

# HUD HEARTLAND NEWS



US Department of Housing and Urban Development  
Sioux Falls, South Dakota Field Office

## June is National Homeownership Month

Owning a home is an important part of the American Dream. During National Homeownership Month, we raise awareness of homeownership and encourage more Americans to consider the benefits of owning their own home. Nearly 70 percent of American families currently enjoy the satisfaction of owning their own home.



During National Homeownership Month, we also applaud the men and women who provide counseling, lending, real estate, construction, and other services to home buyers. Without their help, people would be lost in the complexities of the systems that are needed to create homeownership in this country.

The hard work, financial discipline, and personal responsibility of our country's homeowners help transform neighborhoods throughout our Nation and reflect the best qualities of America. We applaud all the efforts made to increase homeownership during June.

## Help to Buy a Home in South Dakota

There are many programs available in South Dakota that can help families achieve the dream of homeownership. Here are just a few to consider.

**Housing Counseling** agencies can help families become or remain homeowners, find rental housing, and provide advice on defaults, foreclosures, credit issues, and reverse mortgages. They provide helpful classes to teach families about the home buying process and help combat predatory lending. Many agencies are approved by HUD.

**Federal Housing Administration (FHA)** insures loans, so a lender can offer a better deal. With an FHA loan there

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### UPCOMING EVENTS:

May 14-15

Environmental Review Procedures and Regulations Training, HUD Office in Sioux Falls.

May 16

Real Estate Settlement Procedures Act (RESPA) Training, Ramkota in Sioux Falls

May 23-24

HUD at Great Plains Pro-Biz Summit in Rapid City

June 16

HUD at Festival of Cultures in Sioux Falls

June 21

HUD at Housing Connect Day in Rapid City

June 21

Fundamentals of Fair Housing workshop in Sioux Falls

June 25-30

Neighborhood Networks Week

July 17

Fundamentals of Fair Housing workshop in Rapid City

August 21-22

HUD Grant Writing workshop in Spearfish

August 23

Fundamentals of Fair Housing workshop in Chamberlain

See HUD's online calendar at [www.hud.gov/southdakota](http://www.hud.gov/southdakota)

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## Energy Webcasts

On May 17 from Noon to 3 p.m. CDT HUD's Energy Task Force will host the second of four webcasts to promote energy efficiency in public and assisted housing along with other tools and techniques that support HUD's Energy Strategy. HUD will offer official Certificates of Completion to all persons who watch the entire 4-part series in 2007. [Register for the event here.](#)





Phone toll-free (800) CALLFHA or (800)225-5342, M-F, 7am - 7pm CT

Email: [hud@custhelp.com](mailto:hud@custhelp.com)

Search online at <http://answers.hud.gov>



## Buying a HUD Home

All HUD homes available for sale are listed weekly every Friday on the internet. These homes were previously insured by FHA (part of HUD), but now have gone through foreclosure and HUD owns them. Anyone may purchase a HUD home as long as they have money to complete the sale. However, HUD's first preference is to sell to owner-occupants, and you will see that preference in the HUD listings.



*This HUD home in Baltic is available to all bidders on a daily basis.*

If a buyer is employed full-time by a unit of general local government as a law enforcement officer, teacher, or firefighter/emergency medical technician, they may be eligible for HUD's [Good Neighbor Next Door Program](#) (GNND). The GNND allows eligible buyers the opportunity to purchase HUD homes in revitalization areas at a 50% discount from HUD's list price. The purpose of the GNND Sales Program is to improve the quality of life in HUD designated revitalization areas by encouraging law enforcement officers, teachers, and firefighters/emergency medical technicians to purchase and live in homes in these areas.

Revitalization areas in South Dakota are located in Sioux Falls, Rapid City and Aberdeen. The majority of homes that become available are in Sioux Falls. Eligible homes are listed each Friday on [HUD's contractor's web site](#). These homes are listed for eligible buyers first before they are advertised to the general public. All buyers need to use a real estate professional to make their offer and to purchase the home.



*This former HUD home provides affordable housing for a Sioux Falls family.*

[Nonprofit organizations](#) may also be eligible to purchase HUD homes. Once approved, they may purchase without a real estate professional at a 10% discount. In revitalization areas, they may purchase at a 30% discount. If your organization would like to become HUD approved to purchase HUD homes, contact the South Dakota HUD Office for more information.

