

HUD HEARTLAND NEWS



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

HUD Awards Sustainability Grant



For the first time ever, HUD's Office of [Sustainable Housing and Communities](#) awarded \$996,100 to support more livable and sustainable communities in rural Southwestern South Dakota. The funding will support the [Thunder Valley Community Development Corporation](#) through a new initiative intended to build economic competitiveness by connecting housing with good jobs, quality schools and transportation.

The Thunder Valley Community Development Corporation and the Oglala Sioux Tribe Consortium will

develop a regional plan for sustainable development on the Pine Ridge Indian Reservation. The Consortium will embark on a two-year process, leveraging its many connections throughout the communities of the region, as well as reaching out to outlying cities, organizations, and decision-makers in South Dakota whose activities and work influence regional development. Their goal is enhanced coordination between local, state, and federal agencies, and alignment of related regional activities and investments.

The Sustainable Communities Regional Planning Grant Program will support 45 state, local, and tribal governments and metropolitan planning organizations in the development and execution of regional plans that integrate affordable housing with neighboring retail and business development.



Volume 5, Issue 1

November 2010

Inside this issue:

HECM Saver	2
Pilot Program FHA Power Saver	2
Proposed Rule	2
South Dakota Single Family FHA Information	2
Sheryl Miller Retires	3
Emergency Homeowners Loan Program	3
Storm Disaster Assistance	3
Funds Awarded to Stabilize South Dakota Neighborhoods	3
New Montana Field Office Director	3
HUD Home Store	4
Seeking Solutions for Housing	4
Public Housing News-To-Use	4
Healthy Neighborhoods Webinar Series	4
Multifamily Housing What's New	4
Housing Scorecard	4

Hot Springs Housing Improvements

Hot Springs Housing recently celebrated the remodel completion of the Brookside Apartments with the assistance of \$132,000 in American Recovery and Reinvestment Act funding. The total cost of the project was \$180,000. Hot Springs Housing was able to



totally remodel six apartments – five one-bedroom and one two-bedroom units. The apartments were completely redone with the square footage of the units remaining the same, but the bathrooms were made larger to allow for wheelchair accessibility. The kitchens were also remodeled with smaller refrigerators, stoves and accessible cabinets and sinks. The remodeled units are more accessible for individuals with disabilities and are in compliance with the physical accessibility requirements of the Fair Housing Act.

CALENDAR OF EVENTS:

November 14-20

[Hunger and Homeless Awareness Week Events, Sioux Falls](#)

November 25

[Thanksgiving Holiday](#)

November 30 - December 2

[Credit Union Association of the Dakotas Lender Conference, Sioux Falls](#)

December 24

[Christmas Holiday](#)

December 31

[New Year's Day Holiday](#)



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

Email: answers@hud.gov

Search online: www.fhaoutreach.gov/FHAFAQ



FEDERAL HOUSING ADMINISTRATION

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HECM Saver



A new option is available for all HECM case numbers assigned on or after October 4, 2010. The **HECM Saver** will provide seniors with a reverse mortgage option that significantly lowers costs by almost eliminating the upfront Mortgage Insurance Premium (MIP) that is required under the HECM Standard option. HECM Saver will have an upfront premium of only .01% of the property's value. Under the HECM Standard option, the upfront premium will remain at 2%. The MIP for the HECM Saver and the HECM Standard will be charged monthly at an annual rate of 1.25% of the outstanding loan balance.

The reduction in upfront fees will be accomplished while substantially lowering the risk to the FHA insurance fund because the principal limit or amount of money available to a borrower under the HECM Saver program will be reduced. Borrowers will receive approximately 10 to 18% less under the HECM Saver option than they would receive under the HECM Standard option. FHA designed HECM Saver for the purpose of lowering upfront loan closing costs. This allows the homeowners to borrow a smaller amount than what would be available with a HECM Standard loan.

Proposed Rule

On October 8, 2010 HUD published a proposed rule for comment in the Federal Register that would strengthen its authority to force certain lenders to indemnify FHA for insurance claims paid of mortgages that are found to not meet the agency's guidelines.

