

HUD HEARTLAND NEWS



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

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HUD Provides Over \$12 million for Affordable Housing and Community Development in South Dakota

HUD formula funding for larger cities and the state have been awarded for 2007. The funding includes:

Grantee	CDBG	HOME	ADDI
State of South Dakota	\$6,717,930	\$3,528,961	\$69,022
Sioux Falls	\$843,047	\$490,255	
Rapid City	\$507,002		

Since 1974, HUD's [Community Development Block Grant \(CDBG\) Program](#) has received approximately \$120 billion nationwide for state and local governments to target their own community development priorities. The rehabilitation of affordable housing and the improvement of public facilities have traditionally been the largest uses of the grants, although CDBG is also an important catalyst for job growth and business opportunities.

In 2006, communities nationwide reported that CDBG provided housing assistance to 179,385 households and assisted in the creation or retention of more than 55,000 jobs. CDBG funds are distributed to grantees according to a statutory formula based on a community's population, poverty, age of its housing stock, and extent of overcrowded housing.

[HOME \(HOME Investment Partnerships Program\)](#) is the largest federal block grant to state and local governments designed exclusively to produce affordable housing for low-income families. Since 1992, more than 600 communities across the nation have completed more than 780,000 affordable housing units, including over 329,000 for new homebuyers. In addition, over 164,000 tenants have received direct rental assistance.

[The American Dream Downpayment Initiative \(ADDI\)](#) helps first-time homebuyers with the biggest hurdles to homeownership: downpayment and closing costs. The program was created to assist low-income first-time

UPCOMING EVENTS:

August 21-22
 Grant Writing Workshop,
 Spearfish

August 22
 Appraisal Training for
 Indian Country, Rapid City

August 23
 Fair Housing Training,
 Chamberlain

August 23
 Northern Plains Office of
 Native American Programs
 Mortgage Training,
 Rapid City

September 12
 Labor Relations Training,
 Sioux Falls

September 12-14
 SD/ND Realtors Convention,
 Aberdeen

September 14
 VA Stand Down,
 Sioux Falls

September 17
 SD Horizons Project Resource
 Fair, Rapid City

September 19
 SD Horizons Project Resource
 Fair, Huron

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Don't forget to register for the August 21 & 22 Grant Writing Workshop! See page 4 for more details.

homebuyers in purchasing single-family homes by providing funds for downpayment, closing costs, and rehabilitation carried out in conjunction with the assisted home purchase. Since the program's inception, ADDI has assisted nearly 24,000 households nationwide to purchase their first home.



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

Email: hud@custhelp.com

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



Revitalization Areas

HUD recently expanded the number of approved revitalization areas in South Dakota to 54 to allow more use of HUD programs in some neighborhoods.

Revitalization Areas are neighborhoods in need of economic and community development and where there is already a strong commitment to action by the local governments. These areas tend to have lower median household incomes, higher mortgage defaults or foreclosure rates, and/or low homeownership rates. HUD programs, including the Good Neighbor Next Door Program which provides a 50% discount on HUD homes purchased by law enforcement officers, teachers, firefighters, or EMTs, and the Direct Sales Program with a discount of 30% for nonprofit agencies, are available in these areas.

HUD approved revitalization areas are located in Aberdeen, Rapid City, and Sioux Falls. Consideration for additional revitalization areas may be requested by units of local government, States, Indian tribes, or interested nonprofit organizations by contacting the South Dakota HUD Office.

Credit Reports with Shortened SSNs

[Mortgagee Letter 2007-09](#) allows FHA approved mortgagees to use credit reports with truncated social security numbers (SSN). This letter was issued in response to the growing incidence of identity theft and the response by some providers of consumer credit reports to print only a shortened version of the SSN on the credit report.

Mortgagees may use credit reports with SSNs that contain as few as the last four digits of the borrower's full number. The loan application, however, must contain the entire 9 digit SSN and, per mortgagee letter 2005-27, the borrower's name, SSN, and date of birth must be validated through the FHA Connection or its functional equivalent.

Mortgagees remain responsible for verifying each borrower's SSN as well as each borrower's identity. If you have questions about this or other mortgagee letters, call 1-800-CALL-FHA.

HAPI Provides Downpayment Help

Homes Are Possible, Inc. (HAPI), of Aberdeen has become the newest nonprofit to be approved by HUD as a provider of secondary financing. HAPI provides grants of up to \$4,000 to eligible low-income families to assist with down payments, closing costs, and home improvements. The organization recently gave away its \$1 millionth dollar in assistance. They gained their HUD approval to provide secondary financing on FHA loans in June.



HAPI affordable housing development in Aberdeen

HAPI was founded in 1997 and has helped over 350 families in Northeastern South Dakota purchase a home. They partner with many local businesses, organizations,

(Continued on page 3)

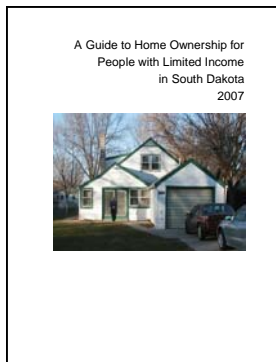
South Dakota Single Family FHA Information

<u>2007 Statistics</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>
Loans Insured	77	68	96
First-Time Homebuyers	51	37	50
Minority Homebuyers	2	1	5
Default Rate	1.98%	2.28%	2.22%
Foreclosure Rate	0.90%	0.91%	0.90%
REO Properties:			
Acquired	7	4	6
Sold	9	3	9
Owned	34	35	32

Homeownership on a Limited Income

Have questions about homeownership or just want more information? A new resource booklet has been published by the South Dakota Council on Developmental Disabilities that may help you find your way.

