

# HUD HEARTLAND NEWS



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

## FHA Modernization Under HERA

FHA modernization has now begun as the Housing and Economic Recovery Act (HERA) of 2008 is implemented at HUD. A number of new Mortgagee Letters have been issued, and more will be forthcoming.



- **FHA Loan Limits** were raised under the Economic Stimulus Act through the end of 2008. The new limits under HERA keep the amount for all of South Dakota at \$271,050.
- **Up-Front MIP.** HERA put a one-year moratorium on implementation of risk-based premiums, and implemented a new premium structure. See Mortgagee Letter 2008-22.
- **Downpayment requirement** for FHA-insured loans increases to 3.5% effective January 1, 2009.
- **Seller Funded Downpayment assistance** was eliminated effective October 1, 2008.
- **Condominiums** will be moved to the 203(b) program. A Mortgagee Letter should be out soon.
- **Home Equity Conversion Mortgage (HECM)** has a number of changes. See the most current Mortgagee Letters on HUD's reverse mortgage program.
- **FHA Appraiser Roster.** After October 1 all new appraisers applying to be on the FHA roster must be certified. HUD will issue a Mortgagee Letter soon explaining how appraisers must upgrade to certified appraisers in the future.
- **Energy Efficient Mortgages** saw an increase in the limit on improvements to be funded with this loan.
- **Hope for Homeowners (H4H)** program is now in effect. This is a voluntary loss mitigation program for lenders to use in assisting homeowners avoid foreclosure.

Check out all HUD's new [Mortgagee Letters](#) for FHA changes.



## CALENDAR OF EVENTS:

- November 17-19  
[SDHDA housing conference](#)  
 Pierre
- November 19  
 Healthcare in Unlikely Places  
 Sponsored by Sioux Falls  
 Homeless Coalition
- November 20  
[SD Multi Housing Association](#)  
 Sioux Falls
- November 20-21  
[Promoting Wellness Conference](#)  
 Sioux Falls
- November 25  
 Thanksgiving –HUD office closed
- December 4-5  
 Housing for Homeless  
 Consortium Meeting  
 Chamberlain
- December 25  
 Christmas-HUD office closed
- January 1  
 New Year's Day– HUD office closed
- January 2

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## South Dakota Single Family FHA Information

<u>2008 Statistics</u>	<u>July</u>	<u>Aug</u>	<u>Sept</u>
Loans Insured	265	277	365
First-Time Homebuyers	129	128	180
Minority Homebuyers	3	5	4
Default Rate	2.36%	2.51%	2.37%
Foreclosure Rate	0.84%	0.79%	0.78%
REO Properties			
Acquired	4	9	9
Sold	7	6	4
Owned	29	26	29



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

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

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



## HUD/FHA Training For Housing Industry

HUD/FHA and other industry professionals frequently offer training on a number of topics related to single family issues. Many training opportunities can be found on The "Events and Training" web site.

You can also subscribe to the [FHA Single Family Housing Email list](#), to receive automatic notification of training opportunities, event announcements, the Single Family Reference Guide, handbooks, FHA mortgage limit increases, mortgagee letters and notices about your Single Family business.



## HUD Heartland News

# FEDERAL HOUSING ADMINISTRATION

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

## Saying Farewell

Jean Wehrkamp, Housing Program Specialist in the Sioux Falls HUD Office, will retire on January 2, 2009, with 35 years of federal service.



Jean began her career as a clerk in the Sioux Falls Field Office in 1971. She took a transfer to the Denver HUD Office in 1977 where she worked as a Review Analyst, and later a Computer Technician. She relocated back to Sioux Falls in 1980 working for the US Attorney's Office.

Jean worked in the private sector from 1982 to 1984, and then returned to HUD. Through an upward mobility program, Jean became a Single Family Loan Specialist in 1987 and Production Branch Chief in 1995 in the Sioux Falls HUD Office.

When HUD reorganized in 1998, Jean's position changed to Single Family Program Specialist under which she has been supporting FHA's single family housing programs and reviewing housing counseling programs and grants for the last 10 years.