For more information about HUD Home sales and the GNND Sales Program, [visit HUD's web page](#).

### Building Communities Through Homeownership

*Ideas That Work: Building Communities through Home Ownership* features the experiences of HUD's Office of University Partnership grantees nationwide as they seek to promote affordable homeownership. The report explores how grantees from institutions of higher education provide resources, bring partners together, and assist in designing community-based homeownership programs.

The publication also lists resources and contact information for the people interviewed during the course of the study. The study is available online and can be [downloaded here](#) free of charge.

Printed copies can be ordered at no cost from the Office of University Partnerships Clearinghouse at 800-245-2691, option 3 or by sending an email to [oup@oup.org](mailto:oup@oup.org).

### South Dakota Single Family FHA Information

<u>2007 Statistics</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>
Loans Insured	83	63	57
First-Time Homebuyers	41	31	34
Minority Homebuyers	3	3	1
Default Rate	5.99%	5.92%	5.39%
Foreclosure Rate	0.84%	0.83%	0.83%
REO Properties:			
Acquired	5	7	9
Sold	6	3	8
Owned	31	35	36

## Buy Your Home in Indian Country

Building a new home, buying an existing home, or fixing up a house in Indian Country is all possible because of [HUD's Section 184 Loan Program](#). The 184 program provides an avenue for Native Americans to own a home on tribal trust, individual allotted trust or fee simple land in an approved Indian area. The program is available on all the reservations in South Dakota and has provided the opportunity for over 250 Native American families to become homeowners in the state.

Some of the benefits of the 184 program:

- ◆ Low down payment of 1.25% to 2.25%
- ◆ Refinance eligibility
- ◆ 1% financeable guarantee fee at closing (no private mortgage insurance or monthly mortgage insurance premium)
- ◆ 100% guarantee to the lender in the event of a foreclosure and claim
- ◆ Loans may be assumed by a creditworthy borrower that meets program eligibility

If you are a buyer interested in owning your own home, or a lender interested in doing mortgage business on the reservations, contact the 184 Loan Office at 1-800-561-5913 or (303) 675-1615.

## Homeownership Vouchers

As HUD gears up for its annual Homeownership Month in June, several public housing authorities (PHAs) across South Dakota have already taken steps to promote homeownership in their communities. The PHAs in Brookings, Mobridge and Pennington County have helped several tenants use their rental assistance vouchers to buy homes.

Any PHA may choose to administer a [homeownership voucher program](#), but none are required to do so. A potential homebuyer must currently receive rental assistance through the housing choice voucher program to be eligible. The PHA may impose limits on the size of this program, or limit use of the option to certain purposes. The PHA uses its normal voucher program payment standard schedule to determine the amount of subsidy. Families must be first-time homebuyers and meet minimum income and employment requirements. Check out the [HUD website](#) for more information.

## HUD Introduces "Franklin, the Fair Housing Fox"

HUD's Office of Fair Housing and Equal Opportunity unveiled its first-ever fair housing mascot April 10, 2007. Just as McGruff the Crime Dog represents the fight against crime, Franklin, the Fair Housing Fox, will symbolize the nation's efforts to end housing discrimination.



Designed to appeal to children and their parents, Franklin, the Fair Housing Fox, will encourage the public to "Dare to Be Fair" by promoting the message that "Fair Housing Is Not an Option; It's the Law." When children visit Franklin at [www.hud.gov/kids](http://www.hud.gov/kids), they will be able to obtain easy-to-understand Franklin Facts about The Fair Housing Act and learn how fighting housing discrimination is everyone's responsibility. Parents and kids can also [email Franklin](#) if they have questions.

The Fair Housing Act makes it illegal to deny housing based on familial status, race, color, national origin, religion, disability, or sex. FHEO and its partners investigate approximately 10,300 housing discrimination complaints annually. People who believe they are the victims of housing discrimination should contact HUD at 1-800-669-9777 (voice), (800) 927-9275 (TTY). Additional information is available on the [fair housing website](#).

## Help to Buy a Home

*(Continued from page 1)*

are low down payments; low closing costs; and easy credit qualifying. FHA is a part of HUD, and offers several loan options to make the right product available.

[Down payment and closing cost assistance](#) provides opportunities for many families to get financial assistance. There are a number of grants and low interest loan programs to help with down payment and closing costs.

[100 Questions and Answers About Buying a New Home](#) can answer the most common questions about home buying in easy to understand language. It can help a family decide if they are ready to buy, and walk them through the process.

