

# HUD HEARTLAND NEWS



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

## New HUD Deputy Secretary



On September 14, 2017, Pamela Hughes Patenaude was sworn in as Deputy Secretary of HUD. She brings a wealth of experience as she previously served as President of the J. Ronald Terwilliger Foundation for Housing America's Families, the Director of Housing Policy for the Bipartisan Policy Center, and Assistant Secretary for Community Planning and Development at HUD during President George W. Bush's administration.

As Deputy Secretary, Ms. Patenaude will lead the Department's Disaster Management Group and will play a primary leadership and operational role in coordinating the long-term recovery efforts of 16 program and support offices within HUD. A New Hampshire native, Ms. Patenaude began her career in housing and community development at the New Hampshire Housing Finance Authority. She holds a Bachelor of Science degree from Saint Anselm College and a Master of Science degree in Community Economic Development from Southern New Hampshire University. Read the full biography on HUD's [website](#).

## There's No Place Like Home



Ryan Bark's two-bedroom trailer home on the Pine Ridge Indian Reservation was severely damaged by a natural disaster in May 2015. The siding was riddled with holes, windows were shattered and the roof severely damaged, resulting in excessive water damage to the interior of the home. As is often the case with flood/rain damage, mold developed and cold winds swept through the home, preventing the family from living in a safe, secure, and sanitary environment. The cost to fix the home was beyond its value; therefore, it was determined that the home was not salvageable and needed to be replaced.

Ryan contacted the Disaster Case Management office of the Pine Ridge Long Term Recovery Team. They worked diligently with the [South Dakota Voluntary Organizations Active in Disaster](#) partners, especially the [Mennonite Disaster Service](#) to start the process of building a new home. After many months of work by the Mennonites and much anticipation by the family - they now have a beautiful three-bedroom home! One that will not shake in the wind or leak in the rain, rather a home that has a solid foundation where Ryan's seven children will sleep soundly under a beautiful metal roof that won't leak.

A dedication for the home was held October 27, 2017 where they were presented with the keys and a beautifully quilted wall hanging. The words that were spoken during the ceremony are a vivid representation on how the home came to be: "See the many pieces of fabric that have come together to make this quilt, so it was with your home. Many people, many organizations came together so we could be here today."

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### CALENDAR OF EVENTS:

November 23, 2017  
Closed for Holiday

December 6, 2017  
[Homeless Consortium](#)  
Chamberlain

December 25, 2017  
Closed for Holiday

January 1, 2018  
Closed for Holiday



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)



## Home Equity Conversion Mortgage Changes

In an effort to sustain the Home Equity Conversion Mortgage (HECM) program, FHA issued Mortgagee Letter (ML) 2017-12 which revises the initial and annual Mortgage Insurance Premium (MIP) rates and its principal limit factors in ML 2014-21.

The changes affect case numbers assigned on/after October 2, 2017. The initial MIP rate is now 2% of the maximum claim amount. The initial MIP rate is applicable to all borrowers and no longer applies to disbursements made to or on behalf of the borrower during closing or for the first 12-month period. The annual MIP rate is changed to .50% of the outstanding mortgage balance.

Comments are welcome and will be considered on any future changes to the program at FHA's [email](mailto:answers@hud.gov).

# FEDERAL HOUSING ADMINISTRATION

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

## Housing Counseling Help for Millennials



“The September issue of “[The Bridge](#)” focuses on challenges millennials (1982-2000) face as they accumulate student loan debt and how HUD-approved housing counseling agencies can help them understand their financial situation and obtain choices for loan repayment. The average 2016 college graduate has \$30,000 in student loan debt, totaling \$1.3 trillion, more than the total U.S. credit card debt. The student loan debt is up 170% from 2006, with 8 million consumers currently in default.

