

TO: CHAP Awardees

FROM: Thomas R. Davis
Director, Office of Recapitalization

DATE: March 15, 2017

RE: Schedule Requirements for Closing RAD Transactions in 2017

This memo is to inform you of HUD's schedule and deadlines for processing and closing RAD transactions during calendar year 2017 (CY 2017). From prior experience, we know that RAD transaction closings occur unevenly throughout the year. We also know that many public housing authorities and their partners try to close RAD transactions between September 1 and December 31.

As in past years, we are establishing processing deadlines to guide which transactions are eligible to close by year-end. These deadlines are designed to better manage transaction volume in order to maximize successful closings in CY 2017. As a reminder, we cannot guarantee a closing on a specific date.

RCCs Issued as of March 15, 2017

If you have an RCC issued by HUD on or before March 15, 2017, we expect your transaction to close **no later than Friday, June 30, 2017**. The submission of the Financing Plan represents that your transaction structure is fully developed and the June 30 deadline should provide ample time to close.

If you are unable to meet the June 30 deadline, HUD will take that as an indication that your transaction lacks an urgent requirement to close. While we will not revoke CHAPs for failure to close by June 30, we will fit your transaction into our workflow as time permits after processing other transactions. While we may be able to process your transaction earlier, you should assume that your RAD conversion will occur after January 1, 2018. We may also require an update to the Financing Plan and re-issuance of the RCC if aged over 6 months.

Consistent with the requirements of § 1.13.B.5 of the RAD Notice (PIH 2012-32/H2017-03 REV-3), transactions that close in CY 2017 and have a HAP effective date in CY 2017 will begin receiving Section 8 subsidy effective January 1, 2018. Those transactions which close in December 2017 or later (and therefore have a CY 2018 HAP effective date), will be funded pursuant to standard public housing appropriations throughout CY 2018, and the Section 8 subsidy for the RAD contract rents will become effective on January 1, 2019.

RCCs Issued as of August 15, 2017

If your transaction has an RCC issued after March 15 and before August 15, 2017, we will consider your transaction **eligible to close by November 30, 2017**. November 30, 2017 is the last date to close a transaction for RAD rents to be funded from Section 8 beginning on January 1, 2018. All RAD properties closed after this date will be funded pursuant to standard public housing appropriations throughout CY 2018, and the RAD rents will become effective on January 1, 2019.

If you are unable to close your transaction by November 30, we will fit your transaction into our workflow as time permits after processing other transactions. While we may be able to process your transaction in December 2017, you should assume that your RAD conversion will occur after January 1, 2018. We may also require an update to the Financing Plan and re-issuance of the RCC if aged over 6 months.

RCCs Issued as of September 15, 2017

If your transaction has an RCC issued after August 15 and before September 15, 2017, we will consider it **eligible to close by December 31, 2017**. (Please note that your transaction will not be prioritized for November 2017.) All RAD properties closed in December will be funded pursuant to standard public housing appropriations throughout CY 2018, and the RAD rents will become effective on January 1, 2019.

For All Transactions

Intermediate Deadlines. PHAs and their partners aiming to close by a particular date must also be aware of the intermediate deadlines set forth in the summary chart below. To be eligible to close by your preferred date, you must complete each step below on or before the associated date.

Step	Deadline to close by June 30, 2017	Deadline to close by Nov. 30, 2017	Deadline to close by Dec. 31, 2017
Upload all required Financing Plan documents*	Completed	June 15	July 15
Receive a RAD Conversion Commitment (RCC)	Completed	August 15	September 15
Submit complete closing package	April 15	September 1	October 1
All RAD documents approved and ready for HUD signatures	June 22	November 16	December 14

*Note: For FHA-insured financing, the FHA application should also be submitted on or before the date associated with the Financing Plan submission. Make plans with your FHA lender to keep your financing on track.

The Office of Recapitalization reserves the right to modify these deadlines in response to changing conditions. Please note that adherence to these dates does not guarantee that HUD will be able to accommodate your closing in any particular month. We expect this to be particularly relevant for closings in June, November and December. **If closing by a particular date is important to the success of your transaction, we strongly recommend that you build sufficient time into your schedule to meet all timeline requirements and be ahead of the intermediate deadlines.**

Prioritization of Processing. As always, HUD's Office of Recapitalization will work with you to process your transaction in as timely a manner as possible. When transaction volume exceeds our processing capacity, HUD will prioritize our work based on several factors, including:

- Adherence to the deadlines set forth in this memo
- Prioritization categories for CHAP processing listed in § 1.11 of the RAD Notice
- Critical deadlines beyond the control of the PHA and its development team (note that HUD will require documentation of these deadlines when considering this factor)
- Lower priority given to transactions when the original RCC expiration date has been extended past 90 days from issuance

If you have any questions regarding these matters, please contact your Transaction Manager.