



202 NOFA - to - RAD Workflows: Capital Advance & Capital Advance Upon Completion


Version: November 12, 2023


Part 1:

“Regular” Capital Advance to RAD Workflow

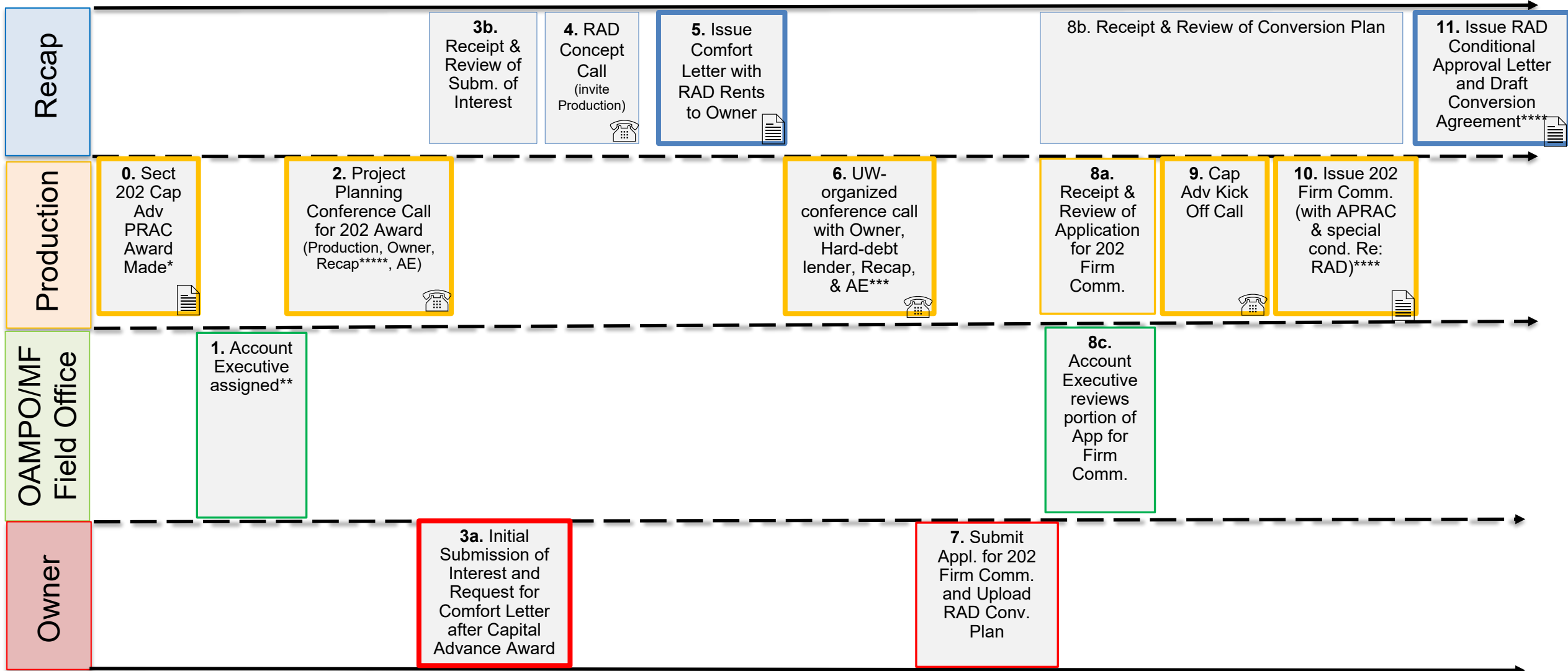
Icon Legend:

 Call

 Commitment, Award, Approval, or Contract issued by HUD

 Closing

Regular Cap Adv to RAD Closing: Predevelopment



* At award, Cap Adv was added to DAP & LOCCS & IREMS shell entry for PRAC created

