Dear NAHMA Members,

As follow-up to a recent industry meeting with NAHMA and other industry groups, please find the following HUD H.Q. clarifications on utility benchmarking and the CNA e-Tool:

Utility Benchmarking

- This Paperwork Reduction Act (PRA) proposal was released in a [Federal Register Notice](#) on October 4, 2016, for a 60-day public comment period. The PRA Notice is specific to assisted multifamily properties since the requirements for FHA multifamily insured programs was listed in the [2016 MAP Guide](#).

- The Administration has been briefed on the proposed Multifamily Housing Utility Benchmarking requirement, which was concurrent with a PIH Notice of benchmarking reporting in the public housing portfolio.

- We are awaiting decision on how, when, and if to move forward with the benchmarking reporting and collection outlined in the PRA Notice. As stated in that Notice, HUD will publish a final Notice, and the benchmarking reporting will be effective 90 days later.

- The 2016 Map Guide requires benchmarking for all FHA multifamily insurance applications as a component of the CNA e-Tool.

- Because of delays in deploying the CNA e-Tool, however, that benchmarking requirement has also been delayed, **except for transactions requesting the lower MIP rates for green/energy efficient properties, where the benchmarking reporting has been and will continue to be a requirement**.

- Though the CNA e-Tool is now fully operational and will be the required format for FHA applications effective October 1, until a decision is made on HUD's larger benchmarking PRA collection, **HUD will continue to require benchmarking as a component of the FHA applications and CNA e-Tool only for transactions requesting the green/energy efficient MIP**.

- Benchmarking will be required as a component of the CNA e-Tool for all new FHA multifamily insurance applications if and when the Department moves forward on its larger benchmarking collection requirements, which will be announced through a final PRA publication.

Capital Needs Assessment Electronic Tool (CNA e-Tool)

- [Housing Notice 2017-4](#), issued on April 19, 2017, amended [Housing Notice 2016-18](#), by delaying the implementation date for the CNA e-Tool. To ensure adequate time for users to familiarize themselves with the tool, the required use

of the CNA e-Tool for all CNAs submitted under covered programs was delayed from July 1, 2017, to October 1, 2017.

- Use of the CNA e-Tool will be required effective October 1, 2017. We've been talking about this for years, keeping industry apprised that it's coming, and now it's here.

- There will be a learning curve for all of us, but we are confident that uniform use of this standard format tool will benefit all program participants and HUD staff, and therefore streamline our processes, so we're ready to move forward.

- While there may be some very narrow grounds for waivers, lenders and program participants should be utilizing the [training resources](#) and [web tutorials](#) we have made available at the [CNA e-Tool homepage](#) to ensure compliance with the October 1 date.

- We are currently planning in-person trainings in 14 field offices/cities for lenders and needs assessors. These are scheduled to begin early September and are designed as two consecutive days of training. You [can sign up here to receive news on these upcoming trainings](#) as well as additional operational updates.

- Use of the CNA e-Tool is voluntary for all CNAs submitted through September 30, 2017. All CNAs submitted to HUD on or after October 1, 2017 must be submitted through the CNA e-Tool to fulfill program requirements. All other provisions of [Housing Notice 2016-18](#) remain in effect, including programs covered.

- HUD believes the market has or soon will have capacity to manage the demand for CNAs prepared in this format; we are aware of multiple CNA assessors/providers/contractors that are prepared and ready to provide the service. Lenders should ensure that the CNA assessors/providers that they use or intend to use are trained and prepared to utilize the CNA e-Tool.

- We have received the first few FHA applications using the CNA e-Tool, so we know that some lenders, and some of the CNA assessors out there, have gotten themselves up the learning curve. We encourage lenders and assessors to get familiar with the tool now by using the resources on the [CNA e-Tool webpage](#).

- Some industry members had asked which version of Microsoft Office is needed when working with the CNA e-Tool. Microsoft Office 2010 and subsequent versions are compatible.

Thanks,

Juliana

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NAHMA is the leading voice for affordable housing management, advocating on behalf of multifamily property managers and owners whose mission is to provide quality affordable housing.