

# HUD HEARTLAND NEWS



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

## New HUD Secretary Marcia Fudge



Ms. Marcia Fudge was [sworn in](#) as the 18th Secretary of the Department of Housing and Urban Development on March 10, 2021. Secretary Fudge's new role includes overseeing HUD's almost 8,000 employees and a \$47.9 billion budget. She plans to make the dream of homeownership a reality for more Americans, work to eradicate homelessness, end discriminatory practices in housing, and ensure fair housing rules are being implemented.

Ms. Fudge recently served as U.S. Representative for the Congressional District of Ohio from 2008 to 2021. Prior to that she was Mayor of Warrensville Heights, Ohio where she saw firsthand the need for affordable housing. Ms. Fudge received her bachelor's degree in business from Ohio State University and a law degree from the Cleveland State University Cleveland-Marshall School of Law.

## Join Us for New Section 3 Rule Training



As a recipient of HUD funds, the new Section 3 rule is an important regulation that promotes economic opportunities to local Section 3 workers and businesses that can benefit from the use of HUD funds already being invested in local projects. To most successfully use this regulation, it is important to understand the new Section 3 rule, how to plan and prepare to implement it, and how to engage Section 3 workers and

businesses in the online portals that support the economic opportunities.

Please join HUD for a Section 3 training June 8 (for large PHAs), June 9 (for small PHAs), or June 10 (for HCD recipients). This training will take an in-depth look at the new rule, review the HUD Opportunity Portal which is an online portal to support Section 3 workers, especially those that are public housing residents; and the HUD Business Registry which is a second online portal to support Section 3 Businesses. If you are a resident, HUD-funded recipient, local government, or other entity interested in Section 3 employment opportunities, please join one of the presentations to learn more.

The training is broken up into three parts: Part 1 is an in-depth regulatory look at the new Section 3 rule for the specific HUD recipients (see the [flyer](#) for more information and to register); Part 2 is a walk through of the Opportunity Portal for workers, residents and recipients; Part 3 is a walk through of the Section 3 Business Registry for businesses, contractors, and recipients. HUD recipients and businesses, developers, residents, workers, and organizations that serve very low- to low-income individuals are encouraged to attend the applicable parts of the training. Any questions related to Section 3 or the online Opportunity Portal or Business Registry, please send an email to Region VIII Section 3 Point of Contact, [Jennifer Olson](#).

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### CALENDAR OF EVENTS:

May 31, 2021  
Closed for Holiday

June 8-10, 2021  
[Section 3 Rule Training](#)  
Virtual

June 14-15, 2021  
[Quad States Banking Convention](#)  
Rapid City

July 27-28, 2021  
[Homeless Summit](#)  
Oacoma



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## Appraisal Requirement Changes

On April 27, 2021, FHA issued a temporary partial waiver effective through April 26, 2022, for parts of Handbook 4000.1. The waiver includes Section II.D.4.c.iii (F)(2): FHA Appraisal Requirements in Changing Markets-Required Analysis and Reporting.

FHA is issuing the temporary waiver of the requirement that the appraiser must include, analyze, and report a minimum of two active listings or pending sales, due to a shortage of housing and the increasing values of properties. Appraisers must continue to comply with the requirements for adjustments, comparable selection, and include proper data collection and reporting of market conditions on Fannie Mae Form 1004MC/Freddie Mac Form 71. For more information, visit [FHA](http://FHA).

# FEDERAL HOUSING ADMINISTRATION

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

## Single Family Servicing Updates

On April 19, 2021, FHA announced updates to its Single Family Housing Policy Handbook 4000.1. The changes are intended to strengthen loss mitigation approaches for borrowers that are struggling and streamline key requirements for servicers. The changes include:

- A revised loss mitigation waterfall allowing servicers to review struggling borrowers for a permanent FHA Home Affordable Modification Program (FHA-HAMP) home retention options without a lengthy forbearance.
- Streamlined documentation requirements which avoid delays and will align more with standard industry servicing practices.
- A revised structure for certain closing costs and fees aligning with fee structures used by other industry participants.

## New Reverse Mortgage Rules

[Mortgagee Letter \(ML\) 2021-11](#) issued on May 6, 2021 amends previous mortgagee letters and states that non-borrowing spouses of reverse mortgage holders now have the legal right to remain in the property after the borrowing spouse no longer lives there. Mortgagees may begin following the new requirements of ML 2021-11 immediately or no later than 120 days from its publication date.

## Joint Effort to Combat COVID-19

HUD Secretary Marcia Fudge and U.S. Health and Human Services (HHS) Secretary Xavier Becerra recently announced a [joint-agency](#) effort to increase access to COVID-19 prevention and treatment services among disproportionately affected communities, including HUD- assisted housing and people experiencing homelessness. The [agreement](#) encourages community health centers to expand partnerships with local HUD assisted multi-family housing owners and managers, public housing authorities and homeless service providers.

## South Dakota Single Family FHA Information

<u>FY2021 Statistics</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>
Loans Insured	202	187	194
First-Time Homebuyers	87	81	114
Minority Homebuyers	14	16	25
Default Rate	4.76%	4.97%	4.24%
Foreclosure Rate	0.31%	0.36%	0.27%
REO Properties			
Acquired	4	3	4
Sold	3	4	5
Owned	29	28	27

## 2021 Funding for Housing in SD

HUD announced funding for communities across the country to help with homelessness, affordable housing, and the American Rescue Plan Act (ARP). In South Dakota, we received over \$48.5 million through the Community Development Block Grant (CDBG) program, the Emergency Solutions Grant (ESG), HOME, HOME-ARP, and Housing Trust Fund (HTF).