Customers and staff will miss Jean in our office. Jean has asked us not to do a big party for her, but we know you all would like to send best wishes to her.

Please send a card or email to Jean telling her how much you appreciated her help over the years. You may send a card to:

HUD  
ATTN: Jean Wehrkamp  
4301 West 57<sup>th</sup> Street, Suite 101  
Sioux Falls, SD 57108

email: [Jean.R.Wehrkamp@hud.gov](mailto:Jean.R.Wehrkamp@hud.gov)

## FHA Appraiser Roster

Effective October 1, 2008, FHA is accepting new applications only from state-certified appraisers. New applications will no longer be accepted from state-licensed appraisers as a result of the Housing and Economic Recovery Act of 2008, signed July 30, 2008. An eligible new applicant for the FHA Appraiser Roster must be a state-certified appraiser with credentials based on the minimum certification criteria issued by the Appraiser Qualifications Board (AQB) of the Appraisal Foundation. FHA will issue a mortgagee letter in upcoming weeks that will address additional requirements mandated by the new law.

It is required that all new applications as well as certification renewals be completed online. Additional information may be found on HUD's "FHA Appraisers" website.

## Rapid City Housing Market Analysis

In October HUD USER posted Comprehensive Housing Market Analysis (CHMA) reports for a number of cities including Rapid City, SD. These CHMAs contain valuable information for builders, mortgage lenders, borrowers, local planners, Realtors, and others who need to keep up with housing conditions and trends. The reports describe economic, demographic, and housing inventory characteristics. Check out the [Rapid City report](#).

## Housing Counseling Grant Awards

HUD awarded funds to two housing counseling agencies in South Dakota in October, bringing over \$193,000 to the state.

South Dakota Housing Development Authority will receive \$153,764 to fund housing counseling agencies around the state including Consumer Credit Counseling Services of the Black Hills and Teton Coalition, Inc. in Rapid City, NeighborWorks Dakota Home Resources in Deadwood, Northeast South Dakota Community Action Program in Sisseton, and Sioux Empire Housing Partnership in Sioux Falls.

The Oglala Sioux Tribe Partnership for Housing, Inc. (OSTPH) in Pine Ridge will receive \$40,217 to provide housing counseling programs and enhance affordable homeownership opportunities to tribal members of the Pine Ridge Indian Reservation.

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## HOPWA Funding Announced

South Dakota, in conjunction with the states of North Dakota and Montana, has received a HUD HOPWA (Housing Opportunities for Persons with AIDS) renewal grant of \$1,430,000 to continue operating the TRI-STATE Housing Environments for Living Positively (TS HELP) over the next 3 years.

This program serves people living with HIV/AIDS and their families in the three states through a continuum of housing and related supportive services. For each year of the grant period, TS HELP will provide tenant-based rental assistance to 72 households; short-term rent, mortgage, and utility assistance to 43 households; and supportive services to 109 individuals living with HIV/AIDS and their families.



This program represents a partnership between the Montana Department of Public Health and Human Services; the Sioux Falls Housing and Redevelopment Commission in South Dakota; Missoula AIDS Council in Montana; Yellowstone AIDS Project in Montana; Community Action Program in North Dakota; and Region VII in North Dakota. The Sioux Falls Housing and Redevelopment Commission provides this assistance on a statewide basis for families needing help throughout South Dakota.

## HUD RHED Grants Awarded

Three organizations in South Dakota were recently awarded HUD Rural Housing and Economic Development (RHED) grants.

Oglala Sioux Tribe Partnership in Pine Ridge will use their \$136,000 grant in developing and sponsoring foreclosure prevention and loan rehabilitation programs and workshops.

The Lakota Fund in Kyle will use their \$300,000 grant for a three-year economic development project that targets residents of Eagle Nest Homes and other low-income Oglala Sioux Tribal members.

Thunder Valley Community Development Corporation in Porcupine will use their \$299,775 grant for architectural and engineering designs and drawings for an addition to the Thunder Valley Community House and emergency housing for at risk youth.

