



OFFICE OF HOUSING

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-8000

January 13, 2022

Mr. Mike Flood  
SVP, Commercial/Multifamily  
Mortgage Bankers Association  
1919 M Street N.W., 5<sup>th</sup> Floor  
Washington, D.C. 20036

RE: Response to MBA Comments on 60-Day Notice of Proposed Information Collection:  
*FHA Catalyst: Multifamily Application Portal* (OMB Control No. 2502-0260)

Dear Mr. Flood:

We received your letter dated August 31, 2021, submitted on behalf of the MBA's FHA Multifamily Committee's Technology Work Group ("MBA") in response to the 60-Day Notice of Proposed Information Collection for the *FHA Catalyst: Multifamily Application Portal* ("Catalyst"). The Office of Multifamily Production values the continued working relationship with the MBA on the *FHA Catalyst* project and appreciates the feedback and recommendations provided. Please see our responses to the MBA's comments below:

**1. Ways to enhance the quality, utility, and clarity of the information to be collected.**

- **MBA Comment 1.1:** *The HUD Catalyst system currently includes a progress bar for users to track how quickly applications are uploading to Catalyst; however, the progress bar does not include an estimated time to complete the upload. In addition, Catalyst currently times out after 30 minutes even though the application may not be fully uploaded or are in the process of being uploaded. The MAP lenders recommend that HUD also include an indicator of the estimated time remaining to complete the submission, in addition to displaying the remaining time in the progress bar, so users know the exact amount of time remaining to complete the upload. We also recommend HUD extend the upload time considerably to accommodate large files, or simply remove the time-out function entirely.*
- **HUD Response 1.1:** Thank you for the great recommendation to add an estimated upload time. Such an estimate would depend on both the file size and the user's network speed, and we do not yet know whether this can be accurately produced, given that network speeds fluctuate constantly. We have requested the addition of this feature and we are awaiting a response from the contractor and *FHA Catalyst* team regarding feasibility and available development funding, and we will notify the MBA of any updates regarding this request.

The 30-minute timeout exists for security purposes. HUD previously conducted testing at varying network speeds and is confident that nearly all applications can be uploaded in less than 30 minutes; for the few applications that cannot be uploaded within 30 minutes, due to an extremely large file size and/or slower network speed, that user can click Continue at the timeout warning to continue the upload and avoid an automatic security logout.

Because the timeout feature is required for security purposes, it cannot be removed entirely. The timeout period was originally 15 minutes when the Catalyst system was developed, but the Office of Multifamily Production requested approval from the HUD IT security office to extend the timeout period to 30 minutes on our Multifamily module, to accommodate our larger application sizes, which was approved as an exception. Extending it beyond 30 minutes likely is not possible for security reasons, but we have raised this question again and will notify the MBA of any updates regarding this.

Except for one MAP Lender that had a specific technical issue with their firm's system security settings which was resolved with the help of our contractor, we have not received any feedback since the portal became operational in October 2020 indicating that the 30-minute security timeout has been an issue. If the MBA is still receiving feedback that lender users are experiencing frequent timeout warnings, please send details to [FHACatalystMF@hud.gov](mailto:FHACatalystMF@hud.gov) and we will ask the contractor to investigate this further.

- **MBA Comment 1.2a:** *HUD currently does not allow for users to create a loan application in Catalyst, save the information, and return to the file to upload when a lender is ready to submit. Adding this capability would be helpful in cases where users are unable to complete the submission in one session. It would be more efficient – and likely reduce errors - to be able to enter the data once. At present, users have to recreate the full loan application each time, if “submit” is not selected.*

**HUD Response 1.2a:** We agree with this recommendation and previously requested the same improvements. We hope to be able to implement these enhancements in a future version, but we are awaiting a response from the contractor and *FHA Catalyst* team regarding feasibility and available development funding, and we will notify the MBA of any updates in response to this request.

