August 8, 2016

VHDA Multifamily Loan Program Updates

Announcing Immediate Changes to Underwriting Practices

With this edition of the Multifamily Loan Program Updates, we are formally implementing a set of changes that have been applied informally for a number of months.

We continually review our multifamily underwriting policies and practices, and adjust them as necessary in response to current market and economic conditions.

While change often comes with some degree of trepidation for those affected, please bear in mind these changes are primarily intended to benefit us all. These benefits can include decreasing loan processing times and reducing the likelihood of unforeseen circumstances, which are typically problematic for both stakeholders and VHDA alike.

The multifamily development process is, by necessity, built on a foundation of assumptions and estimates. This uncertainty presents risk for all of us, and we seek to manage it in our own ways. Many VHDA requirements and actions are aimed at mitigating perceived risk, even if the reasons for such are not always apparent in the moment. VHDA offers uninsured, non-recourse financing, which allows for a high level of flexibility, but also requires constant focus on identifying and managing risk. Each of the changes being implemented was considered with this in mind.

Click on the links below to read the changes to VHDA's multifamily underwriting practices that are **effective immediately**.

Changes to VHDA's Underwriting Practices
Architectural and Engineering Review Process
Architectural and Engineering Review Process Flowchart