Commercial / Multifamily
Mortgage Bankers Association

CC:

Megan Booth, Associate Vice President, Commercial / Multifamily Policy, Mortgage Bankers Association
Karen Wipper, Chair of FHA Committee, FHA Chief Underwriter, Dwight Capital
Mike Bisanz, Vice Chair of FHA Committee, SVP & COO – HUD/FHA, Colliers Mortgage

MBA/ FHA Committee Chapter 6 Working Group Members

Gary Amey, FHA Committee Green MIP Working Group Co-Chair, Managing Director, Dwight Capital
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Matthew Snow, VP HUD Energy and Sustainability, AEI Consultants
Kelsey Johnson, Advisory Board Member, Partner Engineering and Science, Inc.

ASTM Task Group WK62996, within ASTM E06.25 Performance of Buildings - Whole Buildings and Facilities

Holly Neber, Task Group WK62996 Co-Chair, CEO, AEI Consultants
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HUD

Willie Fobbs II, Director, Office of Multifamily Production
Peggy Lawrence, Deputy Director, Office of Multifamily Production
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