

# HUD HEARTLAND NEWS



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

## New FHA Commissioner



HUD [announced](#) on July 28, 2020 the confirmation of Dana Wade as FHA Commissioner. FHA currently insures over 8 million single-family mortgages, nearly 12,000 multifamily mortgages, over 3,700 residential care facilities mortgages, and almost 100 hospital mortgages. Mrs. Wade most recently served as Program Associate Director for General Government at the Office of Management and Budget in 2018 and 2019. She was Acting Federal Housing Commissioner and Assistant Secretary for Housing in 2017 and 2018. Mrs. Wade holds an MBA from Wharton School and BA in Economics from Georgetown University.

## Homeownership Stimulates the Economy

Articles by: Roger Jacobs, Sioux Falls Field Office Director

I recently had a family member purchase a newer home, which caused me to realize just how purchasing a home not only stimulates the housing market but also the entire economy. The family upgraded to a larger home to meet their needs. Along with buying the home came other purchases, such as a new lawn mower, furniture, and stove.

I read an article that estimates new homeowners spend between \$10,000 and \$25,000 the first year after purchasing a home on items such as furniture, appliances, window coverings, etc. This year, as of July 30, 2020, [FHA](#) has endorsed 1,330 loans in South Dakota. In this example, if you multiply \$10,000 times 1,330 loans, these home buyers could possibly have invested \$1.3 million in South Dakota's economy.

## To Refinance or Not

I recently went through the process of determining if refinancing my home was a good idea. I contacted my existing servicer to inquire on any "good" deals and found out the rates are extremely good. They quoted a rate of 2.75% for a 15-year loan, which is one point lower than my current rate. They also offered an option of buying down the rate to 2.25% which is unbelievable as my first mortgage was at 16%. After more research, number crunching, and much thought, I determined that refinancing at this time is not a good idea. I evaluated the potential interest savings, refinancing costs, new payment on a 15-year loan, and determined that if I increased my current payment by the same amount a new payment would be, I could pay off the loan at or before 15 years. The savings were not significant enough to refinance.

Determining whether to refinance or not is a personal decision. Everyone's situation is different. Many times refinancing makes sense, other times like in my example it doesn't make sense. If you are considering refinancing, crunch the numbers and make a wise decision. You may also want to contact a HUD-approved [Housing Counseling Agency](#).

Volume 14, Issue 4  
August 2020

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### CALENDAR OF EVENTS:

September 7, 2020  
Office Closed

September 15, 2020  
[Homeless Meeting](#)  
Pierre

October 2, 2020  
VA Stand Down  
Sioux Falls

October 12, 2020  
Office Closed

October 13-14, 2020  
[Housing Conference](#)  
Virtual

October 15-16, 2020  
[South Dakota Multi-Housing Convention](#)  
Sioux Falls



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 HUD Home Agents in South Dakota

HUD has been outsourcing the disposition of its foreclosed FHA inventory under the Management and Marketing (M&M) program since 1999. M&M contractors are hired to manage and market HUD's Real Estate Owned single-family homes. New agents were recently hired for the region that includes South Dakota. They are listed on HUD's [website](#) and are the following:



- Asset Manager, responsible for the sale of the property is [BLB Resources, LLC](#), contact Rod Gaston at 1(800) 960-2526.
- Field Service Manager, responsible for maintaining the property is [Innotion Enterprises, Inc.](#), contact Michael Holland or Danny Hart at (833) 682-4218.
- Listing Broker, responsible for the marketing of the property is Realty Connection, Inc., contact [Renee Maguire](#) at (605) 237-0265.

## Loss Mitigation Options

[Mortgagee Letter \(ML\) 2020-22](#) was released on July 8, 2020 and states that mortgagees must offer eligible borrowers additional COVID-19 loss mitigation options as provided in the letter. On April 1, 2020, [ML 2020-06](#) was published, establishing the Forbearance for Borrowers Affected by the COVID-19 National Emergency Standalone Partial Claim, and an extension period for Home Equity Conversion Mortgages.

