

HUD HEARTLAND NEWS



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

A Home of Your Own

June is National Homeownership Month, an opportunity for all to consider the benefits of homeownership. It is called the American Dream - the opportunity to own your own home. It is the biggest investment most people will make, and it can provide an excellent return.



What are the benefits of homeownership?

It gives stability to families, neighborhoods and communities. Homeowners typically stay in their home 12 years as opposed to renters who move every 3 years.

It provides stability for children. Children of homeowners score 9% higher in math and 7% higher in reading. They are more likely to graduate high school.

It improves neighborhoods. Homeowners are 28% more likely to improve their home and 10% more likely to participate in solving local problems. Generally, homeowners vote more often and are more likely to know their local elected officials.

It builds wealth and provides tax benefits. The median net worth of most modest-income owners is almost \$60,000 compared to less than \$10,000 for renters in the same income group. A homeowner who makes a \$1,000 house payment will realize tax savings of about \$120 each month.

There are some challenges. Owners must work to maintain their home so it continues to appreciate in value. Payments must be made on time every month or there is a risk of foreclosure. But doing these things will continue to make a home more valuable, and it will even improve one's credit rating.



The first step in [buying a home](#) is learning how. Take a class from a [local housing counseling agency](#) to learn all the steps needed to buy a house. Find a class today and start the steps down the road to homeownership. [Down payment assistance](#) may be available.

CALENDAR OF EVENTS:

May 22
Rapid City Housing Summit
Rapid City, SD

June 8-10
[Dare to Dream Conference](#)
Pierre, SD

June 10-11
Indian Housing Summit
Porcupine, SD

June 19
[Fair Housing Workshop](#)
Sioux Falls, SD

June 19
Project Connect Day
Rapid City, SD

July 16
Multi-Housing Association
[Fair Housing Training](#)
Rapid City

July 19
Event with Mexican Consul at
Our Lady of Guadalupe
Church
Sioux Falls

August 12-13
Grantwriting Workshop
Sioux Falls, SD

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FY 2008 SuperNOFA

HUD's annual Super Notice of Funding Availability (NOFA) was published on May 12, 2008. It makes available more than \$1 billion in grants through 35 programs. To see the NOFA, [click here](#).

HUD will host satellite broadcasts and webcasts on each program to discuss the changes in this year's NOFA along with important features to cover in each application. See page 3 for the schedule and other NOFA updates.





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

Email: hud@custhelp.com

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



Implementation of FHA Risk-Based Premiums

HUD published a [final notice](#) May 13 in the Federal Register to implement risk-based premiums.

The rule is scheduled to go into effect July 14 in conjunction with the approved expansion of HUD's FHASecure program. HUD made the following changes to the original proposal published in September 2007.

- Classifications used in the upfront premium rate table are changed from minimum downpayment to loan-to-value ratio.
- Source of downpayment is eliminated as a factor.
- Borrowers with nontraditional credit are eligible for 97% LTV financing.
- The provision on averaging borrower's credit scores has been replaced with the lowest-decision credit score.

See the www.fha.gov website to find out more.

FEDERAL HOUSING ADMINISTRATION

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

FHA Secure to Expand

The FHASecure program was implemented in August 2007 to provide a "second chance" to borrowers who were facing an increase in mortgage payments due to resetting of their loan payments. Since that time FHASecure has helped more than 150,000 homeowners who are current or past due on their loans avoid foreclosure.



FHA has now announced expansion of the FHASecure program for subprime borrowers who are at risk of foreclosure. Under the new plan, FHA would have the added flexibility to insure more mortgages, including those for borrowers who were late on a few payments and/or received a voluntary mortgage principal write-down from their lender. The expanded eligibility standards include:

- 🏠 Borrowers with adjustable rate mortgages who were late on two consecutive monthly mortgage payments or at two different times over the previous 12 months. FHA will require a 97 percent loan-to-value (LTV) ratio for these borrowers to refinance, the same LTV as FHA's current standard.
- 🏠 Borrowers with adjustable rate mortgages who were late on three consecutive monthly mortgage payments or at three different times over the past 12 months. FHA will require a 90 percent LTV ratio for these borrowers to refinance.

