

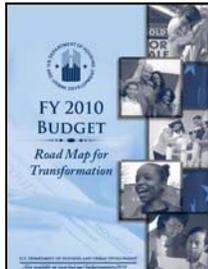
HUD HEARTLAND NEWS



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

HUD 2010 Budget Highlights

On May 7, Secretary Shaun Donovan unveiled [HUD's 2010 budget](#) focused on responsibility, effectiveness and transparency. The proposed budget exercises strong fiscal discipline, consolidating or eliminating 27 programs and activities, and investing in initiatives to increase transparency and accountability. Highlights include:



- FHA's single family program will generate sufficient revenues from new insurance premiums without requiring any taxpayer assistance.
- Investments in technology, staffing and training will ensure the safety and soundness of FHA, enabling it to cope with the rising volume of mortgage business, detect fraud, and monitor the practices of lenders and appraisers.
- Expanded funding in fair housing and FHA will enhance HUD's ability to curb mortgage abuse and lending discrimination and provide pre- and post-purchase counseling to vulnerable homeowners.

(continued on page 3)

CALENDAR OF EVENTS:

June 7-9
 SD/ND Bankers Associations Convention, Rapid City

June 20
 Festival of Cultures, Sioux Falls

June 23
[Fundamentals of Fair Housing Training](#), Sioux Falls

June 23-25
 1st Annual Great Plains Housing Forum, Rapid City

June 24-25
[184 Home Loan Guarantee Program Training](#), Rapid City

August
 HUD Grant Writing Training, Brookings

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HUD Allocates More Than \$30 Million in Recovery Act Funds to South Dakota

HUD allocated nearly 75 percent of its funding, or \$10.1 billion, made available through the *American Recovery and Reinvestment Act of 2009*, within one week after President Obama signed the Act into law.

The funding was primarily formula-based, meaning that it is allocated using set program criteria that do not require grantees to apply for the funds, allowing them to be allocated very quickly.

Additional information on HUD's Recovery Act funding and how it is being used may be found at www.hud.gov/recovery/.

The remaining 25 percent of the funds, which will be competitively awarded later, will be used to build on the President's priorities to promote green jobs and mitigate the destabilizing effects of foreclosures on communities.

Recovery Funds to South Dakota:

Public Housing Capital Funds for 26 housing authorities	\$2,745,166
Tax Credit Assistance Program to SDHDA	\$5,405,055
Homelessness Prevention Fund to SDHDA	\$3,254,060
Community Development Block Grant to Rapid City, Sioux Falls, and the State	\$2,126,058
Project Based Rental Assistance for 47 privately subsidized properties	\$3,734,909
Native American Housing Grants for 8 Indian Reservations	\$12,929,736
TOTAL	\$30,194,984



FEDERAL HOUSING ADMINISTRATION

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Protecting the American Dream - June is Homeownership Month

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

Email: answers@hud.gov

Search online: www.fhaoutreach.gov/FHAFAQ



June is traditionally National Homeownership Month, and this year's focus is on helping existing homeowners stay in their homes while responsibly providing opportunity for new homeowners.

Interest rates are at historic lows allowing new homebuyers access to housing opportunities and existing homeowners to refinance, if needed. First-time homebuyers can receive an \$8,000 tax credit this year on their income taxes through the American Recovery and Reinvestment Act. Existing homeowners have begun refinancing their current loans in increased numbers as interest rates remain low.



MakingHomeAffordable.gov is a great resource for anyone needing information about a new or existing mortgage. Encourage families to access free HUD-approved housing counseling agencies for more help in making their housing decisions.

Beware of Foreclosure Rescue Scams

The Obama Administration has launched a coordinated effort across federal and state government and the private sector to target mortgage loan modification fraud and foreclosure rescue scams that threaten to hurt American homeowners and prevent them from getting the help they need.

"We have families on the edge of foreclosure being offered things that are too good to be true. We will take every measure we can to educate and protect consumers and homeowners, bring these scams to light, and work to prevent con artists from exploiting the housing crisis," said HUD Secretary Donovan. "There are legitimate people, places, and agencies that American families can turn to when they are facing foreclosure, starting with www.MakingHomeAffordable.gov and the Homeowner's HOPE Hotline at 1-888-995-HOPE for free foreclosure counseling assistance."