In this latest ML, HUD is offering additional options: owner-occupant loan modification, partial claim and loan modification, FHA-HAMP loan modification and partial claim with reduced documentation, non-occupant loan modification, pre-foreclosure sale, and deed-in-lieu of foreclosure.

## Housing Counseling Certification Extension

HUD just [published](#) an amendment to the deadline for housing counselors to become HUD certified, an Interim Final Rule which will amend the certification deadline from August 1, 2020 to August 1, 2021. The amendment's purpose is to ensure housing counseling services remain available especially for those who need housing and mortgage assistance to recover financially from the effects of COVID-19.

## New Appraisal Module

FHA announced in [Mortgagee Letter 2020-26](#) the upcoming release of its FHA Catalyst: Electronic Appraisal Delivery module on the FHA Catalyst platform. This module will allow electronic submission, tracking, and managing single family appraisals. The module will be released on September 4, 2020 for lenders to electronically submit appraisal reports and updates for FHA single-family Title II mortgages. Lenders may begin requesting access to the module by contacting the FHA Resource Center by [email](#) or by phone at 1(800) 225-5342.

## South Dakota Single Family FHA Information

<u>FY2020 Statistics</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>
Loans Insured	180	201	228
First-Time Homebuyers	99	106	143
Minority Homebuyers	17	14	14
Default Rate	3.34%	3.70%	4.01%
Foreclosures	72	58	39
REO Properties			
Acquired	9	3	3
Sold	6	4	5
Owned	34	33	31

## Funds Available for Homeowners



On August 5, South Dakota Housing Development Authority (SDHDA) announced \$1 million is

available for low-income homeowners to rehabilitate their homes. The [HOME Homeowner Rehabilitation](#) program funds are available to Community Action Program agencies and non-profits. Applicants are limited to \$200,000 and funds are available first-come, first-serve.

## Foster Youth Housing Vouchers

In June, HUD announced nearly \$200,000 in Foster Youth to Independence (FYI) Initiative grants awards. Nine housing authorities across the country received the funding, including the Pennington County Housing and Redevelopment Commission (PCHRC) which received \$18,229. The funds will help to prevent or end homelessness for persons under the age of 25 who are in or have recently left the foster care system. In May, the PCHRC received \$35,649 through the [FYI Program](#) to assist young adults transitioning out of foster care and who are at risk of being homeless.

## Homeless Funding

HUD [announced](#) in June an additional \$2.96 billion in Emergency Solutions Grants (ESG) funding for communities across the nation to help support individuals at risk of becoming homeless due to COVID-19. South Dakota received an additional amount of over \$5.5 million. In April, South Dakota received almost \$2.2 million, bringing the total funds received in the state to over \$7.7 million. The ESG funds will be used for providing emergency shelters and operating the shelters, hotel vouchers, essential services, and prevent individuals from becoming homeless and rapidly rehouse them.

## Housing Counseling Grants Awarded

HUD recently [awarded](#) \$177,252 in housing counseling grants to SDHDA. HUD Secretary Ben Carson states, "HUD-approved housing counseling agencies are on the front lines of helping individuals and families struggling financially as a result of the COVID-19 pandemic." [SDHDA](#) has administered HUD's Housing Counseling Grant program for housing counseling service providers statewide since 1998. The program provides advice on credit issues, foreclosure prevention, renting, homeless assistance, and post-purchase homeownership information.

## Veterans Stand Down Still Stands



The Veterans Stand Down will be held on October 2, 2020 from 11:00 a.m. to 2:00 p.m. at the Volunteers of America Veterans Service Center on 1113 14th Street in Sioux Falls. The event brings services to one location, making them more accessible to homeless veterans. This year grab bags will be handed out to Veterans in an outdoor drive by or walk through. The event typically provides food, clothing, health screenings, counseling, and referrals for necessary services such as housing and employment opportunities. Services normally provided will instead be offered as a referral or a voucher.

## Expanded Use of CARES Act Funds

HUD recently announced flexibility for state and local governments in using Community Development Block Grant funds and other federal funds appropriated under the CARES Act. The funds were issued earlier this year to help communities during the coronavirus pandemic. HUD has provided over \$3 billion in CDBG-CV funds across the country to date. For more information, read the press release on HUD's [website](#).