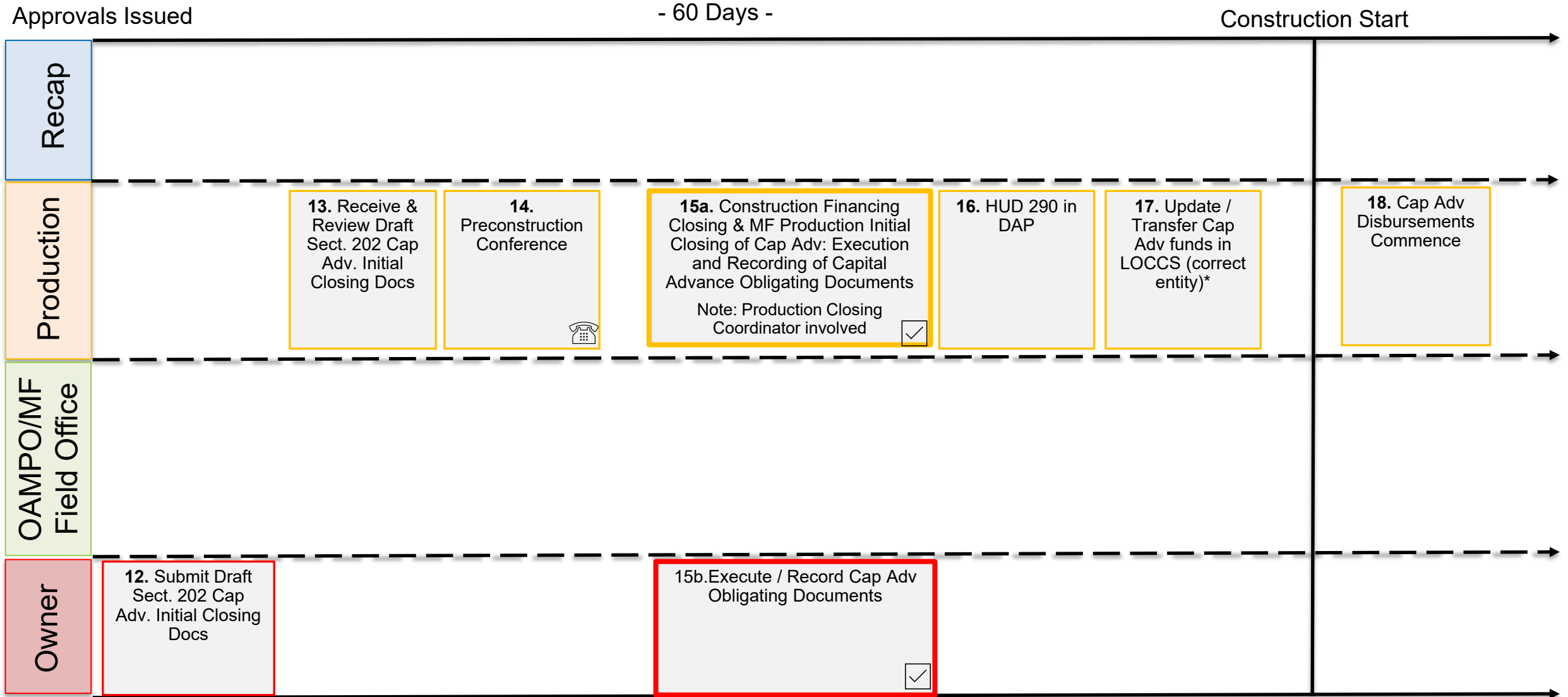
** UW sends award to Branch Chief & requests AE assignment

*** Topics to discuss: 1) confirm operating pro forma assumptions; 2) Discuss RAD progress

**** UW will email copy of Firm to Recap Transaction Manager & Recap TM will share Cond'l Approval and draft CA with UW and AE. UW will condition Firm on receipt of RAD Cond'l Approval Letter.

