

HUD HEARTLAND NEWS



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

Regional Administrator to Visit Sioux Falls



Rick Garcia, Regional Administrator for Region VIII, will visit Sioux Falls February 17-18. During his visit he will meet with representatives of Good Samaritan Society to discuss their affordable housing programs and their Telehealth program. Mr. Garcia will preside over a check presentation to organizations that were recently awarded funding under HUD's [Continuum of Care](#) program. The CoC is a set of three competitively-awarded programs created to address the problems of homelessness in a comprehensive manner.

Sustainable Communities Planning Grant Meeting

On January 12, 2011 Thunder Valley Community Development Corporation (CDC) held its first [kick-off planning event](#) on the Pine Ridge Indian Reservation. Thunder Valley CDC was awarded a \$996,100 Sustainable Communities Planning Grant in October 2010. Over one hundred people, including representatives from eight federal agencies attended the day long event. [Nick Tilsen](#), Director of Thunder Valley CDC, led the meeting with his planning team and league of federal friends.

The purpose of the kick-off was to introduce leaders on the Pine Ridge Indian Reservation to the purpose of the Sustainable Communities Planning Grant and to solidify the establishment of the consortium, steering committee, planning team and federal partnership. The event was filled with discussion by the community concerning their expectations for the opportunity to develop a Pine Ridge Regional Plan for the future.

NEW HUD Region VIII Deputy Director

Daniel Gomez, Jr. was appointed Deputy Regional Director for HUD Region VIII in Denver on January 6, 2011. Gomez will be responsible for advising and helping the Regional Administrator to ensure the regional office meets the agency's mission, goals, and performance measures in the delivery of services, products, and programs.

Previously, Gomez served as the Director of the Processing and Underwriting Division for the Denver Single Family Homeownership Center serving a 17-state jurisdiction. As Director of Underwriting, he oversaw and managed the processing of more than 1.4 million FHA mortgage insurance endorsements, totaling more than \$207 billion in new FHA mortgage insurance in force.

Gomez joined HUD by way of the Outstanding Scholars Program in 1991. He earned a Bachelor of Science degree in Finance from the University of Northern Colorado.



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CALENDAR OF EVENTS:

[February 15](#)
[Endorsement and Lender Insuring Webinar](#)
[February 17](#)
[203K Webinar](#)
CoC Check Presentation at Heartland House, Sioux Falls
[February 18](#)
Ribbon Cutting Ceremony 505 N. Duluth, Sioux Falls
[February 21](#)
Office Closed
[February 23](#)
[REO Property Webinar](#)



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

Email: info@fhaoutreach.com

Search online: www.fhaoutreach.gov/FHAFAQ



Good Neighbor Next Door Program

Did you know that some individuals can purchase a HUD foreclosed property at a 50% discount? Under the [Good Neighbor Next Door Program \(GNND\)](#) teachers, law enforcement, firefighters and emergency medical technicians can purchase foreclosed homes in designated revitalization areas at a 50% discount off the list price. The purchasers must meet the [requirements](#) to qualify and commit to live in the property as their sole residence for 36 months.

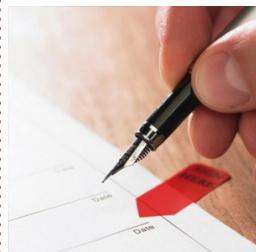
To see if any properties are available under the program and to bid on a property, check [HUD's Homestore](#) web site. Follow the instructions to submit your bid in purchasing a specific home. If more than one person submits a bid on a home, a selection will be made by random lottery.



FEDERAL HOUSING ADMINISTRATION

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Extension for Unconditional Direct Endorsement Approval



In April 2010, FHA issued a Final Rule, continuation of FHA Reform – “Strengthening Risk Management through Responsible FHA-Approved Lenders”. The rule strengthened FHA’s lender approval criteria and made FHA-approved lenders responsible for the oversight of mortgage brokers.

FHA is [extending the deadline](#) from January 1 to July 1, 2011 for obtaining unconditional direct endorsement (DE) approval for those DE-eligible entities that wish to participate as a Principal in Principal-Authorized Agent originations. A Principal-Authorized Agent origination is a type of FHA origination by two FHA-approved mortgagees (neither of which is a loan correspondent).

The Principal-Authorized Agent relationship is used when the two FHA-approved lenders originate a loan together and both need access to the loan file in FHA Connection. In a Principal-Authorized Agent origination, the Principal must originate the loan, and the Authorized Agent must underwrite the loan. The Final Rule changed Principal-Authorized Agent relationship originations to require that both lenders possess unconditional DE approval.

Anti-Flipping Waiver

In an effort to continue stabilizing home values and improve conditions in communities experiencing high foreclosure activity, FHA’s temporary waiver of the agency’s anti-flipping rule has been extended through December 31, 2011, unless otherwise extended or withdrawn by FHA. The rule was originally scheduled to expire January 31, 2011.

To protect FHA borrowers against predatory practices of "flipping" where properties are quickly resold at inflated prices to unsuspecting borrowers, this waiver continues to be limited to those sales meeting the following general conditions:

- All transactions must be arms-length, with no identity of interest between the buyer and seller or other parties participating in the sales transaction.
- In cases in which the sales price of the property is 20 percent or more above the seller's acquisition cost, the waiver will only apply if the lender meets specific conditions.

