

## HUD 221(d)(4) Processing Time Line

Participants:

BLC = Bedford Lending Corp.

CLT= Client

ARC = Architect

HUD = HUD

Start Date: April 27th, 2015

Steps	Resp	Days	Cumulative	Fees Due - They are all mortgageable	Comments/Critical Requirements
<p><b>Pre-Qualification</b> - Client will need to provide construction costs and projections for BLC to review and complete analysis outlining the equity requirement. At a minimum need:</p> <ul style="list-style-type: none"> <li>- projections</li> <li>- breakdown of units</li> <li>- description of the development</li> <li>- copy of approvals (If Applicable)</li> <li>- preliminary construction costs, offsite costs and qualification of contractor.</li> </ul>	BLC/CLT	3	3		
<p><b>Concept Meeting</b> - BLC to prepare concept document detailing the proposed project and will conduct meeting via in person or conference call.</p>	BLC/CLT	5	8		
<p><b>Engagement Retainer</b> - Once client receives formal invitation from HUD to begin the underwriting process, BLC will require a \$5,000 retainer which is credited towards the finance fee at time of closing.</p>	BLC/CLT	3	11	\$5,000 retainer. This is credited towards origination fee.	
<p><b>Phase 1 Application Process</b> - BLC to assemble third-party team and need:</p> <ul style="list-style-type: none"> <li>- limited appraisal</li> <li>- full market study</li> <li>- phase 1 environmental</li> <li>- preliminary site plan, elevations and floor plans from architect</li> <li>- ALTA Survey required</li> <li>- need to update title and provide pro forma title insurance policy</li> </ul> <p>It generally takes 45 days for the third-party reports. During this period, BLC underwriter to gather required information from borrower and complete preliminary application.</p>	BLC	45	56	\$20,000 - \$40,000 for third-party reports. Dependent on market costs associated with third-party reports.	Architectural fees are responsibility of borrower and are mortgageable at closing.
<p><b>BLC Review</b> - Once third-party reports are secured, BLC will analyze the reports, submit a write-up with accompanying exhibits and report to HUD for preliminary approval.</p>	BLC	5	61		Preparation of Preliminary Application will occur at same time third-party reports being completed. Critical will be timely submission of exhibits from client.
<p><b>HUD'S Screening of the Pre-application</b> - HUD will issue approval, denial or approval with conditions.</p>	HUD	30	91		Subject to HUD workload. HUD has 45 business days to act on application but generally processes faster.
<p><b>Firm Application Process</b> - Client needs:</p> <ul style="list-style-type: none"> <li>- full appraisal</li> <li>- full plans and specs</li> <li>- awarding of the construction contract</li> <li>- contractor due diligence-contractor to provide full financials on company</li> <li>- contractor construction breakdown</li> </ul> <p>Once full plans and specs and cost breakdown are submitted, a third-party architectural and engineering company will review the survey, soil analysis, all construction costs, and architectural plans to ensure the costs are justified and that the plans meet HUD requirements. BLC to complete remaining exhibits and reports and submit all the information to HUD.</p> <p>It generally takes 45-60 days for the third party reports. During this period, BLC underwriter to gather required information from borrower and complete preliminary application</p>	BLC	45	136	\$10,000-20,000 for third-party reports. Dependent on market costs associated with third-party reports.	Architectural fees are responsibility of client and are mortgageable at closing. Require full plans and specs for firm application. Client responsible for fee and the amount is a mortgageable expense.
<p><b>Firm Submission and Screening of Firm Application</b> - HUD will either issue a firm commitment or denial.</p>	BLC	30	166	Client needs to remit .03% of the mortgage amount to HUD.	HUD has 45 business days to act on application but generally can process faster.
<p><b>Coordinate Closing</b></p>	BLC	14	180		