Single Family Online Handbooks

The Federal Housing Administration (FHA) is updating and rewriting Single Family handbooks to make it easier to understand existing policies and processes. The updated handbooks consolidate and reorganize information, and incorporate the latest Mortgagee Letters. On April 21, 2009, FHA released two Updated Online Single Family handbooks:

- **4155.1 Mortgage Credit Analysis for Mortgage Insurance, One to Four Family Property** which replaces Handbook 4155.1 REV-5 and incorporates related Mortgagee Letters as of 12/08
- **4155.2 Lender's Guide to Single Family Mortgage Insurance Processing** which consolidates related Mortgagee Letters as of 12/08 and the following three handbooks:
 - * 4000.2 Mortgagee's Handbook, Application through Insurance
 - * 4000.4 Single Family Direct Endorsement Program
 - * 4165.1 Endorsement for Insurance for Home Mortgage Programs (Single Family)

Future policy guidance will be incorporated into the updated handbooks soon after it is released through Mortgagee Letters. If you need additional support, the FHA Resource Center is open for calls Monday - Friday, 7 am to 7 pm CT, call 1-800-CALLFHA (225-5342). You can also access FHA FAQs at: www.fhaoutreach.gov/FHAFAQ or email your questions to info@fhaoutreach.com.

South Dakota Single Family FHA Information

2009 Statistics	Jan	Feb	Mar
Loans Insured	291	254	317
First-Time Homebuyers	85	51	82
Minority Homebuyers	4	4	4
Default Rate	2.60%	2.48%	2.34%
Foreclosure Rate	0.84%	0.76%	0.75%
REO Properties			
Acquired	7	6	3
Sold	6	8	6
Owned	45	43	40

HUD Leadership Appointments and Nominations

[Ron Sims](#), County Executive of King County, Washington, has been sworn in as Deputy Secretary of HUD. In this role he is responsible for managing the Department's day-to-day operations, a nearly \$39 billion annual operating budget, and the agency's 8,500 employees.



HUD Secretary Shaun Donovan (right) administers the oath of office to Deputy Secretary Ron Sims as Sims' wife, Cayon Topacio, holds the Bible.

Sims has earned numerous accolades and a national reputation for his aggressive reforms of government, environmental stewardship and his willingness to make tough choices to ensure tax dollars were spent wisely. As King County's elected chief executive, he managed the budget and workforce for a metropolitan area with 1.8 million residents in the Seattle area.

Other key administration nominations at HUD include:

- [David Stevens](#), Assistant Secretary for Housing and FHA Commissioner
- [Sandra Henriquez](#), Assistant Secretary for Public and Indian Housing
- [Mercedes Marquez](#), Assistant Secretary for Community Planning and Development
- [Raphael Bostic](#), Assistant Secretary for Policy Development and Research
- [Carol Galante](#), Deputy Assistant Secretary for Multifamily Programs

[Helen Kanovsky](#), [Peter Kovar](#) and [John Trasviña](#) were sworn in May 5, 2009, as the General Counsel, Assistant Secretary for Congressional and Intergovernmental Affairs, and the Assistant Secretary for Fair Housing and Equal Opportunity, respectively. All were unanimously confirmed by the U.S. Senate on May 1, 2009.

Delay of Mandatory EIV Use

HUD has delayed the effective date of the final rule entitled "[Refinement of Income and Rent Determination Requirements in Public and Assisted Housing Programs](#)" published in the Federal Register on January 27, 2009. This final rule requires use of the [Enterprise Income Verification \(EIV\)](#) system by owners, management agents and public housing authorities.

It also includes a requirement for all family members to have a valid Social Security number and a requirement to verify citizen/non-citizen status. The delay will allow HUD additional time to review the public comments received, respond to those comments, and decide whether additional regulations are appropriate or necessary. The effective date of the final rule is now delayed until September 30, 2009.

HUD NOFA Status

Due to the expected increase in [Grants.gov](#) system activity resulting from the American Recovery and Reinvestment Act of 2009, federal agencies are authorized to take steps to alleviate system strain and quickly increase system capacity. As part of this strategy, HUD may choose to use alternate systems to process grant applications during this heightened period of demand.

As a result, once you have identified your grant opportunity, be sure to carefully read the instructions to ensure you are following proper submission procedures for that application, even if you have applied before. Specifically, each program NOFA will establish deadline dates and times and advise whether applicants will be required to submit their applications electronically or in paper form.



