

# HUD HEARTLAND NEWS



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

## New Assistant Secretary



Carol Galante was appointed the new Assistant Secretary for Housing/Federal Housing Administration (FHA) Commissioner on December 30, 2012. Ms. Galante had been Acting Assistant Secretary for Housing/FHA Commissioner since July 2011. Prior to her appointment at HUD, Ms. Galante was President and Chief Executive of BRIDGE Housing Corporation, the largest non-profit developer of affordable mixed-income and mixed-use developments in California.

In her new position as FHA Commissioner, Ms. Galante will be responsible for overseeing FHA's trillion dollar insurance portfolio which includes single family and multifamily housing as well as insured health care facilities. Ms. Galante is also responsible for several of HUD's rental assistance programs,

including 1.2 million units of Project Based Rental Assistance, and over 400,000 apartments for the elderly and disabled under the Section 202 and 811 programs.

Under her leadership, the Office of Housing has developed a comprehensive risk management infrastructure and organized the formation of a new Office of Housing Counseling. For the latest FHA news and updates, read Ms. Galante's bi-monthly [letter](#).

## HUD's Financial Impact in South Dakota

Each year thousands of South Dakotans are impacted by HUD's programs. In Fiscal Year 2012, over 3,000 homes were insured through the [Federal Housing Administration \(FHA\)](#), valued at over \$400 million. Over the past four years, FHA has insured nearly 15,000 homes, a combined total of over \$2 billion. These transactions create and maintain jobs held by realtors, lenders, underwriters, appraisers, title processors, and home inspectors. Jobs in the retail sector are also affected as new homeowners purchase furnishings for their homes. Many of these nearly 15,000 insured loans would not have been possible without FHA mortgage insurance.

HUD also provides over \$70 million in [rental assistance](#) in South Dakota through the Public Housing Choice Voucher (HCV) and Project Based housing assistance. Without this assistance, many of the families, several who are elderly or disabled, would not have a safe, decent place to live. The HUD-assisted programs also provides employment for landlords and managers.



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### CALENDAR OF EVENTS:

February 20

[Basic Credit/Liabilities Underwriting Webinar](#)

February 21

[Online Inspection Training](#)

February 28

[Income & Assets Webinar](#)

March 28

[Procurement Fair  
Selling To the Government  
Sioux Falls](#)



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

Email: [answers@hud.gov](mailto:answers@hud.gov)

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# FEDERAL HOUSING ADMINISTRATION

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

## Mortgage Insurance Premium Revisions

FHA recently released [Mortgagee Letter 2013-04](#), which is a revision of FHA policies concerning cancellation of the Mortgage Insurance Premium (MIP) and increase to the annual MIP. In an effort to strengthen the Mutual Mortgage Insurance Fund, FHA is:

- revising the period for assessing the annual MIP;
- removing the exemption from the annual MIP for loans with terms of 15 years or less and Loan to Value ratios of less than or equal to 78 percent at origination; and
- increasing the annual MIP on all forward mortgages except single family forward streamline refinance transactions that refinance existing FHA loans that were endorsed on or before May 31, 2009



The revision to the period for assessing annual MIP and the removal of the exemption for MIP are effective for case numbers assigned on or after June 3, 2013. The increase to the annual MIP is effective for case numbers assigned on or after April 1, 2013.

## National Mortgage Licensing System

The Helping Families Save Their Home Act of 2009 required lenders to be in compliance with the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 by registering with the National Mortgage Licensing System (NMLS). FHA's implementation of these requirements was announced in Mortgagee Letters 2010-33 and 2011-04.

Effective January 28, 2013, lenders will be unable to receive a case number if the loan officer name and NMLS Identification (ID) number are incorrectly entered at case number assignment. Lenders registering a new Third Party Originator (TPO) must include the TPO's NMLS ID number, as well as the TPO's full corporate address and Employer Identification Number. For more information, visit the NMLS [website](#).



## Home Equity Conversion Mortgage Program Changes



On April 1, 2013, the Home Equity Conversion Mortgage (HECM) program will consolidate the Fixed Rate HECM Standard and Fixed Rate HECM Saver mortgage insurance premiums and principal limit factors under the HECM Saver fixed interest rate pricing option.

Mortgagees will use the HECM Saver principal limit factors to determine the amount of funds available to prospective mortgagors on a fixed interest rate HECM loan. Mortgagors seeking an adjustable interest rate mortgage can continue to use the HECM Standard pricing option.

Read [Mortgagee Letter 2013-01](#) for additional information on the consolidation and how to obtain a HECM fixed interest rate case number.

## South Dakota Single Family FHA Information

<u>FY2013 Statistics</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Loans Insured	291	266	259
First-Time Homebuyers	135	105	89
Minority Homebuyers	10	4	10
Default Rate	1.85%	1.86%	1.86%
Foreclosure Rate	0.84%	0.84%	0.84%
REO Properties			
Acquired	8	19	7
Sold	11	13	13
Owned	41	47	41

## New Housing Opportunity Fund

A group of individuals and several organizations have joined together to establish the South Dakota Housing Opportunity Fund. South Dakota is only one of three states that does not have such a fund. Housing trust funds are established by city, county, and state governments that receive sources of public funding to support the production and preservation of affordable housing and increase opportunities for decent, affordable homes.

