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Stakeholder Announcement

Multi-Family (MFH) Underwriting Background

Rural Development is pleased to announce the release of Version 5.0 of its Preliminary Assessment Tool. The Preliminary Assessment Tool, or PAT, serves as a portal of access for transfers of ownership, preservation, and similar transactions.

Version 5.0 contains a number of enhancements that will continue our efforts to simplify, streamline, and provide greater transparency to the transfer and Multi-family Preservation and Revitalization (MPR) processes for the benefit of our customers and RD field staff.

First, Version 5.0 includes a new Stay-In-Owner template for MPR transactions that do not involve a transfer of ownership. While the Stay-In-Owner Template will primarily be used by the agency, it has been made available for viewing by the public.

Second, enhancements have been made to the transfer tool to include a new sheet entitled "Cash Analysis" of the project's balance sheet, as well as a detail of the Sales and Purchase Agreement, which is found on the "General Info" sheet. A complete summary of the updates the PAT v5.0 are detailed in the "About This Template" page.

While previous versions of the PAT may continue to be used, an upgrade feature can be found on the "Instructions" sheet to convert current applications in earlier versions of the PAT to Version 5.0. The PAT is posted to the public website for applicants when developing transfer and MPR applications and for initial discussions on feasibility with the RD field staff responsible for application intake. **NOTE:** The PAT is not a substitute for the applicant's required submission of full and complete transfer and MPR applications as specified in the respective program handbooks and/or the Notice of Funding Availability (or Notice of Solicitation of Applications) requirements. Applicants and borrowers may obtain a copy of the latest PAT from either:

<http://www.rd.usda.gov/programs-services/multi-family-housing-direct-loans> or

<http://www.rd.usda.gov/programs-services/housing-preservation-revitalization-demonstration-loans-grants>.

You are reminded to always obtain the PAT from the websites listed above.

As a reminder, RD has also published an Unnumbered Letter (UL) providing more details on the new underwriting guidance. The UL "Underwriting Guidance Transfers and MPR Transactions" is dated October 26, 2015 and provides underwriting details associated with the PAT.

RD strongly encourages use of the PAT by transfer and MPR applicants for the underwriting of transfer applications and transfers selected to participate in the MPR program (MPR applications). The

information presented by using this tool will assist applicants and Agency staff in preliminary feasibility analyses and timely processing of applications by early identification of issues needing to be addressed during the review and approval process.

These enhancements are part of RD's continued collaboration with our customers, and we welcome comments and suggestions for improvement as we prepare future enhancements to the PAT.

To further assist all users of the PAT, we will be providing training to both RD field staff and industry users as needed.

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