Rapid City	Funding
CDBG	\$ 537,487
Sioux Falls	Funding
CDBG	\$ 1,038,028
HOME	\$ 508,181
HOME-ARP	\$ 1,842,463
State	Funding
CDBG	\$ 5,962,985
HOME	\$ 3,000,000
HOME-ARP	\$ 9,290,628
Housing Trust Fund	\$ 3,101,884
Emergency Solutions Grant	\$ 638,752

## SD Cares Housing Assistance

In our February newsletter, we published an article about the [SD Cares Housing Assistance Program](#) which assists households unable to pay rent, utilities and mortgage due to the pandemic. The chart below provides an update as of May 7, 2021 on funds approved and funds remaining.

Total applications received to date: 2,502

2021 Emergency Rental Assistance Approved	Funding
Rent	\$ 2,494,004
Utilities	\$ 189,423
Remaining Funds	\$ 177,313,502
2020 CARES Act Approved	Funding
Rent	\$ 44,661
Utilities	\$ 40,667
Mortgage	\$ 210,012
Remaining Funds	\$ 2,612,230

## Housing Trust Funds Available

The South Dakota Housing Development Authority [announced](#) \$4 million available in Housing Trust Funds for South Dakota. The funds are for expanding the supply of affordable homes and strengthening communities for very low-income households and the homeless. Applications are due by May 28, 2021 before 5:00 p.m.

## Emergency Solutions Grants

The SDHDA [announced](#) Emergency Solutions Grants funds for nonprofits and local governments are available with applications due May 31, 2021 at 5:00 p.m. [ESG](#) provides funding for rental assistance and services to stabilize and rapidly re-house homeless or at-risk homeless persons.

## Funding for SD Tribal Communities

HUD recently announced funding for Native American entities across the U.S. SD tribes received over \$66.5 million in Indian Housing Block Grants (IHBG), [IHBG-ARP](#), and Resident Opportunities and Self-Sufficiency program ([ROSS](#)).

Tribe	IHBG 2021	ARP 2021
Cheyenne River	\$ 5,503,951	\$ 3,805,302
Crow Creek Sioux	\$ 1,644,647	\$ 1,137,070
Flandreau Santee	\$ 392,542	\$ 271,394
Lower Brule Sioux	\$ 1,366,110	\$ 944,496
Oglala Lakota	\$11,500,042	\$ 7,950,858
Rosebud Sioux	\$ 7,421,424	\$ 5,130,997
Sisseton-Wahpeton	\$ 3,772,198	\$ 2,608,009
Yankton Sioux	\$ 2,208,943	\$ 1,527,211

Housing Authority	Funding
Crow Creek Sioux (IHBG)	\$ 4,137,590
Oglala Lakota Sioux (IHBG)	\$ 5,000,000
Sisseton-Wahpeton (ROSS)	\$ 183,150

## Emergency Housing Vouchers

HUD is allocating approximately 70,000 emergency housing vouchers to public housing authorities. The vouchers are for individuals/families who are homeless; at risk of homelessness, or recently homeless. Read the [notice](#).

## Multifamily Housing Inspections

HUD recently [announced](#) that inspections will resume on June 1, 2021 for all public multifamily housing properties. HUD will implement the following protocols to ensure safe and successful inspections:

- 1) Inspect high priority/high-risk properties first;
- 2) Evaluate property-specific health conditions prior to inspection;
- 3) Travel quarantine guidelines for inspectors;
- 4) Operational protocols for the entire inspection process;
- 5) Residents may opt-out of unit inspections when inspectors are on-site.

## Fair Housing Mental Awareness Tools



In conjunction with May as Mental Health Awareness Month, HUD's Office of Fair Housing has launched an awareness campaign of housing discrimination that individuals with mental health, intellectual, and developmental disabilities often times face.

Housing discrimination against individuals is prohibited by The Fair Housing Act and Section 504. Housing providers must provide reasonable accommodations/modifications to their rules, policies, practices, services or physical structures of their dwelling or common area to accommodate an individual with a disability.

To access the campaign materials, visit FHEO's Outreach Tools [page](#). To file a housing discrimination complaint, call 1 (800) 669-9777 or file [online](#).

## Yankton Housing Director Retiring

After 25 years of service, Ann Horton has announced she will be retiring at the end of June as the Executive Director of the Yankton Housing Authority. Ann began her career with the housing authority as the interim director in November 1996 and was named Executive Director in January 1997. Not long after her appointment, Ann was able to establish the Federal Certificate and Housing Choice Voucher program and started with just 12 Certificates and one Voucher. Since then, she has expanded to 160 vouchers and expanded the housing authority's jurisdiction to cover Yankton, Bon Homme, Gregory and Tripp Counties. We wish Ann the best in her retirement.

## 2021 Income Limits

Fiscal Year 2021 [income limits](#) were released last month and became effective on April 1, 2021. The income limits are used to determine eligibility for HUD-assisted housing programs. The income limits are based on Median Family Income estimates and Fair Market Rent area definitions.

## Hometown Grant Program

T-Mobile, Smart Growth America, & Main Street America have launched the [Hometown Grant program](#) committing up to \$25 million over the next 5 years for community projects. Towns of 50,000 or less may submit applications for grants up to \$50k to fund projects that build, rebuild or refresh community spaces that foster local connections. Eligible projects include library tech upgrades, park upgrades, and historic building restoration.

## Fair Housing Month

Fair Housing Month was commemorated in April with a virtual celebration on April 7, 2021 with the theme "Fair Housing: More Than Just Words". Secretary Fudge is committed to ending housing discrimination and in particular eliminating racial bias for individuals buying or renting homes.

There were over 7,700 discrimination complaints last year alone in the housing sector. The largest number of complaints were of disability and race. Lending discrimination and unfair treatment of women were also received by HUD. To file a fair housing complaint call 1 (800) 669-9777 or file [online](#).

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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.**