

HUD 221(d)(4) Loan **Application and**

Approval Process

8 Steps for understanding the loan application



Discover Experience and Needs

process for new construction or substantial rehabilitation

Depending on the experience of the developer or management company and whether they fit the HUD/FHA 221(d)(4) guidelines, LSG Lending Advisors can work with you to discover the needs of your project for a MAP Approved Lender to provide a Term Sheet and Loan Analysis detailing estimated costs, interest rate, and maximum loan size based on Loan to Cost.

Estimate Review



LSG Lending Advisors will facilitate discussions with the Lender and Chief Underwriter specialized in your transaction type to ensure all information is correct for the analysis.



Review Options

LSG Lending Advisors will work with you to ensure questions are answered and information received is understood throughout the entire process.

Loan Application Preparation



and fees, and a typical loan timetable based on the variables at hand.

LSG Lending Advisors will provide checklists, details of all FHA costs



Process

Pre-Application

Lender will order a limited appraisal, environmental reports, and a market study. The pre-application will be submitted to HUD usually within 90 days.

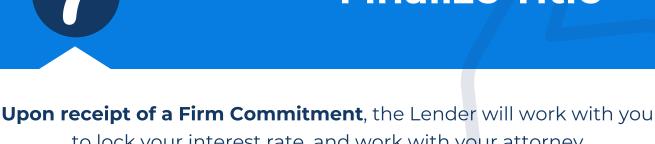
If the loan qualifies and the pre-application process is required, the

Letter to Proceed



ordered, and have a full appraisal completed for the Lender. Once the Lender receives the information back, they will prepare the Firm Application and submit to HUD for approval

at which time the architectural and engineering report will be



Finalize Title

to lock your interest rate, and work with your attorney on finalizing title documentation.

Closing



The Lender will work with HUD and the attorneys of the borrower to schedule a closing date for the transaction.

In As Little As: 6-8 months for a substantial rehabilitation of an affordable property

10-12 months for a 221(d)(4) new construction loan

process may be bypassed and the application can be submitted for a Firm Commitment.

Depending on the borrower's prior 221(d)(4) experience and other factors, the pre-application