***** Production can email RAD2@hud.gov for the name of the assigned RAD2 Transaction Manager

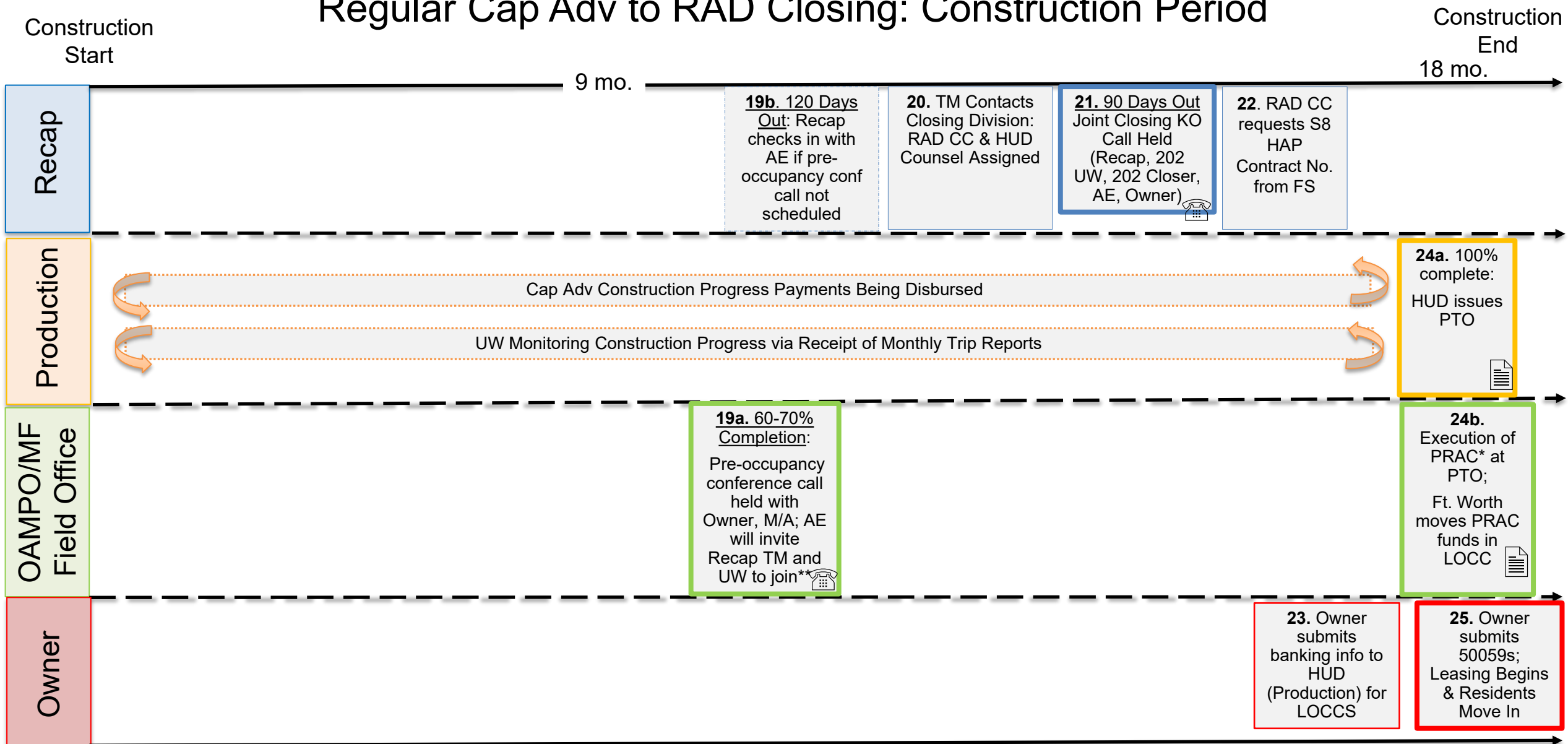
Regular Cap Adv to RAD Closing: Approval to Construction Start



* Cap Adv funds not available until after closing.