This proposed expansion is expected to assist 500,000 total families to refinance into prime-rate FHA-insured mortgages by December 31, 2008. HUD [Mortgage Letter 2008-13](#) announced these changes.

FHA Modernization Bill and Increased Loan Limits



FHA loan limits were increased to **\$271,050 throughout South Dakota** with enactment of the Economic Stimulus Act of 2008. This *temporary* increase became effective March 6 and will remain in effect until December 31, 2008. Additional information may be found in [Mortgage Letter 2008-06](#).

South Dakota Single Family FHA Information

2008 Statistics	Jan	Feb	Mar
Loans Insured	110	63	191
First-Time Homebuyers	49	33	69
Minority Homebuyers	5	33	3
Default Rate	2.52%	2.28%	2.18%
Foreclosure Rate	0.99%	1.06%	1.02%
REO Properties:			
Acquired	3	1	4
Sold	5	5	3
Owned	25	23	27

New HUD Region VIII Deputy Director



Deborah Griswold was appointed Deputy Regional Director for HUD Region VIII in Denver on February 17, 2008. Ms. Griswold brings 21 years of HUD service in Atlanta, Georgia; Boston, Massachusetts; and Tampa, Florida, and nine years of city

government experience. Her tenure included service as the Deputy Regional Director for HUD's New England Region. She has managed the full spectrum of HUD Programs, as well as local community planning and development programs and related local and regional planning. Ms. Griswold was appointed to the Board of Directors of the National Community Development Association in Washington, DC, and was elected Chairperson for the Southeastern U.S. Chapter of NCDA for nine states and 150 entitlement cities.

Previously, she taught school in Central America. She earned her B.A. degree in Political Science from the University of Florida, completed graduate studies in the Master's Degree for Public Administration, and completed two major Executive Programs at Harvard University. She is an alumna of the Federal Executive Institute.

Free Grant Writing Workshop

Mark your calendars for August 12 – 13, as HUD will host a free two-day grant writing workshop in Sioux Falls. Participants will receive instruction from federal staff on proposal writing, non-profit basics, organizational development and searching for funding sources. Not only will the information prepare your organization to apply for public funds, but also corporate and foundation sources. Workbooks and certificates of completion will be provided. Check the [South Dakota HUD web page](#) for updates.



SDHDA Awarded Foreclosure Counseling Funds

NeighborWorks America recently awarded \$52,979 to the South Dakota Housing Development Authority to provide counseling to families and individuals facing the threat of foreclosure. It is estimated that 991 families in the state will benefit from this funding. Funds will be shared among Northeast South Dakota Community Action Program in Sisseton, Neighborhood Housing Services of the Black Hills in Deadwood, Consumer Credit Counseling Services of the Black Hills in Rapid City, and CCCS of Lutheran Social Services in Aberdeen, Brookings, Huron, Mitchell, Sioux Falls, and Yankton.

New HUD Secretary Nominated

Steve Preston, Administrator of the Small Business Administration, was nominated by President Bush to be the new Secretary of Housing and Urban Development on April 18.

HUD NOFA Broadcast Schedule

All times are all Central Daylight Time.

Program	Broadcast Time	Broadcast Date
Community Development Technical Assistance	10:00am	May 13, 2008
ROSS Service Coordinators	12:30pm	May 13, 2008
Public Housing Self-Sufficiency	2:30pm	May 13, 2008
Housing Counseling Programs	10:00am	May 14, 2008
Fair Housing Initiative Programs	1:00pm	May 14, 2008
Housing Choice Voucher Family Self-Sufficiency	Noon	May 15, 2008
Lead Based Paint Programs	1:30pm	May 15, 2008
Multifamily 202 & 811 Housing	11:30am	May 20, 2008
Indian Community Development Block Grant	12:30pm	May 27, 2008
Housing for Persons with AIDS	10:00am	May 28, 2008
University Partnerships	12:30pm	May 28, 2008
Assisted Living Conversion Program	10:00am	May 29, 2008

If you miss a broadcast, you may view it through HUD's [webcast archive](#).

