

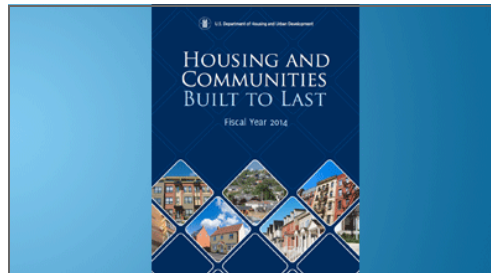
# HUD HEARTLAND NEWS



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

## HUD's 2014 Budget Highlights

Secretary Shaun Donovan released HUD's 2014 budget which is focused on protecting the rental housing and homeless assistance for millions of extremely poor families while increasing investments in key initiatives to serve some of the nation's most distressed neighborhoods. The proposed budget provides \$47.6 billion, a \$3 billion increase over its current year funding level. Highlights include:



- \$37.4 billion to provide rental housing assistance to 5.4 million low-income families.
- Nearly \$2.4 billion in homeless assistance grants through HUD's Continuum of Care and Emergency Solutions Grant.
- 10,000 new rental vouchers through the HUD-VA Supportive Housing Program to provide permanent housing to homeless veterans.
- \$400 million for HUD's Choice Neighborhoods Initiative to transform 30 neighborhoods with extreme poverty into opportunity-rich, mixed-income neighborhoods. To date, the nine communities currently funded under this initiative leveraged \$2 billion in other sources of capital, more than eight times their grant awards.

*(continued on page 3)*

## Housing Fund Creates Opportunities



SOUTH DAKOTA HOUSING OPPORTUNITY FUND

On March 20, Senate Bill 235 was signed into law, allowing the creation of the South Dakota Housing Opportunity Fund (SDHOF) which will help to preserve and expand sustainable, affordable, and safe housing. The SDHOF is part of a five-pronged economic development initiative passed by the legislature that will receive funding through the Building South Dakota Fund and will be funded through a contractor's excise tax and the unclaimed property fund. In addition to an initial allocation of \$1.75 million, the SDHOF will receive \$344,000 settlement money the state received from Lender Processing Services, Inc.

The SDHOF will provide financing for the construction or rehabilitation of rental and homeowner housing, the preservation of existing affordable homes, home repair to increase accessibility and efficiency, homelessness prevention activities, and investing in community land trusts. Fund revenues may be used to provide grants, loans, loan guarantees, loan subsidies and other financial assistance to eligible applicants. Eligible applicants include non-profit and for-profit entities, tribal governments, housing authorities, and political subdivisions and agencies of the state.

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## CALENDAR OF EVENTS:

May 24-27, 2013

Office Closed

June 4-5, 2013

Homeless Summit

June 5-7, 2013

Environmental Training

June 14, 2013

Office Closed

June 27-28, 2013

Environmental Training

July 4-5, 2013

Office Closed

July 22, 2013

Office Closed





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

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

Search online: [www.hud.gov/answers](http://www.hud.gov/answers)



# FEDERAL HOUSING ADMINISTRATION

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

## New FHA Requirements

Mortgagee Letter 2013-14 sets forth the documentation mortgagees must provide to demonstrate eligibility for FHA mortgage insurance of loans when a federal, state, or local government, its agency or instrumentality directly provides the borrower's required minimum cash investment in accordance with the principles set forth in the December 5, 2012 Interpretive Rule, Docket No. Federal Register-5679-N-01.

The mortgagee letter also provides mortgagees with guidance on resolving concerns with extending secondary financing by the federal, state, or local government, its agency or instrumentality when those entities provide the borrower's required minimum cash investment through secondary financing. To read the entire mortgagee letter, click [here](#).



## New Housing Counseling Application

Mobile users are now able to locate housing counselors in their area by using a new [application](#). Housing counseling can help distressed homeowners avoid foreclosure and obtain more favorable modifications. Pre-purchase counseling can help individuals determine if they are ready for homeownership and connect them with safer and more affordable mortgages.

NeighborWorks reports that homebuyers who receive pre-purchase housing counseling and education are nearly one-third less likely to fall behind 90 days or more on their mortgages within 2 years of origination. This research demonstrates how the implementation of housing counseling avoids costs related to delinquency and foreclosure and its associated impacts on families, communities, and servicers.

## Help for Homeowners



The Home Affordable Refinance Program (HARP) will be extended by two years to December 31, 2015. The program was set to expire December 31, 2013. Extending the program will continue to provide borrowers opportunities to refinance. Borrowers should contact their existing lender or any other mortgage lender offering HARP refinances. Check here to see if a loan is owned by [Fannie Mae](#) or [Freddie Mac](#). Read more about [HARP](#).

Also, the Federal Housing Finance Agency has announced that beginning July 1, Fannie Mae and Freddie Mac will require their servicers to "to offer eligible borrowers who are at least 90 days delinquent on their mortgage an easy way to lower their monthly payments and modify their mortgage without requiring financial or hardship documentation." Eligible homeowners whose mortgages are owned or guaranteed by Fannie Mae and Freddie Mac will need to demonstrate their "willingness and ability" to make three consecutive on-time payments after which their mortgages will be permanently modified. For more information, click [here](#).



## South Dakota Single Family FHA Information

FY2013 Statistics	Jan	Feb	Mar
Loans Insured	257	230	202
First-Time Homebuyers	118	71	63
Minority Homebuyers	11	3	7
Default Rate	1.88%	1.88%	1.88%
Foreclosure Rate	0.89%	0.89%	0.87%
REO Properties			
Acquired	13	27	8
Sold	19	12	9
Owned	35	50	49

## Ending Homelessness One Application At a Time

Ending Veteran homelessness by 2015 has been a top priority of the Obama Administration. On April 15, the HUD Secretary joined other federal partners from the Department of Veterans Affairs, the Department of Health and Human Services, and musician Jon Bon Jovi to announce the winner of “Project Reach”, a mobile application competition designed to employ the latest technology toward ending homelessness.

