HUD Kentucky Highlights Winter 2014

Dear HUD Partners:

It is a busy time at HUD and there is lots of news to share with you. I hope you find this edition of HUD Highlights helpful and informative. Please contact our office at 502-582-5251 if we can be of assistance to you. I welcome your feedback at any time regarding our programs and customer service. Please contact Ms. Deborah Knight of our staff directly at 502- 618-8129 or at Deborah.L.Knight@hud.gov.

All the best,

Robert D. Kuhnle
Acting Field Office Director
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Southeastern Kentucky named among first five Promise Zones

Eight counties in Kentucky will be the focus of intense federal and local partnerships to improve areas such as jobs, housing, and schools/education. The Kentucky counties include Bell, Harlan, Letcher, Perry, Leslie, Clay, Knox, and part of Whitley.

The first five Promise Zones—located in Southeastern Kentucky, San Antonio, Philadelphia, Los Angeles, and the Choctaw Nation of Oklahoma—have each put forward a plan on how they will leverage federal partnerships and resources in the most effective ways possible to improve their communities. In exchange, these designees will be able to access federal investments in order to achieve their goals.

Promise Zones will receive priorities in accessing resources required to carry out their strategic plan from up to 10 agencies, including the Corporation for National and Community Service; the Departments of Agriculture, Commerce, Education, Health and Human Services, Housing and Urban Development, Justice, Labor, and the Treasury; and the Small Business Administration. Learn more.

Discretionary Funding Availability

HUD published the General Section to the FY 2014 NOFAs for Discretionary Funding (also referred to as Program NOFAs), in advance of the publication of any individual FY 2014 Program NOFA. The General Section presents HUD's requirements, as well as from the other cross-cutting federal agencies and application submission needed for all HUD Program NOFAs. This General Section and the individual FY 2014 Program NOFAs constitute the entirety of the FY 2014 NOFA requirements and instructions that apply to the FY 2014 Program NOFAs. For more information please visit HUD's Funds Available Website.

Most Seniors Prefer their Home - Help them Age in Place

HUD's latest edition of Evidence Matters periodical includes articles on Aging in Place, measuring the cost and savings of aging in place, and community centered solutions to approach this issue. According to the article, the overwhelming majority of older adults prefer to age in place, remaining in their current homes or communities. Most seniors are already aging in place until they reach either a crisis or a change in their condition that they can no longer remain in their homes. Such a crisis or change often happens after age 85.

Many seniors feel that their current homes are not well suited for aging. A home environment that does not meet physical needs — one that lacks a bathroom and bedroom on the first floor, for example — is just one of several barriers to aging in place. Community features, housing affordability, and accessibility of services all contribute to the ability of seniors to successfully age in their current homes and neighborhoods.

A cost-effective (although long-term) solution for promoting aging-friendly housing is to ensure that new construction includes accessible features and is designed with future modifications in mind, such as blocking for future railings and grab bars or stacking closets for a future elevator. A handful of local jurisdictions, including Atlanta, require visitability (a standard of accessibility for disabled visitors, including zero-step entryways, wide doorways, and a first-floor bathroom) in all publicly funded homes. Generally, however, these are voluntary standards, although some jurisdictions encourage their use through public incentive programs, such as the tax credits offered by Georgia. Learn more about how the community environment can be adapted to facilitate aging in place both through retrofitting and new design.

Promoting Housing Rights to the Hearing Impaired, with Videos

HUD, the Disability Independence Group and the National Fair Housing Alliance are providing critical legal and practical information to persons who are Deaf and/or Hard of Hearing with 12 brand new videos in American Sign Language (ASL) with English captioning.
These videos feature important information related to fair housing and fair lending rights. Among the topics covered are "Your right to effective communication in buying or renting a home," "How to complain about housing discrimination," "Homeowners insurance rights", "Fair housing organizations" and "Fair housing and equal opportunity for the deaf." Check them all: http://www.fairhousingdeafvideos.com/Videos.html