The **proposed rule** would require all lenders with the authority to insure mortgages on FHA's behalf to meet more strict performance standards to gain and maintain their approval status.

It clarifies the circumstances under which HUD will require indemnification and the level of loan performance that lenders are expected to maintain. It also clarifies that FHA has the authority to immediately withdraw a lender's ability to self-insure mortgage loans. The proposed rule has a 60-day public comment period that ends on December 7, 2010.

Pilot Program FHA PowerSaver

HUD announced a new pilot program that will offer credit-worthy borrowers low-cost loans to make energy-saving improvements to their homes. FHA **PowerSaver** loans will offer homeowners up to \$25,000 to make energy efficient improvements, including the installation of insulation, duct sealing, doors, windows, HVAC systems, water heaters, solar panels, and geothermal systems.



PowerSaver was developed as part of the Recovery Through Retrofit Initiative launched in May 2009 to develop federal actions that would expand green job opportunities and boost energy savings by improving home energy efficiency.

Lenders will be selected to participate in the program based on their capacity and commitment to provide affordable home energy improvement financing. FHA mortgage insurance will cover up to 90% of the loan amount in the event of default. To read the full text of FHA's notice, visit HUD's website.

South Dakota Single Family FHA Information

<u>FY2010 Statistics</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>
Loans Insured	430	415	391
First-Time Homebuyers	237	150	121
Minority Homebuyers	16	9	8
Default Rate	2.76%	2.87%	2.89%
Foreclosure Rate	0.49%	0.49%	0.49%
REO Properties			
Acquired	3	13	0
Sold	13	14	14
Owned	40	39	25

Sheryl Miller Retires



After 34 years of federal service, Sheryl Miller retired as the Field Office Director of the Sioux Falls HUD office on September 30. Sheryl was appointed the Director of the Sioux Falls office in 1998 and spent the last 12 years of her federal career leading and directing the office. Sheryl's

expertise in working with HUD programs in single and multi-family housing, public housing, and community planning and development will certainly be missed. Sheryl's tenure with the Department also spanned time served in the Denver and San Francisco Regional Offices. Roger Jacobs has been appointed Acting Field Office Director. We wish Sheryl all the best in her retirement!

Emergency Homeowners Loan Program

The [Emergency Homeowners Loan Program \(EHLF\)](#) was announced recently to provide assistance for up to 24 months to homeowners who have experienced a substantial reduction in income due to involuntary unemployment, underemployment, or a medical condition and are at risk of foreclosure.

The program will provide \$2,051,563 to help struggling homeowners in South Dakota. The EHLF was made available as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act, signed into law in July. The program intends to begin taking applications from eligible homeowners by the end of the year. The EHLF funds will be distributed through [NeighborWorks America](#) - a national network of affiliated housing counseling agencies - and through the [South Dakota Housing Development Authority](#).

Storm Disaster Assistance

HUD Secretary Shaun Donovan announced HUD will speed federal disaster assistance to four counties and one tribal area in South Dakota and provide support to homeowners and low-income renters forced from their homes following severe storms and flooding in September.

On November 2, President Obama issued a disaster declaration for Brookings, Lake, Moody, and Union counties and the Flandreau Santee Sioux Tribe. The President's declaration allows HUD to offer foreclosure relief and other assistance to families living in these counties. For more information, visit [HUD's website](#).

Funds Awarded to Stabilize South Dakota Neighborhoods

An additional \$5 million in Neighborhood Stabilization Program (NSP) funds have been awarded to South Dakota. The grants represent a third round of funding and will provide targeted emergency assistance to help communities in South Dakota acquire, redevelop or demolish foreclosed properties. State and local governments can use the grants to acquire land and property; to demolish or rehabilitate abandoned properties; and/or to offer downpayment and closing cost assistance to low-to-moderate-income homebuyers.

In addition, the grantees can create "land banks" to assemble, temporarily manage, and dispose of vacant land for the purpose of stabilizing neighborhoods and encouraging reuse or redevelopment of urban property.