Project Reach sought creative and cost-efficient ways to use open data from government agencies and the private sector to locate resources for the homeless in any locality across the country. The winner, Qbase of Reston, VA developed “Homeless Reach”, which provides easy access to essential information about health care, housing, employment and counseling, among other vital services

through the use of mobile technology. “Homeless REACH” can be downloaded for free through the Android Market and Application Store. Check out how it works [here!](#)



## Environmental Review Training

Environmental Review Training for state, local, and tribal governments, non-profit organizations, and consultants will be held in the Sioux Falls HUD office on June 5-7 and June 27-28 from 8:00 a.m. to 3:00 p.m. live via video-conferencing. For more information and to register for the training, go [here](#).

## \$1.2 Million for Homeless Programs

HUD recently awarded \$1.2 million to 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 job training, health care, mental health counseling, substance abuse treatment, and child care.

### Funding for Homeless programs in South Dakota (2012)

Cornerstone Rescue Mission	\$ 73,704
Inter-Lakes Community Action	\$481,650
Lewis & Clark Behavioral Health	\$134,483
Sioux Falls Housing	\$500,049
SD Housing Development Authority	\$ 40,443

## Fair Housing Application Launched

HUD recently unveiled the first housing discrimination mobile application (app) for iPhone and iPad. Developed by HUD’s Office of Fair Housing and Equal Opportunity and Hewlett Packard, the app uses the latest technology to provide the public with a quick and easy way to learn about their housing rights and file housing discrimination complaints, and to inform the housing industry.

In addition to facilitating real-time delivery of housing discrimination complaints to HUD, the app can be used by individuals researching their housing rights after a natural disaster, when power outages make the iPhone and iPad one of the few ways to access the Internet. To download the app, click on this [link](#).

## Connecting Services

HUD staff participated in Project Connect Day in April at the Salvation Army in Sioux Falls. The semi-annual event, provides resources for individuals experiencing or at risk of homelessness and those needing social services.



## HUD’s 2014 Budget Highlights

(continued from page 1)

- Expand the Moving to Work Program to test innovative, locally driven policies to achieve positive outcomes for families, streamline program administration, and reduce Federal costs.
- A combined \$526 million to sustain rental assistance and produce an estimated 4,100 new supportive housing units through HUD’s Section 202 Supportive Housing for the Elderly Program and Section 811 Supportive Housing for Persons with Disabilities Program.
- \$726 million to address the housing needs of Native American Tribes.
- \$332 million to Housing Opportunities for Persons with AIDS targeting funds to those with the highest need.
- Reduced funding for the HOME Investment Partnerships Program. The Budget mitigates this reduction by providing \$1 billion to capitalize the Housing Trust Fund to expand the supply of housing targeted to the extremely low income.
- Reduced costs in HUD’s core Rental Assistance programs by simplifying administration of the medical expense deduction, better targeting rental assistance to the working poor, and setting more equitable Public Housing rents.

## Notice on Assistance Animals



On April 30, HUD issued a notice reaffirming that housing providers must provide reasonable accommodations to persons with disabilities who require assistance animals. The "Notice on Service Animals and Assistance Animals for

People with Disabilities in Housing and HUD-Funded Programs" discusses how the Fair Housing Act and the Americans with Disabilities Act (ADA) intersect regarding the use of service or assistance animals by persons with disabilities.

The Fair Housing Act prohibits landlords from discriminating based on disability, race, color, national origin, religion, sex, and familial status. The ADA prohibits discrimination against people with disabilities in employment, transportation, public accommodations, communications, state and local government activities. Both laws contain provisions which address the use of service or assistance animals by people with disabilities. While the Fair Housing Act covers nearly all types of housing, some types of housing, such as public housing, are covered by both laws. Read the new [notice](#).

## Sequestration Affects HUD Offices

The South Dakota HUD office will be closed for seven designated furlough days between May and August due to sequestration. The furlough days are May 24, June 14, July 5 and 22, and August 2, 16, and 30. On the furlough days employees do not report to work and the offices will be closed to the public. More information can be found on the Sequestration Frequently Asked Questions [website](#).

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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.

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## Streamlining HUD



For over 40 years, HUD has maintained 80 offices across the country, but that will soon change. Deputy Secretary Maurice Jones says, "The current organizational model for HUD is not sustainable from a financial and a service delivery point of view." As a result, by September 30, HUD will close 16 of its smallest offices. The restructuring is expected to save between \$110 and \$150 million over the next 10 years and will affect 200 employees. This will not affect the South Dakota office as HUD will continue to maintain at least one office in all 50 states.

Also, over the next 2 1/2 years, HUD will consolidate 50 Multifamily offices into 10 with 5 Multifamily Hubs and 5 satellite offices. The effort will affect 700 employees. The consolidation is expected to save up to \$45 million once fully-implemented in fiscal year 2016. The streamlined organization will allow more consistent, efficient processing of loans and servicing of existing assets. For more details, visit HUD's [website](#).

## Multifamily Housing What's New

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

## April Housing Scorecard

The Department of the Treasury and HUD recently released the Housing Scorecard for April. HUD Deputy Assistant Secretary for Economic Affairs Kurt Usowski summarized the report stating, "The Obama Administration's efforts to speed the housing recovery are showing continued progress as the April scorecard indicators highlight ongoing improvements throughout the housing market. The annual increase in home prices is the highest in nearly 7 years and sales of existing and new homes are both up over 10 percent from one year ago." Read the complete housing [scorecard](#).



**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.**