



MORTGAGE BANKERS ASSOCIATION

April 22, 2025

The Honorable Scott Turner
Secretary
Department of Housing and Urban Development
451 7th Street, SW
Washington, DC 20410

Dear Secretary Turner,

Thank you again for addressing our National Advocacy Conference. Your passion, energy, and vision are palpable and were an inspiration to all of us in attendance. As you know, we were also able to meet with key members of your FHA multifamily team, who provided important updates and engaged in constructive dialogue with our multifamily lender members, with a common goal of streamlining the FHA Multifamily Accelerated Processing (MAP) program to help meet the President's goal of lowering the cost of housing and expanding housing supply.¹

Over the past several decades, changes in underwriting requirements for FHA multifamily loans have proliferated. Many of these changes have come in areas that are unrelated to the risk of the loan but instead have fulfilled other policy goals that add expense and complicate and hinder the production of quality housing for the American people.

We share your view that HUD can cut through much of the drag and focus on the core function of providing access to FHA mortgage insurance for the development of quality multifamily housing, with minimal risk to the American taxpayer. FHA multifamily loans not only allow developers to provide housing, they return revenue to the Treasury. According to HUD data from the last 14 years, HUD has insured nearly \$191 billion of multifamily loans, collected premiums in excess of \$4 billion from FHA multifamily borrowers, and had claims for just \$79 million.

FHA multifamily volume, however, is down dramatically. In FY2021, FHA issued 1,685 commitments. Last year, it issued only 816, a staggering 52% decline. Removing unnecessary rules and requirements that do not have a basis in the risk of the loan can greatly increase production and help alleviate the nation's affordability challenges.

Chapter 9 of the 2020 MAP Guide outlines HUD's requirements to comply with the National Environmental Policy Act (NEPA). President Trump has issued Executive Order 14154 eliminating the implementing regulations from NEPA, and the Council for Environmental Quality (CEQ) subsequently rescinded its NEPA implementing regulations at 40 C.F.R. Parts 1500–

¹ <https://www.whitehouse.gov/fact-sheets/2025/01/fact-sheet-president-donald-j-trump-delivers-emergency-price-relief-for-american-families-to-defeat-the-cost-of-living-crisis/>

1508 effective April 11, 2025. This provides HUD and other agencies the flexibility to amend or eliminate many of their NEPA implementation rules, which would streamline the development of quality rental housing. Our recommended updates are contained in the attached document.

MBA strongly supports the President's efforts to increase housing supply and reduce unnecessary federal regulation.² We are confident these commonsense updates will reduce regulatory barriers, expedite processing, lower costs, and increase the production of quality multifamily housing. Director Pulte of the FHFA has already made changes to environmental requirements concerning climate-related risk³ and radon⁴ for Fannie Mae and Freddie Mac's multifamily housing programs. We encourage HUD to do the same for its programs. We stand ready to work with you to create a strong, efficient MAP lending program to help provide quality housing for American families.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. D. Broeksmit', with a stylized flourish at the end.

Robert D. Broeksmit, CMB
President and Chief Executive Officer
Mortgage Bankers Association

² <https://www.whitehouse.gov/presidential-actions/2025/04/directing-the-repeal-of-unlawful-regulations/>

³ <https://x.com/pulte/status/1904618898537750553>

⁴ <https://x.com/pulte/status/1905017205189996575>

RECOMMENDATIONS TO UPDATE HUD MAP ENVIRONMENTAL REQUIREMENTS

A number of environmental requirements that have been added to the MAP Guide since 2011. Many of these are not in any statute or regulation, add significant expense and time to multifamily projects, and limit new development. We strongly encourage HUD to review the necessity of these requirements, given the high demand for housing. The issues are summarized below, with greater detail and citation in the attached appendix.

