

## HUD Processing Time Line

**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 strategize with the client to develop optimal funding strategy. At a minimum need:</p> <ul style="list-style-type: none"> <li>- income and expense 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> <p>Once received, BLC will prepare a preliminary financial analysis and outline the key assumptions and estimated equity needed for the project. If client has the requisite equity, BLC will engage client and proceed to MAP pre-application stage.</p>	BLC/CLT				
<p><b>Concept Meeting</b> - Lender to prepare concept document detailing the proposed project and will conduct meeting in person or via conference call with HUD regional office closest to subject property. After meeting, HUD can issue invitation to move forward into the formal underwriting process.</p>	BLC				
<p><b>Engagement</b> - Client to formalize HUD lender agreement to formally commence with the project.</p>	BLC/CLT	0	0	\$5,000 retainer due after concept meeting preliminary approval and client consents to move forward. This is credited towards lender's origination fee and is mortgageable.	
<p><b>Pre-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	45	\$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 reports to HUD for preliminary approval.</p>	BLC	5	50		Preparation of Preliminary 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 Pre-application</b> - HUD will issue approval, denial or approval with conditions.</p>	HUD	30	80		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 firm application.</p>	BLC	45	125	\$20,000 - \$30,000 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	155	Client needs to remit .30% 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	169		