The National Foundation for Credit Counseling’s (NFCC) Student Loan Counseling program is a HUD-approved housing counseling agency with over 50 years’ experience helping improve consumer’s financial lives. NFCC certified student loan counselors are able to develop strategies for making student loan payments more affordable, paying off student debt quicker, and learning the best options for getting defaulted loans back on track. In South Dakota, most of the Lutheran Social Service agencies are listed as having certified student loan counselors available. The NFCC website also has lots of helpful advice and useful financial tips that we can all use in their blog - check it out!

## Housing Needs Studies To Be Conducted



The [South Dakota Native Homeownership Coalition](#) will facilitate housing needs studies in two small tribal communities each with a population of 10,000 or less beginning on January 1, 2018. All interested tribal communities have until November 30, 2017 to apply.

After the selection of the two tribal communities, Big Water Consulting will work with at least one member of each tribal organization to conduct the assessments. Each housing study will not exceed \$20,000. South Dakota Housing Development Authority will provide 50% of the cost of each study, with the selected community providing the other half of the cost. The studies will include existing housing, housing issues, homeownership information, housing providers and programs, possible barriers to homeownership, demographics, economics, and recommendations.

## South Dakota Single Family FHA Information

<u>FY2017 Statistics</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>
Loans Insured	199	215	232
First-Time Homebuyers	117	129	143
Minority Homebuyers	11	12	13
Default Rate	2.77%	2.71%	2.82%
Foreclosure Rate	0.14%	0.15%	0.14%
REO Properties			
Acquired	4	6	4
Sold	6	6	2
Owned	20	20	24

## New Affordable Housing in Brandon



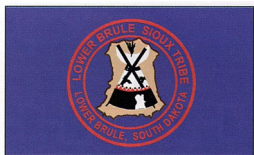
Brandon Heights II in Brandon

On September 7, 2017, Wells Fargo and St. Joseph Catholic Housing Inc. hosted a ribbon cutting for Brandon Heights II Apartments in Brandon. The \$4.38 million complex is located at 1209 E. Keystone Place and joins Brandon Heights which opened in 2014.

The 30-unit complex consists of 6 one-bedroom units, 16 two-bedroom units, and 8 three-bedroom units, all which were occupied at the time of the ribbon cutting. Three units will accommodate persons with disabilities, one for the hearing and visually-impaired, and two for the mobility-impaired. The rents are based on income and range from \$315 to \$800. The project was built with \$2.7 million in Housing Tax Credit Equity and \$746,717 in HUD's HOME funds.

## Native American Housing Authorities Receive \$2 Million

The recent award of \$2 million to two Native American housing authorities through the Indian Community Development Block Grant Program (ICDBG) will help provide decent housing, suitable living environments, and economic opportunities for members of the tribes. The ICDBG program was established to help Indian tribes meet their community development needs and to help develop viable communities.



The \$1 million the Lower Brule Housing Authority received will help rehabilitate 20 low-rent single-family houses ranging from 1 bedroom units to 5 bedroom units.

The project will emphasize green build design and will utilize energy efficient products including metal roofing, furnaces, water heaters, and appliances.



The \$1 million the Oglala Sioux Lakota Housing Authority (OSLH) received will help

purchase 5 houses from the South Dakota Governor's House Program. The houses are 1,200 square feet with 3 bedrooms. The OSLH will develop the foundation/crawl space and install the site infrastructure. The homes will be placed in the Medicine Root District east of Kyle.

## Rental Rehabilitation Program Expanded

The [Sioux Falls Community Development](#) announced on October 16, 2017 that its Rental Rehabilitation Program is expanded to include areas east of I-90, south of I-90, and north and west of I-229. Property owners can obtain up to \$25,000 in loans per property for up to 3 properties to be used for exterior and interior repairs on their rental housing properties. The loans are 3 percent interest, amortized for 5 years, with no payment or interest for the first 6 months of the loan. The fall round of applications are due by December 15, 2017.