- **Buried Underground Pipelines** – 24 CFR 51 regulates acceptable separation distances (ASD) for FHA insured projects and specifically states that buried underground pipelines are NOT a hazard⁵. Despite this regulatory definition, which has remained unchanged since 1984, the MAP Guide was revised in 2020 to require new construction projects to complete a complicated impact analysis for pipelines within a one-mile radius⁶ of the proposed project. As you can imagine, this causes significant problems in a number of states, including your home state of Texas. The guidance change created so many issues that HUD issued a clarifying document titled “Fact Sheet” in October 2021 (further revised in August 2022) which has been enforced as the current unofficial pipeline guidance. The overburdensome 2020 MAP Guide change has led to a significant number of new construction projects being delayed or rejected due to location in proximity to buried underground pipelines and excessive reporting/engineering costs required by HUD.

Solution [MAP Guide Change]: The requirements for Buried Underground Pipelines should revert to the 2011 MAP Guide requirements of all structures must be at least 10 feet from the outer boundary of the easement.

- **Noise** – Noise pollution is regulated as part of EPA’s Clean Air Act and in 1981, EPA concluded that noise issues were best handled at the state and local level⁷. HUD has its own acceptability standards contained in [24 CFR Part 51 Subpart B](#). For new construction projects, although modern construction easily mitigates interior noise to acceptable levels, the required site-wide “noise calculated” standards lead to the rejection of projects in transit-oriented locations, less advantageous site redesign, and removal of common amenity spaces or the requirement for expensive mitigation measures, without any consideration of the actual impact of noise on the project or to the residents. In contrast, for existing projects, the CFR states “environmental noise is a marketability factor which HUD will consider in determining the amount of insurance or other assistance that may be given.” Noise issues should only be evaluated in the context of whether it presents a marketing concern.

Solution [MAP Guide Change]: HUD’s regulation⁸ should be revised to simply require construction projects to show that noise levels will not impact property marketability.

⁵ [24 CFR 51.201 “Hazard”](#) – “The term “hazard” does not include: (1) Pipelines for the transmission of hazardous substances, if such pipelines are located underground, or comply with applicable Federal, State and local safety standards.”

⁶ 2020 MAP Guide 9.6.19.B.2

⁷ <https://www.epa.gov/clean-air-act-overview/clean-air-act-title-iv-noise-pollution>

⁸ [24 CFR 51.103\(c\)](#)

- **Fall Hazard** – The 2020 MAP Guide requires that “*all buildings, ancillary facilities, structures or common areas, must consider the potential fall hazards from such free-standing structures*⁹,” expanding the 2011 and 2016 MAP Guide requirement of evaluating engineered fall distances for just “*structures*¹⁰.” No justification was given for this change, which applies to both existing and construction projects. In its August 2022 “Fact Sheet”, HUD noted that ancillary facilities and common areas include: private balconies, front or back yards, divided green space or patios, carports, garages, sheds and pergolas, gym buildings, pool houses, playgrounds, outdoor recreation areas, parking lots, walking trails, pathways and sidewalks that include items such as sitting benches, tables, pergolas, or gazebos. If the distance from certain free standing structures (high voltage utility post and towers; free-standing radio/TV/cell towers; free-standing water towers; wind turbines) is less than the structure height, HUD requires that costly engineering reports (\$5,000-10,000) be obtained, despite that fact that these structural items are already highly regulated by other state and federal agencies, and such engineering reports consistently show the structures do not present a fall zone hazard. Local utility poles and tall trees are notably excluded from this analysis. The fall zone rule in the 2020 MAP Guide is not required by regulation, is not required by other multifamily lending sources, and requires additional costly engineering reports without effectively decreasing risk.

Solution [MAP Guide Change]: In order to reduce unnecessary cost to FHA-insured multifamily financing, the fall zone guidance should be revised to reflect the actual risk to the project. HUD should at a minimum revise the guidance back to the 2011 and 2016 MAP Guide coverage to just “structures” and ideally remove the requirement to evaluate fall zone hazards on typical free-standing structures.

- **High Voltage Transmission Line Easement** – The 2020 MAP Guide requires that “*No buildings, ancillary facilities, structures or common areas may be constructed or located within the easement of any overhead high voltage transmission line*¹¹,” expanding the 2011 and 2016 MAP Guide requirement of evaluating engineered fall distances for just “*structures*¹².” No justification was given for this change, which applies to both existing and new construction projects. This has prevented HUD insured financing in new construction projects where the site cannot be redesigned to move parking spaces out of the easement or required costly movement of parking spaces without any meaningful reduction in risk.