Regular Cap Adv to RAD Closing: Construction Period

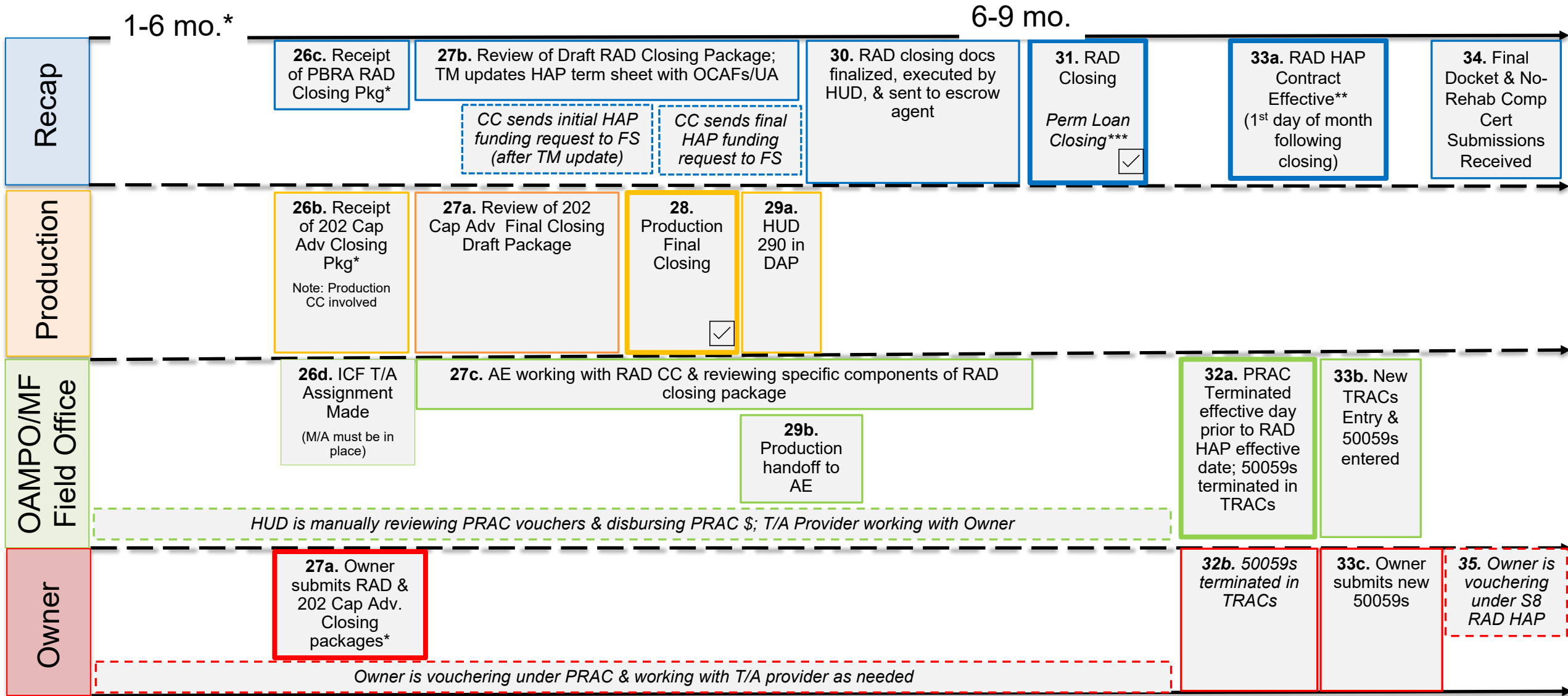


* PRAC is effective 1st day of the month in which PTO is executed. Once PRAC is executed, establish PRAC in LOCCS in name of Owner. Note that at award, Cap Adv was added to DAP & LOCCS, & IREMS shell entry for PRAC created. Production Executes the PRAC. AM/OAMPO works with Ft. Worth – May vary by Region since some have AM execute the PRAC

** AM will schedule call and RAD closing will be discussed at the end. Servicer may be able to sent out an email to Owner, Recap, AE, OGC at 80% completion. Western region does this – OAMPO not sure about other regions..



Regular Cap Adv to RAD Closing: Post-Construction



* Owner initiated based on conversion to perm timeline

** In Cap Adv to RAD transactions, the RAD HAP date can be effective the 1st day of the month after closing (unlike the normal protocol). Example = RAD closing is on 1/15/23, the RAD HAP would be effective 2/1/23 and the PRAC terminated on 2/28/23.)