All these resources and more are listed on the [HUD in South Dakota homeownership](#) web page.



## Neighborhood Networks Week

HUD's seventh annual [Neighborhood Networks Week](#) will be observed June 25 - 30, 2007. This year's theme, *Connecting Neighbors to Opportunities*, pays tribute to residents, property owners and managers, center staff members, partners, volunteers, HUD staff and others who help make this a successful community-based initiative.



HUD created [Neighborhood Networks](#) in 1995 to encourage multi-family property owners to establish community learning centers in HUD insured and assisted properties. The centers help residents by improving computer access, advancing literacy and preparing residents to take advantage of employment opportunities. Neighborhood Networks was one of the first federal initiatives to promote self-sufficiency and help provide computer access to low-income housing communities.

South Dakota currently has Neighborhood Networks sites in Sioux Falls, Rapid City and Mitchell. Four additional centers are in the planning stages and will celebrate grand openings during Neighborhood Networks Week.



*Western Heights Apartments Neighborhood Networks opening June 2006 in Sioux Falls, SD. Left to right: Field Office Director Sheryl Miller, Building Hostess Suzy Clements, Service Coordinator Diane DeVito, Building Manager Jim Anderson, Oakleaf Property Management Director Cathy Coyle, Regional Director John Carson, Mike Crane from Crane & Fowler Investments, and Rollyn Samp from Sioux Falls Environmental Access, Inc.*

US Department of HUD  
Sioux Falls Field Office  
2400 W. 49th Street  
Suite 1-201  
Sioux Falls, SD 57105

Phone: 605-330-4223  
Fax: 605-330-4465  
E-mail: [SD\\_Webmanager@hud.gov](mailto:SD_Webmanager@hud.gov)  
Website: [www.hud.gov/southdakota](http://www.hud.gov/southdakota)

Please contact us if you have any news or updates to include in our newsletter.

**Mission of the U.S.  
Department of Housing and  
Urban Development: To  
increase homeownership,  
support community  
development, and increase  
access to affordable housing  
free from discrimination.**

### [Sioux Falls Office Staff](#)

Sheryl Miller  
Field Office Director

Roger Jacobs  
Operations Specialist

Erik Amundson  
Operations Specialist

Jean Wehrkamp  
Housing Program Specialist

Jacqueline Westover  
Housing Program Specialist

Lisa Wright  
Secretary

## HUD Grant Funds Now Available

On March 13, 2007, HUD published its annual [Notice of Funding Availability \(SuperNOFA\)](#) in the Federal Register. The NOFA contains 38 HUD programs with \$2.4 billion available for local agencies to provide services. Requirements that apply to all programs are identified in the General Section. Program specific requirements and submission dates are published in each program section.

To assist applicants in learning more about grant opportunities, HUD training sessions have been broadcast via satellite and webcast via the internet. These broadcasts are available for applicants to view in the [webcast archives on HUD's web site](#).

Most grant applications are made electronically through [grants.gov](#). To ensure you may submit a grant application timely, your organization must be registered through this system prior to submission. Please allow a week for the necessary registrations to be completed prior to submitting your grant application.

## America's Affordable Communities Initiative - A National Call to Action

The America's Affordable Communities Initiative (AACI) invites states, cities, towns and other municipalities to participate in a voluntary network of communities interested in addressing regulatory barriers in their areas. Regulatory barriers increase cost and reduce the supply of affordable housing. Through this network, localities can learn from each other, be kept up-to-date on some of the most innovative reforms tried in other communities and receive guidance materials and tools they can use to advance regulatory reform in their own communities.

Regulations for housing development are primarily local, and each community is different. Regulations, however, may be setting up barriers for builders to build housing that is affordable, or barriers for families to purchase or rent a home close to where they work. What is a regulatory barrier? Any rule that may prohibit, discourage, or excessively increase the cost of new or rehabilitated housing without sound compensating public benefits. There are many valid reasons why such rules were originally enacted, but maybe it is time to review the rules and see how your city could benefit by changing a few regulations.

Consider these examples of regulatory barriers: Impact fees; excluding manufactured housing; lengthy, duplicative and sequential plan reviews; outdated building codes; and lack of a modern "Rehab Code".

To take part in America's Affordable Communities Initiative, see the [Regulatory Barriers Clearinghouse website](#) or call the local HUD Office for more information.