

rents, expenses, construction costs, particularly considering any changes in Davis-Bacon wage rates, and cash required to close. (An updated appraisal may be required from the mortgagee depending on the age of the appraisal.) If reprocessing results in favorable underwriting conclusions, Hub/Program Center staff will reissue commitments with a new date at the new MIP.

D. Reopening of Expired 57 or 61 Basis Points Firm Commitments

FHA will consider requests from mortgagees, which may be either updated Traditional Application Processing (TAP) firm commitment applications or updated Multifamily Accelerated Processing (MAP) applications with updated exhibits, to reopen expired 57 or 61 basis points commitments on or after the effective

date of the MIP notice, provided that the reopening requests are received within 90 days of the expiration of the commitments and include the \$.50 per thousand of requested mortgage reopening fee. Reopening requests will be reprocessed by FHA field staff under the instructions in paragraph C.2 above.

After expiration of the 90-day reopening period, mortgagees are required to submit new applications with the \$3 per thousand application fee (MAP applications must start at the pre-application stage).

Credit Subsidy

Mortgagee Letters will be issued from time to time to advise mortgagees of any requirements for credit subsidy and the availability of credit subsidy. In FY 2004, the same three programs will require credit subsidy as in FY 2003: Section 221(d)(3) for nonprofit and

cooperatives for new construction or substantial rehabilitation, section 223(d) for operating loss loans for both apartments and health care facilities, and section 241(a) for supplemental loans for additions or improvements to existing apartments only. FHA will not issue amended commitments for increased mortgage amounts nor obligate additional credit subsidy for projects requiring credit subsidy in FY 2004.

Dated: June 24, 2003.

John C. Weicher,

Assistant Secretary for Housing-Federal Housing Commissioner, HUD.

Sean Cassidy,

General Deputy Assistant Secretary for Housing.

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