On March 19 the General Section of HUD's FY 2008 Notice of Funding Availability was published in the Federal Register. You may view it [online here](#).

RHED NOFA Published Earlier

HUD's Notice of Funding Availability for 2008 for the Rural Housing and Economic Development Program was published April 28. Since these awards must be made by HUD prior to September 1, HUD published the NOFA for this program in advance of the SuperNOFA. The application deadline is May 30, 2008. [View the NOFA on HUD's website](#) and the webcast from May 9 in the [webcast archives](#).

HUD Continuum of Care Grant Registration

HUD intends to offer \$1.5 billion in homeless grants later this year through a new electronic application process that will significantly streamline funding of thousands of homeless assistance programs nationwide. Continuum of Care Grants for homeless funding are, therefore, not included in the SuperNOFA this year. Details of the registration process and application will be announced at a later date. Keep checking the [HUD website](#) for updates.

Dare to Dream Conference

What makes a full life? That is the theme of this year's [Dare to Dream Conference](#) in Pierre June 8-10, 2008. The semi-annual conference is for individuals with disabilities, families that have children with disabilities, and all friends, neighbors and professionals.



Peter Leidy, consultant and trainer in human services, will speak June 9 on "We're All in This Together; Finding the Real Meaning of Community." T. Marni Vos will speak June 10 on "Humor: A Companion to Change." The conference also provides a number of smaller breakout sessions including: Our Journey to Self-Advocacy, Introduction to Resilience, The Care of Souls, and Estate Planning 101.

Vendors will be present with information from housing to assistive technology. Stipends are available on a first come, first served basis.

ROSS Award to Lakota Fund

The Oglala Lakota people on the Pine Ridge Indian Reservation will benefit from a \$250,000 [Resident Opportunity and Self Sufficiency \(ROSS\)](#) grant made recently from HUD. The Lakota Fund can use the funds to provide families a full array of educational programs, job readiness, job and computer training, and homeownership counseling to help them as they move along the spectrum to self-sufficiency. This funding can also be used to match family contributions to supportive services such as childcare and transportation, so that families can take advantage of the education and employment services offered.



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This is a quarterly publication of the South Dakota HUD office. For active internet links, view the newsletter online at 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.

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Sioux Falls and Rapid City Host Project Connect Day

On April 29, the fourth Project Connect Day was held in Sioux Falls at the Salvation Army gymnasium. Almost forty agencies were on hand to provide outreach and assistance to help people find housing, employment, education, medical and social services. The event featured an expanded medical component, including: two foot care clinics, an acute care clinic, appointments for mammograms, rapid HIV testing, dental screenings, and blood sugar and cholesterol testing. Other popular attractions were the free lunches, snacks, coffee, and healthy diet classes.



HUD staff distribute information at Project Connect Day in Sioux Falls

Project Connect is a nationwide initiative to bring people together and connect individuals to services leading towards self-sufficiency. Rapid City will host a similar event on June 19. More information will be available soon.



Proposed RESPA Reform Extended Comment Period

HUD has proposed reforms to the Real Estate Settlement Procedures Act (RESPA) to provide homebuyers more complete, accurate and understandable information about their mortgages and help borrowers shop for the best loan. The new rules were published in the Federal Register March 14 and were available for a 60-day comment period. Proposed changes include:

- ⇒ A *NEW* mandatory standard 4-page Good Faith Estimate (GFE)
- ⇒ A *MODIFIED* HUD-1 settlement statement corresponding to the GFE
- ⇒ Guidelines for what charges can and cannot change at settlement
- ⇒ Full disclosure of mortgage broker fees
- ⇒ Settlement agents will read a "closing script" at closing detailing loan terms
- ⇒ Provide HUD with increased enforcement authority

HUD has extended the comment period for an additional 30 days to June 12, 2008. Read the proposed reforms at www.fha.gov. Submit your comments at www.regulations.gov. Enter the keyword RESPA to submit your comment and read other comments already submitted.