The core group is working with law makers to introduce a bill into the state legislature to establish and fund the Housing Opportunity Fund. For more information about the Housing Opportunity Fund, send an email to any of the following contacts: Patty Bacon at [hfhdsd@habitatouthdakota.org](mailto:hfhdsd@habitatouthdakota.org), Joy McCracken at [joy@nwdhr.org](mailto:joy@nwdhr.org), or Lori Moen at [lorim@nesdcap.org](mailto:lorim@nesdcap.org).



## Assistance for Rural Communities

The Citizens' Institute on Rural Design (CIRD) is issuing a [request for proposals](#) to rural communities facing design challenges to host local workshops in 2013. Successful applicants will receive a \$7,000 grant and in-kind design expertise and technical assistance valued at \$35,000.

CIRD works to help rural communities of 50,000 or fewer enhance their quality of life and economic vitality through facilitated design workshops. The deadline for submitting a proposal is March 5, 2013 at 5:00 pm EST.

## Stabilization Funds Available

The South Dakota Housing Development Authority (SDHDA) recently announced approximately \$700,000 in Neighborhood Stabilization Program (NSP) 3 funds available. The funds are part of a third round of funding awarded to SDHDA as a result of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and are used for acquiring and redeveloping foreclosed and abandoned properties. For more information or to submit an application, visit [SDHDA's website](#). The deadline for applications is February 28, 2013 at 5:00 p.m. CT.

## Housing Provider Training

The South Dakota Housing Development Authority ([SDHDA](#)) and the South Dakota Multi-Housing Association ([SDMHA](#)) are offering several training opportunities for rental housing providers. To register for any of the training, go to their website links above.

February 26-March 1, March 26-29 - Certified Apartment Maintenance Tech (CAMT) in Sioux Falls - SDMHA

March 5—Property Management Like a Pro in Sioux Falls - SDMHA

March 20 - South Dakota Connections in Huron - SDHDA

April 10 - South Dakota Connections in Rapid City - SDHDA

April 17 - Resident Associations Webinar - SDHDA

April 18 - Leasing 101 in Sioux Falls - SDMHA

April 18 - Maintenance Mania in Sioux Falls - SDMHA

April 23-24 - Affordable Housing Management Association (AHMA) Spring Workshop in Rapid City - SDHDA

## Procurement Fair in Sioux Falls

The annual Procurement Fair - "Selling to the Government: Getting Down to Business" will be held at the Morningside Community Center at 2400 South Bahnson Avenue in Sioux Falls on March 28, 2013 from 9:00 a.m. to 3:00 p.m.

The event is free and attendees will be provided the opportunity to meet one-on-one with representatives from government entities. For more information, contact Lisa Claassen at the Small Business Administration at (605) 330-4243 x28.

## Housing Counseling Funding Notice

The FY 2013 Comprehensive Housing Counseling Program Notice of Funding Availability was recently announced. Applicants must apply online at [grants.gov](http://grants.gov) by March 18, 2013. Any technical or program related questions may be directed to [housing.counseling@hud.gov](mailto:housing.counseling@hud.gov).



## Submit Your Innovation Ideas



Innovation of the Day (IOD) was developed as a hub for collecting and disseminating innovative housing, community development, built environment, and urban practices. Its purpose is to crowd-source new models that can be leveraged not only within HUD, but by other agencies, municipalities, non-profits, philanthropies, and citizens. Submit your idea [here](#).

Submission criteria includes the following:

- Related to housing and/or community development
- An existing innovation already in practice
- A solution that demonstrates success or positive impact
- In at least some way is replicable or transferrable

HUD will be hosting its inaugural Innovation Summit in Washington D.C. in late February or early March. The summit will bring together cross-sector innovators and leaders in the field to discuss ways to encourage housing and community development innovation at all levels of government and build sustainable partnership networks.

## Multifamily Housing What's New

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

## Public Housing News-To-Use

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

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Please contact us if you have any news or updates to include in our newsletter.

### Sioux Falls Office Staff



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## 2013 Income Limits

On December 11, 2012, HUD released the new [income limits](#) for Fiscal Year 2013. Public housing authorities use income limits to qualify individuals and families for HUD programs. HUD sets the lower income limits at 80% and very low income limits at 50% of the median income for the county or metropolitan area in which an individual or family resides. Income limits vary from area to area so an individual or family may be eligible at one housing authority but not at another.

## New Resource Exchange

HUD recently launched the OneCPD (Community Planning and Development) Resource Library and the redesign of the OneCPD Resource Exchange. CPD grantees can now go to the [OneCPD Resource Exchange](#) to search for all resources pertaining to CPD programs.

## Housing Market Conditions

HUD has released the [U.S. Housing Market Conditions Report](#) for the third quarter. The report is a compilation of statistical data and written reports and provides information on housing



construction, homeownership, foreclosures, marketing affordability, and multifamily housing performance. Overviews of economic and housing market trends are presented for 10 geographical regions. Profiles on selected housing markets within the regions are included on a rotating basis.

## Environmental Review Series

Over the past year, the Office of Environment and Energy organized and produced a comprehensive webinar series entitled "Understanding HUD Environmental Reviews". The series can be used to assist in answering environmental questions and to refresh environmental practitioner skills.

The series covers topics such as Site Planning and Feasibility, Clean Air Act Compliance, Historic Preservation and HUD, along with seven other topics. These webinars are archived and may be viewed [here](#).

**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.**