Currently, applications are assembled outside of the system, packaged into a single ZIP file, and then uploaded to *FHA Catalyst* for electronic submission to HUD. In a future version of *FHA Catalyst*, we intend for the lender user to be presented with an application checklist upon selection of the Program, and for the user to be able to upload individual application exhibits, save their progress, close an application in-progress, and return later to complete it, before submission to HUD. This would also allow HUD users to open and view individual exhibits, as opposed to downloading the entire application package.

- **MBA Comment 1.2b:** *If operationally feasible, a loan application cannot be completed in Catalyst prior to the launch date; it would be helpful to input a “warning” that reminds the user to hit submit, or to be able to save information, else they may lose all data.*

**HUD Response 1.2b:** We reminded lender users during the December 1 & 2, 2021 *FHA Catalyst* trainings that their application is not submitted until the file upload is complete, they click Submit, and they receive an on-screen message confirming that the application was submitted. Lender users will be able to see their document submissions on their dashboard, as well as the current status of each (Submitted or Received). If a submission has not been made, it will not appear on their dashboard.

- **MBA Comment 1.3:** *Currently, the various regions have different intake procedures. It is suggested that the below questions be added to the Catalyst process so that they can be answered at the time of submission. This should serve to also provide for consistency and efficiency in the process.*
  - *City*
  - *State*
  - *FHA #*
  - *Located in an Opportunity Zone?*
  - *Funded with Opportunity Zone funds?*
  - *3 years old or less? If yes, please attach final C of O*
  - *If MIP Green is based on either: Property built with PRIOR green certification OR Property built with NO Prior green certification*
  - *Which MAP Guide are you applying under (2016 or 2020 version?)*
  - *SoA*
  - *Type of Project*
  - *Mortgage Amount*
  - *No. of Units*
  - *HEROS uploaded*
  - *E-Tool uploaded*

**HUD Response 1.3:** We plan to add many data fields to the *FHA Catalyst* application screen(s) and eventually provide lenders with the ability to “build” a digital application by inputting most application information digitally into data fields in a series of screens in *FHA Catalyst*, as opposed to completing stand-alone HUD forms (often in Excel format), converting them to PDFs, and uploading those PDF exhibits. The above-mentioned fields would be included in expanded data input screens, along with additional information. This is part of our multi-phase plan to modernize our IT platform and application processes, and we hope to accomplish these things in future phases of *FHA Catalyst*.

Currently, we receive most of the above-mentioned information prior to the application, because Appendix 4A.4.7.1.C of the MAP Guide requires the lender to provide those data points in the request for the FHA Project Number submitted to the Region in advance of the application. Much of that information is then entered into our DAP system to generate the FHA Project Number, so it is already being submitted by the lender and captured by HUD. Additionally, much of that information is provided in the application narrative and other exhibits. We do not necessarily need it to also appear on the *FHA Catalyst* application upload screen at this time, but as we move towards a more digital application, we will begin to add those fields and others.

## **2. Ways to minimize the burden of the collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.**

- **MBA Comment 2.1:** *Currently, some HUD Underwriters in some regions (West and North East Regions) require that the user also email them when a loan application is submitted; however others, (South West) don't have that requirement. The West and North East Regions will not consider your loan submitted if you don't email production that an*

*application is waiting for them in the system. This seems to defeat the purpose of having an online intake process. For uniformity, it is suggested that HUD eliminate the practice of submitting an email to the various regions in order to better streamline the submission process.*

**HUD Response 2.1:** We asked MAP Lenders during the October 2020 and December 2021 trainings to always email the appropriate Region after submitting documents through *FHA Catalyst* because the system currently does not have the capability to alert HUD or provide automatic notifications of new submissions. We do not have the staff resources to continually monitor the system for new submissions, so we need lenders to notify the Region via email of any new submissions, and we also asked lenders to provide the unique Catalyst Submission ID # in their emails to the Regions so HUD staff can quickly locate each submission, download it, and begin the intake process.

We previously requested the addition of automatic notifications and alerts, and we hope to implement these enhancements in a future version, but we are awaiting a response from the contractor and *FHA Catalyst* team regarding feasibility and available development funding, and we will notify the MBA of any updates regarding this request. Until notifications are available, we respectfully request that lenders continue to notify the appropriate Region with a short email including the Submission ID # when a document submission is made through *FHA Catalyst*.