The Rural Housing and Economic Development Program, assists rural communities in stimulating economic development, creating jobs, and producing affordable housing.

## South Dakota Fair Housing Grant award

Fair Housing of the Dakotas (FHD) was recently awarded \$220,546 from HUD to conduct fair housing enforcement, education, and outreach activities in North and South Dakota. FHD will conduct tests of rental housing providers and mortgage lenders for evidence of unlawful discrimination; hold fair housing workshops on a range of topics, including accessibility and predatory lending; and distribute fair housing publications.



Fair Housing of the Dakotas is a non-profit organization that works to eliminate housing discrimination and to ensure equal housing opportunities for all.

## More help for SD Homeless Vets



Sioux Falls Housing is the most recent recipient of funding to provide supportive housing for homeless veterans. A partnership between HUD and the Department of Veterans Affairs provides this help through the HUD-VA Supportive Housing (HUD-VASH) program. The Sioux Falls VA Medical Center will provide case management to clients under this program.

Sioux Falls Housing joins Pennington County and Meade County Housing in providing housing vouchers and services for 105 homeless veterans in South Dakota.

## HUD insures loan for new Hot Springs Hospital

HUD's Office of Insured Health Care Facilities is helping to make possible the construction of a new hospital in Hot Springs. HUD recently approved the insured loan project under [Section 242](#) of the National Housing Act to allow Fall River Health Services access to a \$17 million loan that will bring improved health services to this area of southwest South Dakota. The construction is now going on and the hospital is scheduled to open in December 2009.

HUD's hospital program enables affordable financing by reducing the cost of capital and significantly enhancing the credit of hospitals that qualify for mortgage insurance.

Currently, hospitals in HUD's Section 242 portfolio range from small rural facilities to some of the nation's top urban teaching hospitals. Through the Section 242 program, lenders may apply for hospital mortgage insurance, supplemental loans, or refinancing.



## HUD Disaster Funds to South Dakota

Last spring South Dakota experienced a severe winter storm and near record snowfall. President Bush declared several South Dakota counties disaster areas on May 22, 2008.

At the end of October, HUD Secretary Steve Preston awarded South Dakota \$1,987,271 in disaster funding. The emergency funding is provided through HUD's Community Development Block Grant (CDBG) Program and will help support long-term disaster recovery and critical infrastructure needs.

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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](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.

Website: [www.hud.gov/southdakota](http://www.hud.gov/southdakota)

### Sioux Falls Office Staff

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## Neighborhood Stabilization Program brings \$19.6 M to SD

HUD's [Neighborhood Stabilization Program](#) (NSP) was announced recently to provide targeted emergency assistance to state and local governments to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities. NSP was made available as part of the Housing and Economic Recovery Act of 2008.

Every state in the nation received funding under the program. The State of South Dakota received \$19.6 million.

NSP funds may be used for activities which include, but are not limited to:

- Establish financing mechanisms for purchase and redevelopment of foreclosed homes and residential properties;
- Purchase and rehabilitate homes and residential properties abandoned or foreclosed;
- Establish land banks for foreclosed homes;
- Demolish blighted structures;
- Redevelop demolished or vacant properties

[South Dakota Housing Development Authority](#) is working throughout the state to develop a plan on how NSP funds will be used locally.



## RSS Feeds from HUD

HUD's Denver [Office of Public Housing](#) and [Office of Multifamily Housing](#) have each set up an RSS feeder to have news delivered directly to your desktop as new items are posted to their websites. You no longer have to search for the latest HUD news. You can also sign up to receive [HUD press releases](#) and the latest [Fair Housing](#) enforcement actions via RSS feed.

RSS, which stands for Really Simple Syndication, is an easy way to keep up with new postings to websites. You will need an RSS reader to make the links work.

RSS news readers are small software programs that aggregate RSS feeds and display story information. They allow you to scan headlines from any number of news sources in a central location. A wide range of RSS readers can be easily downloaded from the Web. Google and Yahoo both offer free readers.

Learn more about [RSS readers](#) or watch the short video, [RSS in Plain English](#).