NSP 3 funding has some program regulation changes compared to NSP 1. Read more about NSP 3 funding on [HUD's website](#). The grants will be administered through the [South Dakota Housing Development Authority](#). They anticipate applications will be accepted in early 2011.

New Montana Field Office Director

On October 20, Regional Administrator Rick Garcia announced the selection of Erik Amundson as the Helena, Montana Field Office Director. In this capacity, Amundson will coordinate outreach activities and program delivery to HUD customers and communities throughout the state. Montana is one of the six states in HUD's Rocky Mountain Region which also includes Colorado, North Dakota, South Dakota, Wyoming and Utah.



For the past eleven years Amundson has served as an Operations Specialist for HUD's Sioux Falls, South Dakota office. He is a 2009 graduate of HUD's Emerging Leaders Program and serves in a variety of leadership roles at the national and regional level. He also conducts grant writing training nationwide for HUD's Center for Faith Based and Neighborhood Partnerships.

Erik begins his new position on November 22. We will miss Erik and wish him all the best!



HUD Home Store

HUD has a new website for listing its real estate owned (REO) single-family properties. HUDHomeStore.com provides the public, brokers, potential owner-occupants, state and local governments, and nonprofit organizations a centralized location to search the inventory of HUD properties for sale. In addition, registered real estate brokers and other organizations can place bids on behalf of their clients to purchase a HUD property. The new website also includes many informative user-friendly features providing advice and guidance for consumers on the home buying process.



Seeking Solutions for Housing

Ashoka's Changemakers is looking for innovative solutions that engage communities, entrepreneurs, and key institutions in collaborating to integrate and develop affordable, inclusive, and sustainable urban housing that respects the environment, local cultures, and practices.

The competition is being launch in anticipation of the 2012 Summit of the Americas, and in support of the Energy and Climate Partnership for the Americas (ECPA). It is funded by the Rockefeller Foundation and is a joint effort of HUD, the Department of State, and the American Planning Association. For more information or to submit your solutions, click on this [website](#).

Healthy Neighborhoods Webinar Series

HUD's Neighborhood Networks (NN) and the Department of Health and Human Services (HHS) have teamed up to launch Healthy Neighborhoods, a monthly Webinar series aimed at providing resources for healthy living to residents of HUD housing. Multifamily and Public Housing Neighborhood Networks centers are invited to participate in the Webinars. Representatives of the National Library of Medicine (NLM) and the National Network of Libraries of Medicine (NN/LM) will conduct the Webinars. All Webinars will be held from 1:00 p.m. to 2:30 p.m. Central Time. For more information, visit HUD's [Healthy Neighborhoods website](#).



Public Housing News-To-Use

For the most current information from HUD's Office of Public Housing in Denver, go to their [website](#).

Multifamily Housing What's New

For the most current information from HUD's Multifamily Housing HUB in Denver, go to their [website](#).

Housing Scorecard

Each month HUD and the Department of the Treasury produce a scorecard on the health of the nation's housing market. The scorecard incorporates key housing market indicators and highlights the impact of the Administration's unprecedented housing recovery efforts, including assistance to homeowners through the FHA and the Home Affordable Modification Program (HAMP).

The Housing Scorecard incorporates key housing market indicators and highlights the impact of the Administration's unprecedented housing recovery efforts, including assistance to homeowners through the FHA and HAMP. The complete Housing Scorecard is available at: www.hud.gov/scorecard.



South Dakota HUD Office
4301 W. 57th Street, Suite 101
Sioux Falls, SD 57108

Phone: 605-330-4223
Fax: 605-330-4465
E-mail: SD_Webmanager@hud.gov
Website: www.hud.gov/southdakota

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.

Sioux Falls Office Staff



Roger Jacobs
Acting Field Office Director

Jacqueline Westover
Program Support Specialist

Lisa Wright
Customer Service Rep
Representative

Mission of the U.S. Department of Housing and Urban Development: To create strong, sustainable, inclusive communities and quality affordable homes for all. HUD is working to strengthen the housing market to bolster the economy and protect consumers; meet the need for quality affordable rental homes; utilize housing as a platform for improving quality of life; build inclusive and sustainable communities free from discrimination; and transform the way HUD does business.