*** Best practice is to close perm loan with RAD conversion but ultimately up to Owner if they wish to close on perm financing prior to RAD



Part 2:

Capital Advance Upon Completion (CAUC) to RAD Workflow

Icon Legend:



Call

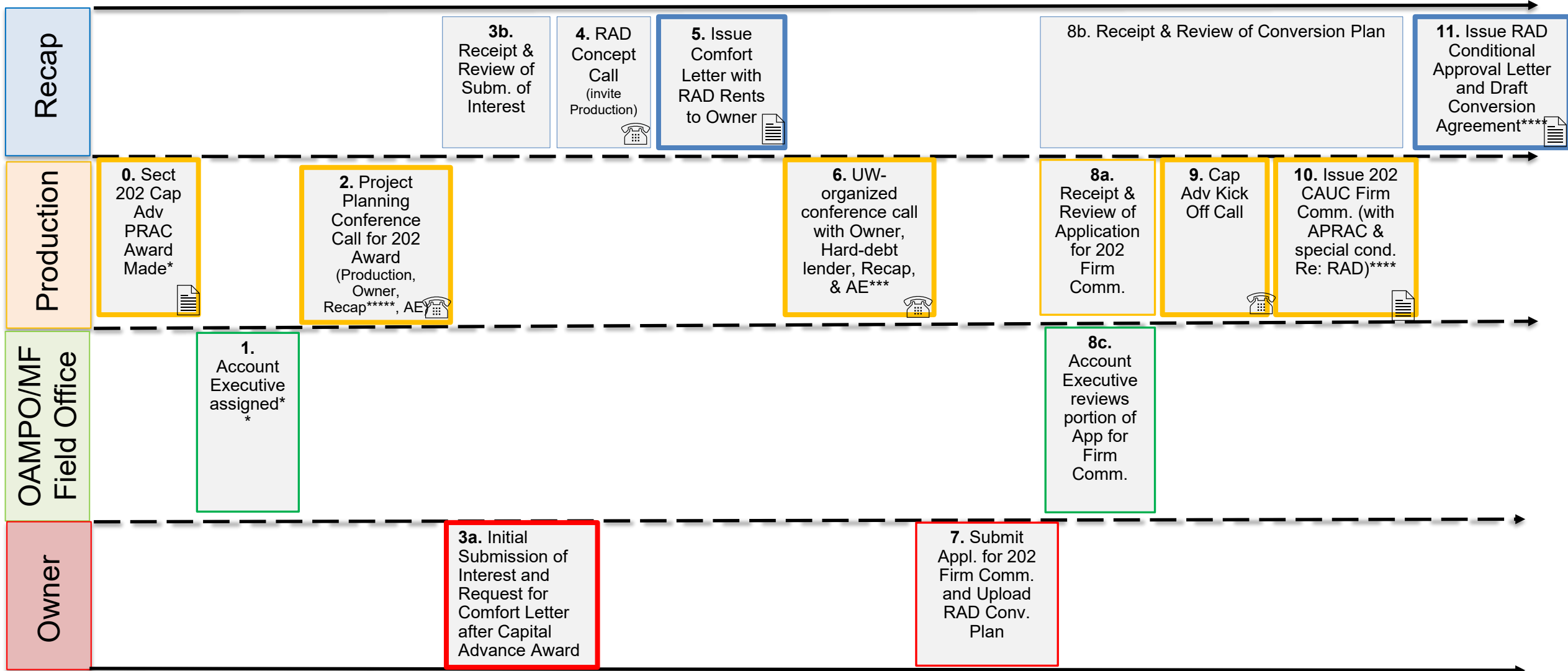


Commitment, Award,
Approval, or Contract
issued by HUD



Closing

CAUC to RAD Closing: Predevelopment



* At award, Cap Adv was added to DAP & LOCCS & IREMS shell entry for PRAC created