Current Grant Opportunities

[Rural Housing and Economic Development \(RHED\)](#)

Open Date: April 29, 2009

Close Date: May 29, 2009

[Brownfields Economic Development Initiative \(BEDI\)](#)

Open Date: April 29, 2009

Close Date: June 16, 2009

HUD 2010 Budget Highlights

(continued from page 1)

- Targeted investments to help rebuild the economy through reinvigorating housing construction for low- and moderate-income families by infusing the Affordable Housing Trust with \$1 billion in capital.
- A new \$250 million Choice Neighborhoods Initiative to build on lessons from HOPE VI and revitalize high poverty neighborhoods with closer linkages with school reform and early childhood interventions.
- Targeted increased funding for Section 8 tenant based rental vouchers.
- A \$550 million increase in funding for the Community Development Block Grant program and a call for updating the funding formula and new performance accountability.
- Targeted investments in energy innovation including a \$25 million Rural Innovation Fund, a \$25 million University Community Fund, a \$100 million Energy Innovation Fund and a \$150 million new Sustainable Communities Initiative.

For more information on HUD's fiscal year 2010 budget proposal, visit www.hud.gov.

184 Home Loan Guarantee Training

On June 24-25, 2009, HUD will present training on the 184 Home Loan program for lenders, realtors and other housing professionals. HUD's 184 Single Family Loan Guarantee program for Native Americans can now be used anywhere in the State of South Dakota. It is no longer restricted just to the reservations. This training will explain how lenders, realtors and others can use the 184 Loan to help buyers purchase or build a new house with a low down payment and no monthly mortgage insurance payment.



Lenders will learn how to become approved to do HUD 184 loans, and what lender incentives are available. Training will cover how to purchase, refinance, streamline refinance, rehabilitate or do a new construction loan. It will explain eligibility for the borrower and property.

Learn about this HUD loan product now available for you to help get your buyer into a home of their own. Training credits are being reviewed for realtors and should be available.

Training will be at the Howard Johnson Inn & Suites, 950 North Street, Rapid City, SD 57701; (605) 737-4656. [Register online](#) to ensure sufficient space and materials for all participants. Registrants will receive an e-mail confirmation prior to the date.

Single Family Support in Sioux Falls

Jacqueline Westover, Program Support Specialist, is out-stationed to the Sioux Falls HUD Office from the Denver Homeownership Center. Ms. Westover has a new phone number: **605-370-5146**. Please note that when you dial this number you will be routed through the Sorenson phone relay system for hearing impaired individuals.



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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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HUD Files Discrimination Charges Against Sioux Falls Developer

HUD has filed charges of discrimination against the developers and others involved in the design and construction of three multifamily housing complexes in Sioux Falls. According to the charges, the developer, Equity Homes, Inc., along with various other entities failed to design and construct accessible dwellings.

The case involves [Beverly Gardens Apartments](#), [West Briar Estates](#) and [Sertoma Hills Apartments and Villas](#).

[The Fair Housing Act](#) requires that all covered multifamily dwellings constructed for first occupancy after March 13, 1991, be accessible to individuals with disabilities.

Learn more about Fair Housing from [HUD's web site](#).



Fair Housing Training

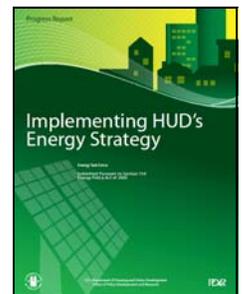
Fair Housing of the Dakotas, a HUD-funded Fair Housing Initiatives Program grantee, has scheduled fair housing training throughout South Dakota this summer.

A "Fundamentals of Fair Housing" workshop will be held on June 23 from 1-5 p.m. at the Best Western Ramkota Hotel in Sioux Falls. The workshop can help tenants, users of housing services, non-profit organizations and housing providers learn what happens when discrimination occurs and how to prevent it. The workshop is free and may provide continuing education credits for realtors and property managers. Register online [here](#).

Workshops in Pierre and Rapid City will be held later this year. Check dates for these workshops at <http://www.fhdakotas.org/>

Gains in Energy Efficiency

In 2006, HUD outlined its strategy for reducing energy costs and increasing energy efficiency in public and assisted housing. A recent progress report, *Implementing HUD's Energy Strategy*, describes the steps HUD has since undertaken to address rising energy costs in 5 million federally assisted housing units nationwide, as well as in housing financed through its formula and competitive grant programs.



This report by HUD's Energy Task Force documents the measures taken and the energy savings achieved by the Department since 2006. Also detailed in the report are the strategies that will assist HUD's efforts to promote cost-effective and efficient use of energy in the future.