“A Guide to Home Ownership For People with Limited Income in South Dakota” is intended to provide information for people with disabilities and their families, service providers, advocates, and others. Any person with low or very low income can benefit from the material. The booklet is designed to help you learn about existing programs throughout the state and where to go for additional information and assistance.



The booklet can be viewed and [downloaded here](#). To request printed copies, contact the Council on Developmental Disabilities at 605-773-6369 or via email at infoDDC@state.sd.us. If you would like someone to come to your site to discuss the booklet and talk about homeownership possibilities, contact the Council.

Servicemembers Civil Relief Act

The Servicemembers Civil Relief Act (SCRA), formerly known as The Soldiers' and Sailors' Civil Relief Act, is a federal law that provides many important legal rights and protections to military members while on active duty. One of the most widely known benefits under the SCRA is the ability to reduce pre-service consumer debt and mortgage interest rates to 6% under certain circumstances.



SCRA is also intended to ease the economic and legal burdens on military personnel by postponing, suspending, or mitigating obligations, such as mortgage payments and foreclosure actions. Mortgage lenders may not foreclose while a service member is on active duty or within 90 days after the period of military service without court approval.

HUD has developed a disclosure notice, in consultation with the Departments of Defense and Treasury, which lenders should provide to homeowners who are in default. Form HUD-92070 may be found on [HUD's website](#).

HUD South Dakota Website

Did you know each HUD field office has a web site dedicated to their area of jurisdiction? The [HUD in South Dakota web site](#) offers information specific to our customers in South Dakota. The web site has information about homebuying programs specific to your area, homeless resources for your community and a host of other information. Want to see where HUD resources are being used in South Dakota or just want to read about a successful program? Check out the slide show on the front page.



Navigating the site is easy. On the left of the screen are the main headings. Click on what you're interested in, homeownership, rental help, homeless or any of the other headings to get local information about HUD programs and partners who make the programs work.

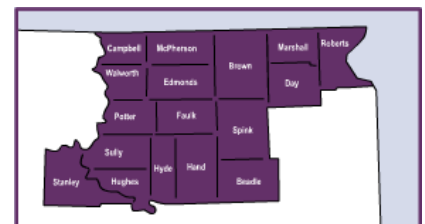
Watch for good stories on the front page or visit the [archives](#) to read about good things in South Dakota. If you would like to contribute a good story or have comments or suggestions about the web site, call us at 605-330-4223 or e-mail sd_webmanager@hud.gov.

The web site is easy to remember www.hud.gov/southdakota

HAPI Provides Downpayment Help (Continued from page 2)

groups and individuals to achieve their goals. HAPI provides home ownership education classes to participants to learn how to budget, build credit, obtain a mortgage loan, and buy a home.

HAPI assists families in 17 northeastern counties including: Beadle, Brown, Campbell, Day, Edmunds, Faulk, Hand, Hyde, Hughes, Marshall, McPherson, Potter, Roberts, Spink, Sully, Stanley and Walworth. Call the HAPI office at (605) 225-4274 for more information or check their [website](#).



New Neighborhood Networks Center

Congratulations to the Cathedral Square II Apartments in Mitchell for being approved as a HUD Neighborhood Networks computer support center. A grand opening ceremony is planned for later this year. Following the development of a strategic business plan, this site becomes the fourth HUD approved center in South Dakota.



The computer support center available for resident use at Cathedral Square II Apartments offers low-income elderly and disabled residents the opportunity to become computer literate and have access to the internet. Classes are offered on a variety of subjects, from e-mailing basics to learning how to surf the web. Check out the [HUD website](#) for more information on Neighborhood Networks.

HUD Marks 20 Years of McKinney-Vento Homeless Assistance Act

On July 22, 1987, President Ronald Reagan signed into law the *McKinney-Vento Homeless Assistance Act* which created more than a dozen federal programs designed to offer a modern system of care for homeless individuals and families. Twenty years later, McKinney-Vento's legacy is credited with housing and serving hundreds of thousands of persons who would otherwise be living on the nation's streets.

In 2007, McKinney-Vento programs administered by HUD will award approximately \$1.5 billion to support thousands of local housing and service programs across America.

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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.**

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Free Grant Writing Workshop

HUD will be hosting a free two-day grant writing workshop in Spearfish on August 21 and 22. Participants will receive instruction from federal staff on proposal writing, non-profit basics, organizational development and searching for funding sources. Rural Development and the Small Business Administration will also have staff available to discuss other federal funding opportunities.

The first day will emphasize opportunities for faith-based and community organizations, while the second day will focus on the federal application process, including factors for awards and electronic submission. The training will help prepare you to apply for both public and private funds. Workbooks and certificates of completion will be provided.

Seating space is limited so make sure to sign up as soon as possible. You can [register online](#) through the HUD website.



Regional Director John Carson welcomes participants to a 2006 workshop in Sioux Falls.

VA Stand Down

September 14, 2007, is the date for the next VA Stand Down in Sioux Falls. Stand Downs are one part of the Department of Veterans Affairs' efforts to provide services to homeless veterans.

The Sioux Falls Stand Down provides services to homeless veterans such as food, shelter, clothing, health screenings, VA and Social Security benefits counseling, and referrals to a variety of other necessary services, such as housing, employment and substance abuse treatment. The annual all day event in Sioux Falls will be held in the Salvation Army gymnasium. Look for the HUD table of information at this event.