** UW sends award to Branch Chief & requests AE assignment

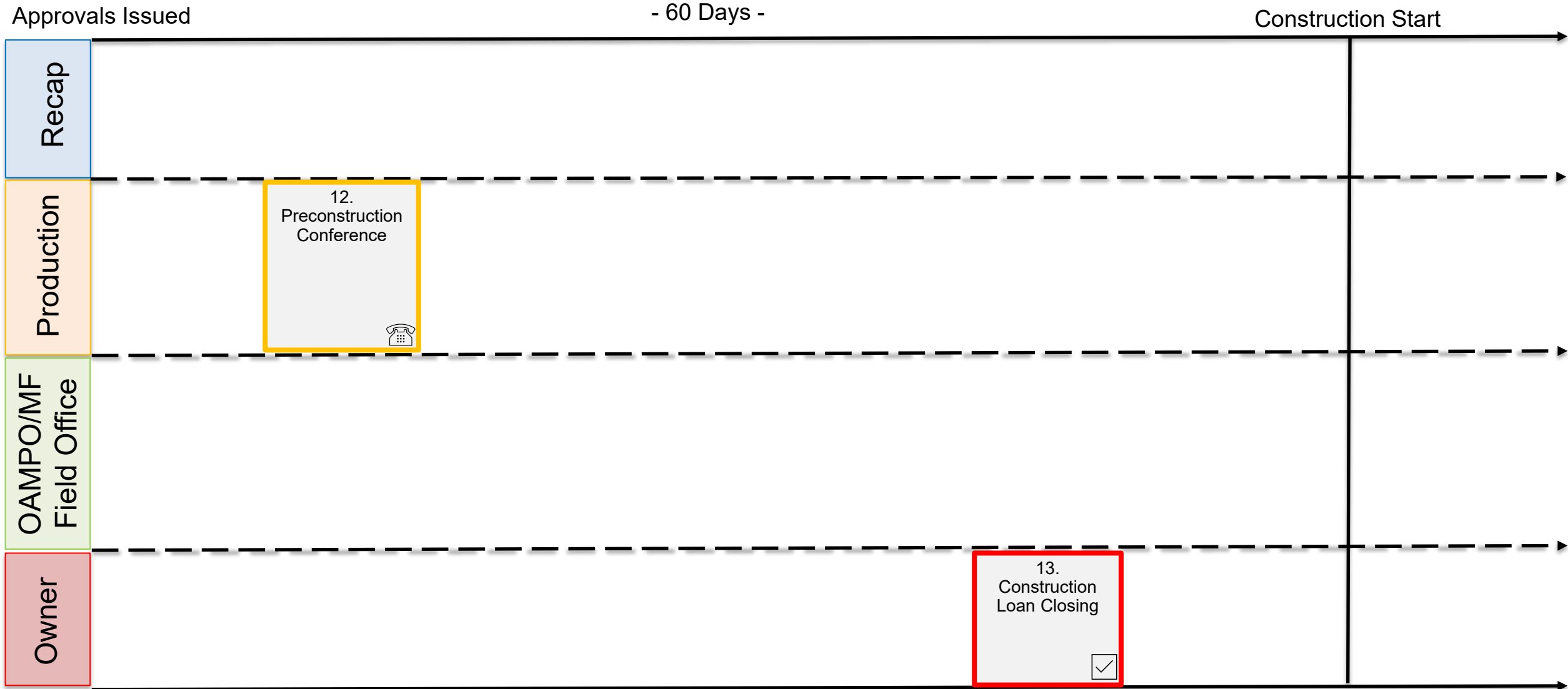
*** Topics to discuss: 1) confirm operating pro forma assumptions; 2) Discuss RAD progress

**** UW will email copy of Firm to Recap Transaction Manager & Recap TM will share Cond'l Approval and draft CA with UW and AE

