



BEST PRACTICES IN CLOSINGS:  
Reprocessing/Amendments/  
Reopening and MORE...



# Let's dish about Loan Closings in Region IV.

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Who is closing my loan?

- Meet the Team

When does the closing timeline begin?

- Answers from the experts

What is required for a successful closing package submission?

- Tips from the OGC

Where is the Note?

- Logistics of closing through the mail

Why is it important to follow the timeline?

- Let's find out...

# Meet the Team

- Ocoszio Jackson, Esq., Attorney-Advisor, Region IV
- Barbara Williams, Branch Chief, UW Team, Jacksonville
- Jonathan Mosley, Acting Production Division Director, HUD
- Keisha Burnette, HUD Closing Coordinator, Atlanta

# Establishing the Closing Timeline

## **MAP 19.1.2.3 - After Firm Commitment Issuance and Prior to Package Submission**

- Initial Communication
- Lender's Introductory Response and Interim Communication
- Preparation and Delivery of Draft Closing Package
- Submission Deadlines for Tentative Closing Dates

# Reprocessing/Amendments/Reopening Tips

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## Reprocessing

- Allow 10 days for reprocessing with tech review

## Amendments

- Return the FC within 10 days
- Requests Extensions
- Review the Amendments for errors
- Legal descriptions should not change without HUD approval – if using previous title policy, lender needs to provide a pro forma with updated legal desc.

## Reopening

- Firm Commitment expires
- Updated documents and reopening fee must be provided

# Review of Closing Packages

**Preliminary Review by  
Closing Coordinator**

**Notice of Closing Review  
and Communication**

**Substantive Closing  
Review**

# OGC Review of Closing Packages

**The HUD Closing Attorney is primarily responsible for determining that the draft submission is legally sufficient, meaning:**

- The documents submitted do not reflect discernable violations of statute or regulation;
- All standard form documents are accurate and complete (including duly approved changes);
- Riders and boilerplate provisions required by Program Obligations are accurate and complete;
- Evidence to satisfy Firm Commitment special conditions has been reviewed and approved by the RC Director, and is included in the submission; and
- Documents are consistent with deal-specific requirements of the Firm Commitment, the applicable closing checklists, and determinations of the RC Director.

# Submitting a Successful Closing Package

- **To maintain a Tentative Closing Date, Lender and Lender’s Counsel must provide an acceptable response to HUD comments within 5 business days after the date comments were distributed.**
- **Closing dates, including previously set Tentative Closing Dates, will not be confirmed until the Closing Coordinator and HUD Closing Attorney determine that the package is substantially complete, and any outstanding issues elevated to HUD HQ pursuant to this Chapter have been resolved. A substantially complete closing package means:**
  1. In accordance with Program Obligations, and except for the items addressed immediately below (in [Section 19.1.2.4.J.2.](#)): all documents required by the applicable Closing Checklist and the Firm Commitment are included; blanks, bracketed language, and other deal specific information in form documents are accurately completed; non-form documentation is accurately prepared in substantially final form for closing the transaction in accordance with this Chapter; and HUD’s review comments are resolved in a manner consistent with this Chapter. This includes, but is not limited to, surveys (where applicable), documentation evidencing compliance with Firm Commitment conditions, a pro forma title policy and legible copies of all exception documents, rate-lock terms for the Note, and secondary financing loan documents. See [Section 19.4.1](#) for further guidance on the compilation and completion of closing documents.
  2. A substantially complete closing package need not include completion of items specifically identified in this Chapter as appropriate for submission at or near the confirmed closing date, including time- sensitive form information (i.e., dates and recording information), Certificates of Good Standing, Foreign Status Certificates, UCC searches, fully issued building permits, cost-certification, closing statements, and LIHTC equity pay-in schedule. See Part II of this Chapter for document specific guidance.



# Logistics of a HUD Closing

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- **Confirmation of Closing Date**
- **Conditions for Maintaining a Confirmed Closing Date**
  - Completion of Closing Package - Lender's Counsel must submit all remaining documents not yet reviewed or approved by HUD, at least **four (4) business days** prior to the confirmed closing date for closings-by-mail and three (3) business days for in-person closings (unless later delivery is expressly permitted by this Chapter or elsewhere in this Guide). Any additional changes may result in a change to the confirmed closing date, at the RC Director's discretion and in consultation with the HUD Closing Attorney.
- **Final Approval.**
  - Lender and Lender's Counsel must resolve any additional deficiencies identified by HUD at least 1 business day prior to Lender's submission of the Closing Docket (defined in [Section 19.1.3.5](#)). Any resulting changes to closing documents must be submitted to and approved by the HUD Closing Attorney and RC Director prior to Lender's submission of the Closing Docket to HUD, except as permitted by the HUD Closing Attorney.



# More Logistics of a HUD Closing

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- Regulatory agreement and docs for recording—wait for the closing coordinator’s instructions
- How do we prevent errors in the note?
- Holding pattern – need to know that the docs are final
- When does the note get sent to the signatory?
- Timeline and deadline for wires/funding should be communicated early on in the process.
- Ship **COMPLETE AND CORRECT DOCUMENTS** to the place the CC tells you...

# Timeline is Critical!

**Four days before** – near closing documents

**48 hours before** – final link

**14 days post closing** - Post-closing docket – UCCs and all other recorded documents must be included in the submission!

# Final Endorsements

This is  
all you  
need...

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Form HUD – 92023, Request for Final Endorsement of Credit Instrument

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Form HUD – 92403, Application for Insurance of Advance of Mortgage Proceeds

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Form HUD – 92448, Contractor’s Requisition Project Mortgages

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Escrow releases

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Closing statement (in order to approve the closing statement, the other forms must be received and correct. Need backup invoices for the final draw.)

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Date down endorsement of title policy

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# Construction Disputes



**Seeing disputes over final payment due to cost increases.**



**Lender's responsibility is to get the project back on schedule following disputes.**

Lender must work to get all parties to final closing when disputes arise.

Very limited instances where HUD will permit closing without all parties.

Requirements are outlined in MAP Chapter 19.3.1.5 in exceptional case as determined by HUD.



**HUD finds out about disputes**

- When a GC files a lien
- When a CO comes in at the end
- HUD gets the dev team together for a plan of action to move forward
- Escrow funds, modified agreements for funds due
- Building Loan agreement parties get NOV and flags

# Take Aways...



Follow the Closing Timeline



Thorough review of final documents



Communicate with HUD partners



Be a proactive lender!



# Q&A

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