Read the waiver: <http://www.hud.gov/offices/hsg/sfh/currentwaiver.pdf>



South Dakota Single Family FHA Information

<u>FY2011 Statistics</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Loans Insured	343	297	341
First-Time Homebuyers	121	80	123
Minority Homebuyers	10	3	9
Default Rate	2.85%	2.90%	2.90%
Foreclosure Rate	0.51%	0.51%	0.50%

New Field Office Director



On February 2, 2011, Regional Administrator Rick Garcia announced the selection of Roger Jacobs as the Sioux Falls, South Dakota Field Office Director. In this capacity, Jacobs will coordinate outreach activities and program delivery to HUD customers and communities throughout the state. South Dakota is one of the six states in

HUD's Rocky Mountain Region which also includes Montana, Colorado, Utah, North Dakota and Wyoming.

Jacobs has served in the Sioux Falls HUD office for ten years. He has worked with a variety of individuals and organizations assisting them in utilizing HUD programs and funding. Jacobs serves as an advisor to the Sioux Empire Homeless Coalition. Prior to his service with HUD, Jacobs worked for a non-profit health care organization in developing and managing housing options for individuals with disabilities and the elderly. He earned a Bachelor of Science degree in Health Care Administration from Southern Illinois University. Jacobs and his wife, Bonnie have two sons and five grandchildren.

New Denver Homeownership Center Director



Charlene Dombrosky was recently appointed the Denver Homeownership Center (HOC) Director. Ms. Dombrosky joined HUD in 1988 and has more than 30 years of industry experience involving all aspects of FHA single family programs that include mortgage credit underwriting, appraisal review, loan servicing, loss mitigation, risk assessment, mortgagee quality assurance and compliance oversight, and HUD real estate owned portfolio management.

Prior to Ms. Dombrosky's appointment as the Denver HOC Director, she was the Santa Ana California HOC Director of Operations. She is married with two children and five grandchildren.

Housing Counseling Funds Awarded

Nearly \$280,000 has been awarded to three HUD-approved housing counseling agencies in South Dakota. [Housing counseling agencies](#) provide services to help people who are buying their first home, seeking affordable rental



housing, or facing foreclosure. HUD-approved counseling agencies not only provide homeownership counseling, but also offer financial literacy training to renters and homeless individuals and families.

The funding was part of nearly \$73 million in housing counseling grants awarded nationwide, a 22 percent increase over last year's funding level. In addition, HUD awarded \$5 million to three national organizations to train approximately 4,500 counselors to effectively assist families with their housing needs.

HUD awards grants annually under the housing counseling program through a competitive process. Organizations that apply for grants must be HUD-approved and are subject to performance reviews to maintain their HUD-approval status.

In South Dakota, the recipients are South Dakota Housing Development Authority - \$182,868.93; Oglala Sioux Tribe Partnership for Housing Inc. - \$43,849.23; and Pioneer Credit Counseling - \$52,865.98.

Over \$1 Million Awarded for South Dakota Homeless Programs

The recent announcement of over \$1 million to six homeless assistance programs in South Dakota will allow these agencies to continue operating in the coming year. These agencies are members of the [South Dakota Housing for the Homeless Consortium](#). The Continuum of Care grants provide permanent and transitional housing to homeless persons, as well as services including job training, health care, mental health counseling, substance abuse treatment and child care.

Funding for Homeless programs in South Dakota (2010)

Cornerstone Rescue Mission	\$ 73,704
Inter-Lakes Community Action	\$319,373
Lewis & Clark Behavioral Health	\$126,978
Pennington County Housing	\$183,108
Sioux Falls Housing	\$288,516
SD Housing Development Authority	\$ 40,443

April is Fair Housing Month



Equal Access for All

HUD has proposed [new regulations](#) intended to ensure that its core housing programs are open to all eligible persons, regardless of sexual orientation or gender identity.

HUD is seeking public comment on a number of proposed areas including the following:

- Prohibiting lenders from using sexual orientation or gender identity as a basis to determine a borrower's eligibility for FHA-insured mortgage financing.
- Clarifying that all eligible families, regardless of marital status, sexual orientation, or gender identity have the opportunity to participate in HUD programs.
- Prohibiting owners and operators of HUD housing from inquiring about the sexual orientation or gender identity of an applicant for, or occupant of, the dwelling, whether renter- or owner-occupied.

Public Housing News-To-Use

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

Multifamily Housing What's New

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

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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.

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Fair Housing Lawsuit Settled



TK Properties recently settled a [Fair Housing Act lawsuit](#) where it was claimed their property and maintenance managers discriminated against an African American family and two white families who lived at Lakeport Village Apartments, a 48-unit apartment complex in Sioux Falls.

The lawsuit claimed the employees of TK Properties used racial slurs toward the family and threatened to eliminate the white families.

Under the settlement, TK Properties and one of its principals, Scott Terveen will pay \$26,000 to the three families and \$4,000 to the United States as a civil penalty. The settlement also requires TK Properties and Terveen to adopt non-discrimination policies at their rental properties, participate in fair housing training, and their employees to receive training.

The Federal Fair Housing Act prohibits discrimination in housing based on race, color, religion, national origin, sex, disability, and familial status. Individuals who believe that they may have been victims of housing discrimination can file a complaint [online](#) by calling HUD toll free at (800) 800-877-7353 or print out a form [online](#) and mail it to the appropriate HUD office listed on the form.

HUD Opens Virtual Doors

Recognizing the emergence of e-readers and tablets as every bit the digital game-changer that CDs, MP3 files & their variants have been the way many of us obtain, store, and experience music, HUD has been working hard to develop an [eBookstore](#).

The initial offerings are modest in scope, the top 20 most downloaded reports out of the 8,000 or so that are already available as free downloads. The reports posted in the HUD USER [eBookstore](#) have been formatted in Mobi and ePub - two of the current standard-bearers used in eBook publishing - as well as in PDF. So regardless of screen size, the pages will re-size to fit the device, and all hyperlinks and other enhanced features are fully available and "live".



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.