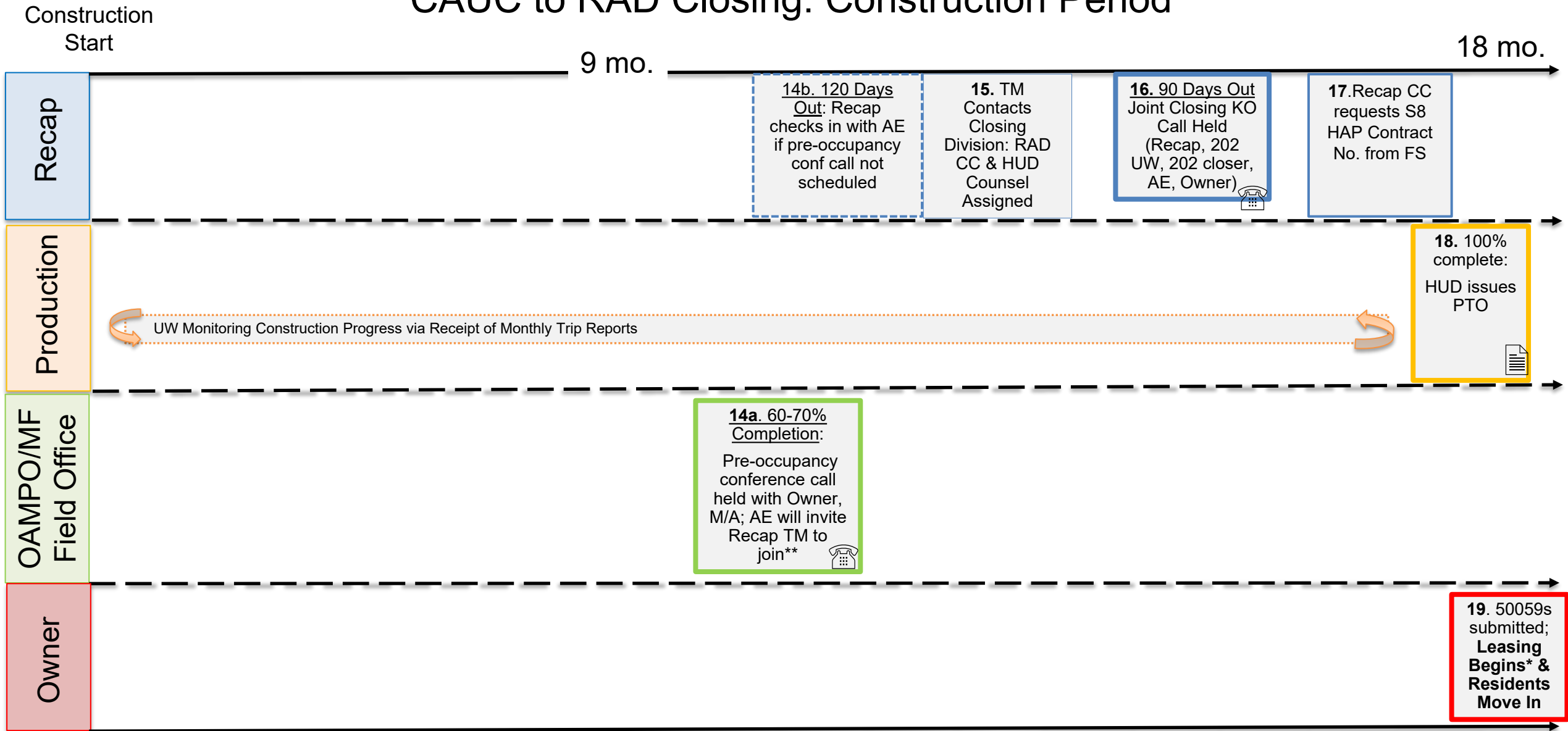
***** Production can email RAD2@hud.gov for the name of the assigned RAD2 Transaction Manager