- **MBA Comment 2.2:** *HUD gives the option to change the owner of the submission package; however, it is difficult to know who any of the people are on the drop-down list in FHA Catalyst. They appear to be HUD employees; however, when the user searches for the names of known underwriters, some do not appear on the list that is available. It would be helpful if HUD were to clarify why the user would use the assign feature and clearly identify who the individuals are on the list. It is recommended that the user have the ability to change the owner or have the ability to delete this function if it does not apply to FHA multifamily transactions.*

**HUD Response 2.2:** We appreciate this comment and subsequently provided clarity on this topic to MAP Lenders during the December 2021 training.

After a document submission is made through *FHA Catalyst*, the Change Owner feature allows the submitter to change the “ownership” of (the ability to view) the completed submission to another user in the same organization (in this case, that lender user’s own company). As the user begins typing a name into the Search Users field, it will begin displaying potential name matches, and currently, the name of any HUD or lender user of the Multifamily module in *FHA Catalyst* can be located (and selected), not just those within the user’s own organization. However, a user can only change the ownership of their submissions to another user within the same organization. If a user attempts to change ownership of a submission to a user in a different organization, the user will receive an error message and the change will not be accepted by the system. This functionality was tested before it was deployed to ensure that changes between organizations cannot occur.

We previously requested that the display of users available to a submitter in the Change Owner feature be modified so that it is limited to displaying users within the same organization, and we hope to implement this change in a future release, but we are awaiting a response from the contractor and *FHA Catalyst* team regarding feasibility and available development funding, and we will notify the MBA of any updates regarding this request. In the interim, we assure the MBA that users cannot change ownership of any document submission to a user within a different organization, and we demonstrated this during the December 2021 training. The attached *FHA Catalyst* Lender User Guide, which is available on the [FHA Catalyst: Multifamily Applications Module webpage](#), also explains this feature.

- **MBA Comment 2.3:** *We recommend that HUD activate the “remember me box” on the login page, as it currently is inoperable.*

**HUD Response 2.3:** We asked the Catalyst contractor about this, and they indicated that the “Remember Me” checkbox is operable and should be working. If the MBA is still hearing that the checkbox is not working, please email [FHACatalystMF@hud.gov](mailto:FHACatalystMF@hud.gov) and we will ask the contractor to investigate this further.

- **MBA Comment 2.4:** *Currently, the “edit” feature is not working. We recommend turning this functionality on as it is a valuable feature.*

**HUD Response 2.4:** The display of the Edit button is standard on this software platform, but the Edit functionality is currently disabled in our Multifamily module, as there is nothing that should be edited at this time. We agree with the recommendation and have previously requested that the Edit option be removed or hidden for Multifamily users, and we hope to implement this change in a future release, but we are awaiting a response from the contractor and *FHA Catalyst* team, and we will notify the MBA of any updates regarding this request. In the meantime, we stated during the December 2021 training that lenders should ignore the Edit feature, as it is not available for use at this time.

We apologize for the delayed responses, but we hope that we have satisfactorily responded to the MBA’s comments. Please email any additional questions or ongoing feedback or recommendations to [FHACatalystMF@hud.gov](mailto:FHACatalystMF@hud.gov). We appreciate the continued working relationship and look forward to continuing to improve and expand the *FHA Catalyst: Multifamily Applications Module* to meet MAP Lender needs and streamline the application process for FHA multifamily mortgage insurance programs.

Sincerely,

Scott Greuel  
Director, Program Administration Division  
Office of Multifamily Production

Attachment: *FHA Catalyst* Multifamily Applications Module - Lender User Guide v1.5

Cc: Grant Carlson, Senior Policy Advisor, Commercial/Multifamily, MBA  
Raelee Jones, Centennial Mortgage & MBA FHA Multifamily Committee  
Tom Bernaciak, Acting Director, Office of Multifamily Production, HUD  
Vivian Herring, Paperwork Reduction Act Liaison (Multifamily), OPPAD, HUD  
Colette Pollard, Reports Management Officer, QDAM, HUD