## Affordable Housing in Sioux Falls

On September 6, 2017, Costello Companies held a ribbon cutting for Chasing Willows II Apartments, an affordable housing complex with rents as low as \$320. The 40-unit complex is located at 4940 E. 54th Street in Sioux Falls and joins Chasing Willows which



Chasing Willows II in Sioux Falls

opened in 2014. The complex consists of 20 one-bedroom, 12 two-bedroom, and 8 three-bedroom units.

Costello Investments, LLC is the developer of the \$5.5 million three-story apartment building which received \$3.4 million in Housing Tax Credit Equity, \$750,000 interest-free loan from the City of Sioux Falls, and \$523,485 in HUD's HOME funds.

## Multifamily Handbook Revisions

HUD [Handbook 4350.1](#) is in the process of being revised to incorporate current asset management policies, including those issued through Housing Notices, Mortgagee Letters, Policy Memorandum, and regulatory and statutory directives.

The handbook is being reorganized in a new unit/chapter format, with individual chapters or units to be released on the Multifamily Drafting Table as they become available. Each revised chapter aims to better meet the information needs of HUD customers and stakeholders.

All stakeholders are invited to review each chapter draft and provide feedback by the end of the comment period listed below each chapter. Click on the PDF document for the chapter you wish to provide feedback on and provide comments by clicking on the Response Worksheet with completed response worksheets submitted via [email](#).

## Did You Know?

- \* HUD programs have nearly a \$500 million annual financial impact in the state of South Dakota!
- \* 35 Public Housing Authorities in South Dakota provide affordable housing to over 8,000 households, contributing over \$45 million annually into communities throughout the state.
- \* HUD's Office of Multifamily Housing provides rental assistance to over 5,300 households with an annual financial contribution of \$25 million.
- \* HUD's Office of Community Planning and Development provides over \$11 million annually to South Dakota for community projects, housing projects, and homeless assistance.
- \* In Fiscal Year 2017, FHA endorsed over 2,400 loans with a total mortgage amount of over \$380 million.
- \* The foreclosure rate on FHA loans in South Dakota over the past year has been only 0.14%.



## Fair Market Rents

Effective October 1, 2017, Fair Market Rents (FMRs) for Fiscal Year 2018 were published in the Federal Register. FMRs are used to determine payment standard amounts for the Housing Choice Voucher Program, to determine initial renewal rents for some expiring project-based Section 8 contracts, as well as serve as a ceiling in the HOME rental assistance program.

## Help for the Homeless in Rapid City

A proposed site for a transformation campus has been located on the edge of Rapid City to provide homeless with transitional housing, addiction treatment, counseling and job training. The almost 4-acre site is owned by a local developer, Hani Shafai, who plans to add new buildings for the homeless. Private and city funds will be used to facilitate the purchase.

Charity Doyle, the project manager stated, "We want to remove barriers, get basic needs met and invest right away in getting people as independent as they can be so they can become productive, thriving members of the community rather than spending resources on them over and over and not helping them get anywhere." The Rapid City Collective Impact Group anticipates the campus to be available in March 2019.

## Length of Stay Report Released



The results of the October 2017 study "Length of Stay in Assisted Housing" are in and may surprise you. Based on a review of HUD data from 1985 through 2015, the report says "the typical household in assisted housing stays for about 6 years, but the average length of stay varies by household type. Elderly households stay about 9 years and non-elderly families with children stay about 4 years." For more information, read the entire [report](#).

## Multifamily Housing What's New

For the most current information from HUD's Multifamily Housing Region West in Denver, visit their [website](#).

## Updated HOME Tool

The HOME Cost Allocation Tool has been updated for minor corrections to the narrative instructions, spelling, and formatting. A seven-part tutorial series on how to use the tool is available on HUD's [website](#). The tutorial explains the basic requirements for cost allocation in the HOME program and helps HOME participating jurisdictions understand how to use the tool to complete cost allocation reviews of multiple-unit HOME rental properties.

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

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**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.**