CAUC to RAD Closing: Approval to Construction Start



CAUC to RAD Closing: Construction Period

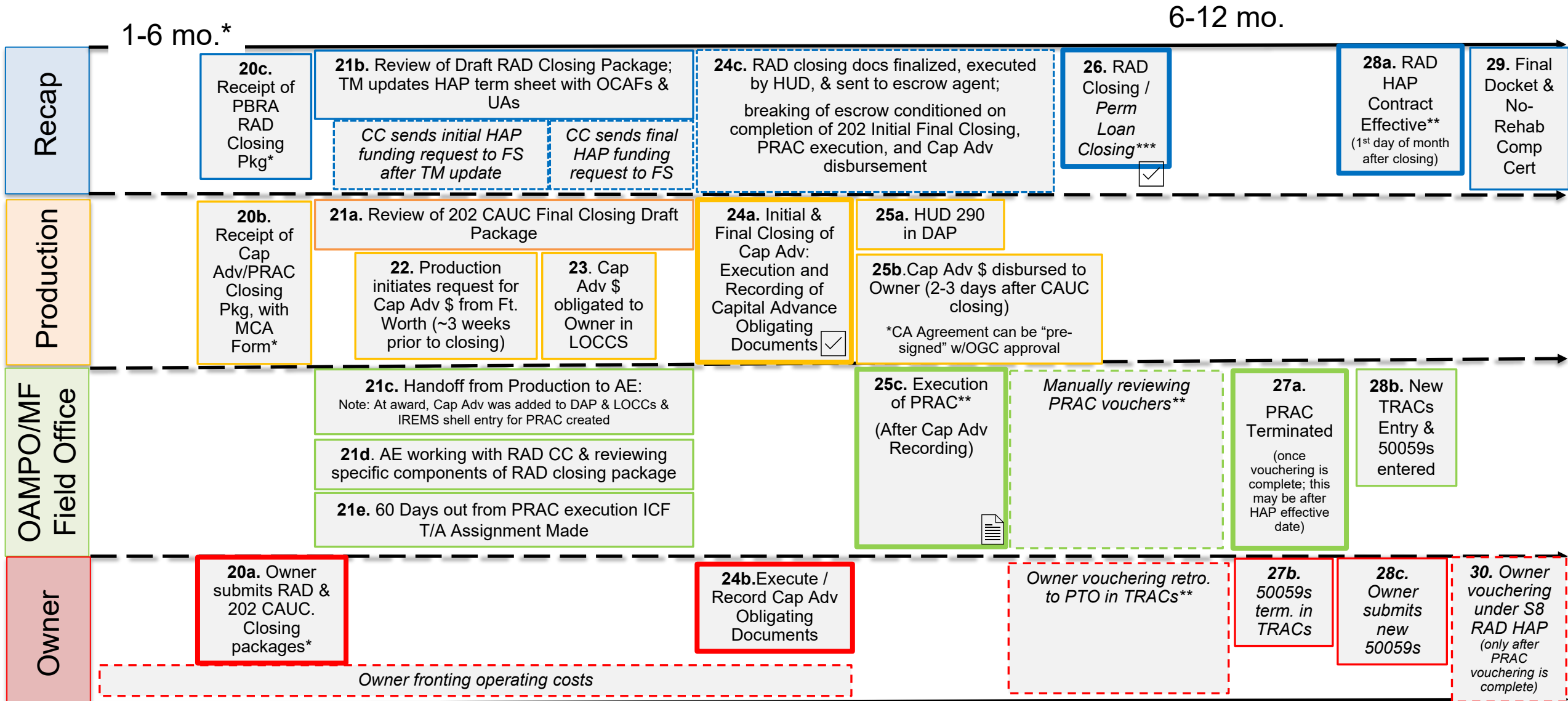


* Tenants execute PRAC leases and complete 50059 (59 is an addendum to PRAC lease). Note that Owner can begin putting data into TRACS system prior to PRAC execution but cannot begin vouchering.

** AM will schedule call and RAD closing will be discussed at the end. Servicer may be able to sent out an email to Owner, Recap, AE, OGC at 80% completion. Western region does this – OAMPO not sure about other regions..



CAUC to RAD Closing: Post-Construction



*Owner initiated based on conversion to perm timeline

** Owner can voucher under a terminated PRAC (certs will terminate too & force a manual review), Owner's software provider may not be able to do tandem vouchering so best practice is to complete PRAC vouchering before S8 but it is not required. Note that unlike standard RAD for PRAC PBRA protocols, the RAD HAP effective date can be the 1st day of the month following closing (instead of the usual 30 days between closing and RAD HAP effective date).

***Best practice is to close perm loan with RAD conversion but up to Owner if they wish to close on perm financing prior to RAD