Digital FHA! Electronic Signatures are Now Welcome

The Federal Housing Administration (FHA) announced that it is granting expanded authority to lenders to accept electronic signatures on documents associated with mortgage loans. The new policy allows e-Signatures on origination, servicing, and loss mitigation documents, as well as FHA insurance claims. This extension will not only make it easier for lenders to work with FHA, it also allows for greater efficiency in the home-buying and loss mitigation process. Lenders choosing to employ e-signatures may begin using this policy immediately for single family forward mortgages and FHA's reverse mortgage products, Home Equity Conversion Mortgages. Lenders are required to adhere to the *Electronic Signatures in Global and National Commerce Act* (ESIGN), have specific technology and operational capabilities and controls, documented quality control processes, and the ability to adapt e-Signature to FHA's existing record retention processes. Initially, e-Signatures will not be accepted on the mortgage note itself. FHA plans to begin accepting e-Signatures on forward mortgage notes at the end of the year. A Mortgagee Letter detailing FHA's extended acceptance of e-signatures is posted on the HUD website.

Seven more Strong Cities to Pay Attention to Due to Strong Communities' Initiative

The Strong Cities, Strong Communities (SC2) Initiative was established in 2011 to receive technical advice and expertise from federal inter-agency teams in order to strengthen local capacity, coordinate federal investments, and spark growth in economically distressed communities. It was developed through engagement with mayors, members of congress, foundations, nonprofits and other community partners who are committed to addressing the challenges facing local governments as they work to create economic opportunity for all residents. A new group of communities has been added to the initiative: Brownsville, TX; Flint, MI; Gary, IN; Macon, GA; Rockford, IL; St. Louis, MO; and Rocky Mount, NC.

The SC2 Teams will aim to duplicate the record of success established in the original pilot cities: Chester, PA; Cleveland, OH; Detroit, MI; Fresno, CA; Memphis, TN; New Orleans, LA; and Youngstown, OH. SC2 Teams enabled those communities to more effectively use more than $368 million in existing federal funds and investments. For more information about the SC2 Teams involvement and goals for the new locations please visit http://www.huduser.org/portal/SC2/home.html.

For more information about accomplishments of the initiative in the original pilot locations and policy insights that have surfaced as a result, please review the first SC2 Annual Report.

New FHA Limits

Six years ago, Congress passed and the President signed the Economic Stimulus Act , one element of which was as an emergency, one-year increase in the size of the mortgages eligible for Federal Housing Administration mortgage insurance to insure that mortgage credit was widely available during a time when private lending options were severely constrained. Originally passed for just one year, ultimately it would be in effect for six. But now the economy's rebounding, the number of foreclosures continues to fall, the value of homes continues to rise and private capital has returned to the housing market it fled just a few short years ago. It's time, says Federal Housing Administration Commissioner Carol Galante, for FHA to "evaluate the role we need to play" in the market, to determine "appropriate step as private capital returns to portions of the market " FHA should take to "concentrate on those borrowers that are still underserved." Lowering FHA mortgage limits, she argues, is one of those steps. As discussed in FHA Mortgagee Letter 13-43, the new, lower limits will take effect for mortgages receiving FHA case numbers from January 1st through December 31st, 2014. The current standard loan limit for areas where housing costs are relatively low will remain unchanged at $271,050 but loan limit for the very highest cost areas will be reduced from $729,750 to $625,500. For the limits in your market, please read FHA Mortgagee Letter 13-43.

Rural Housing Loans

Agriculture Secretary Tom Vilsack has announced "sweeping changes" to the USDA Rural Housing Service Single Family Guaranteed Loan Program that, when in effect on September 1, 2014, will "add significant capital to rural areas and give rural Americans more opportunities to make financing decisions that lay the groundwork for the future prosperity of their families." Beginning then, for example, any lender, bank or credit union regulated by the FDIC, FHFA, NCUA, the Comptroller of the Currency or Federal Reserve will be allowed to underwrite USDA-guaranteed loans. Borrowers “for the first time” will be able to choose loan terms of less than 30 years. For more, check the Federal Register.