## Disaster Preparedness



On August 10, 2020, a fire that started as the suspected result of a lightning strike destroyed the Northport Apartment complex in North Sioux City. The 20-unit HUD-subsidized property owned by Lutheran Social Services of SD (LSS) was destroyed, displacing all of the residents. Fortunately, no one was physically harmed, but the residents lost all of their personal belongings. LSS and Good Samaritan Society, the site management company are working with the survivors, HUD, and other social service agencies to find housing for the residents.

Disasters are a part of life and can happen to anyone at any time or place. They can be a small incident such as a house fire, a larger incident such as the fire at the Northport Apartments, or a major disaster such as a flood or tornado. Preparedness is key to surviving and recovering from a fire, tornado, flood, hurricane, or other disaster. Having an evacuation plan in a single-family or multifamily dwelling can save lives. This is significant in the event that you need to shelter in place, have enough supplies, and know how to get out quickly and safely. The Department of Homeland Security's [website](#) allows you to customize your specific situation and provides great information on disaster preparedness. Be prepared and be safe.

## Physical Inspections Resumed



Real Estate Assessment Center (REAC) inspections are the assessment tool that ensures HUD assisted properties meet federal standards of health, safety, and accessibility. REAC inspections were paused due to the COVID-19 outbreak in March 2020. HUD will resume REAC inspections under strict safety protocols during the pandemic.

To keep residents and staff of HUD properties safe during the inspection process, REAC will prioritize inspections in states and localities based on the latest COVID-19 data from Johns Hopkins University and health risk scoring methodology from the Harvard Global Health Institute. The first outreach from inspectors to properties will start no earlier than September 21, 2020. More details can be found in the return to operations [memo](#) from REAC.

### Preventing Eviction

After the expiration of the CARES Act Eviction Moratorium, HUD is encouraging grantees to prevent eviction as much as possible. HUD published [Tools for Landlords and Tenants](#) that includes options landlords may choose such as deferring or reducing payment of past due rent, and applying a security deposit or last month's rent to unpaid rent.

Tenant/landlord relationships are governed by state and local law. The South Dakota Landlord Tenant Rights and Responsibilities [Handbook](#) published by the Attorney General's Office provides information on South Dakota laws regarding rental properties.

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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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## Dianne Hovdestad Retiring



We want to congratulate Dianne Hovdestad on her retirement this month and thank her for her loyalty in serving the Sioux Falls community. Dianne has dedicated the past 43 years of her life working at Sioux Falls Housing and Redevelopment Commission, helping those most in need find decent, safe, and affordable housing. Congratulations and best wishes on your retirement, Dianne!

### Renter and Homeowner Resources

We have been receiving more calls from customers for assistance with rent, evictions, mortgages, and subsidized housing. The following are resources that may help:

- [GROW South Dakota](#) provides rent, utilities, and other emergency needs to counties in Northeast SD.
- [Inter-Lakes Community Action](#) provides emergency food and shelter services to counties in Southeast SD.
- [Rural Office of Community Services](#) provides emergency services and homelessness prevention to counties in Central SD.
- [Western South Dakota Community Action Agency](#) serves the low-income population in Western SD.
- [2-1-1 Helpline](#), call 2-1-1 for referrals to food, clothing, financial, medical, mental health, employment, shelter, volunteer opportunities, etc. in your area.
- [South Dakota Department of Social Services](#) for energy assistance, Supplemental Nutrition Assistance Program, Medical Assistance Program, and Temporary Assistance for Needy Families.
- [Sioux Falls Corona Fund](#), call 211 for assistance with rent or mortgage for those affected by COVID-19.
- [Beadle County Rental Assistance Fund](#), call 211 for help with rent if loss of income due to COVID-19.
- Suicide Prevention Hotline, call 1(800) 273-8255.
- [Need a Job Now](#) to search for job openings.
- [East River Legal](#) serves eastern SD.
- [Dakota Plains Legal](#) serves western SD.
- [Housing Counseling Agencies](#) in SD.
- [FHA Servicing Center](#), call 1 (877) 622-8525.

**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.**