Solution [MAP Guide Change]: HUD should revise the guidance back to the 2011 and 2016 MAP Guide prohibition to just “structures.”

- **Vibration** – The MAP Guide requires a vibration study for projects within 100 feet of rail lines. This costly test can eliminate properties that are close to transit, which provides benefit to the residents.

⁹ 2020 MAP Guide 9.6.19.C.2

¹⁰ 2011 MAP Guide 9.5.O.2, 2016 MAP Guide 9.5.O

¹¹ 2020 MAP Guide 9.6.19.C.1

¹² 2011 MAP Guide 9.5.O.2, 2016 MAP Guide 9.5.O

Solution [MAP Guide Change]: Vibration should only be considered when it impacts on the marketability or structural stability of the property.

- **Radon** – The MAP guide requirements for Radon come from 24 CFR 50.3(i) & 58.5(i)(2), as part of the environmental (NEPA) review of proposed HUD supported projects. Radon is generally regulated at the state or local level. Jurisdictions where Radon is more prevalent have stronger Radon testing requirements. Fannie Mae recently changed its Radon requirements to correspond with state and local requirements.

Solution [MAP Guide Change]: Consistent with Fannie Mae, HUD should defer Radon requirements to state and local jurisdictions.

- **Migratory Birds** – On February 28th, the Department of Interior published a memo narrowing protections for migratory birds¹³. HUD's current rules prevent site preparation for new construction where trees may house migratory birds. This delay is costly and unnecessary in an area where the trees will be removed and greatly impacts on the timing of projects in impacted areas.

Solution [MAP Guide Change]: HUD should remove the requirement for environmental reviews to be completed prior to site preparation.

- **200 Unit Limit Threshold for FECO Review** – Part 50 requires that even absent of any environmental concerns, assessments for projects over 200 lots/dwelling units or beds must be sent to the Field Environmental Clearance Officer (FECO) or, in the absence of a FECO, to the Program Environmental Clearance Officer in Headquarters for review and comment¹⁴. The number of units at a project has no association with the amount of environmental risk of a project. Additionally, FECOs often do not have housing or development backgrounds and aren't subject to the same timing goals. This process causes significant delays and adds expense.

Solution [Regulatory Change]: Eliminate the requirement for a FECO to review and comment on environmental assessment in multifamily applications based on number of units.

- **Site Aggregation** – The 2020 MAP Guide and [CFR](#) requires aggregation of related activities when conducting environmental reviews for multifamily projects. This means that if a HUD-insured mortgage application covers a multifamily parcel as part of a larger site, the project scope includes the multifamily parcel plus directly related parts of the larger site, like access roads, parking, and utilities. However, this means that environmental requirements include all of these other parts of the parcel, separate from the actual housing units.

¹³ www.doi.gov/sites/default/files/documents/2025-03/m-opinion-suspension-review0.pdf

¹⁴ 24 CFR 50.32

Solution [MAP Guide Change]: Limit environmental reviews for features like access roads, parking and utilities already on site.

- **Choice Limiting Actions** – HUD limits demolition and environmental cleanup of new construction projects until the completion of the Environmental Review. This can cause significant delays in construction and impact the financials of the project. It also limits the commencement of a number of non-critical for projects being refinanced until environmental clearance is completed.

Solution [MAP Guide Change]: Borrowers should be allowed to begin all non-critical repairs and site preparation once the Firm Application is submitted to HUD.

- **Will-Serve Letters** – Requests for will-serve letters by HUD offices have increased dramatically. While letters from utility providers such as water, sewer, and gas companies confirming their ability to provide service are required with the submission of the firm application and updated letters are required at closing, HUD environmental staff are now requiring letters earlier in the process as well as letters from fire departments, police stations, and school districts. It is unnecessary for HUD to require these letters, when local jurisdictions have provided permits and other approvals recognizing the services required of the new properties.

Solution [Notice to Regions]: Maintain the requirement to provide Will-Serve letters from utilities at firm application and do not allow environmental staff to require documentation that is not required