



HUD HEARTLAND NEWS

South Dakota Field Office May 2024



Roger Jacobs with the catch of the day

Spring and Summer Adventures

I was fortunate to get away to the Black Hills the last week of April and enjoy the beauty of the hills and do some fishing. I was hoping for good weather and for the most part, it was what is expected at the end of April - snow, rain, wind, and sunshine. I would have appreciated a little warmer weather but when the fish are biting, the cold is a bit more tolerable. I hope we can say goodbye to winter weather and put away the snow blowers for another season. With spring and summer come threats of severe weather.

We can just look to the south of us with the recent tornadoes and flooding to know that we need to be aware of the weather and be prepared. Every year in the U.S., hundreds of people are killed and injured because of the weather. We can't stop severe weather, but we can be aware of all watches, warnings, and advisories in our area and be aware of the hazards that we might face during a weather event and have a plan to stay safe. A great place to find more information on preparedness, disaster recovery and animated booklets to help children understand weather threats and engage them in the planning process is ready.sd.gov. I encourage you to review the information on their website and be ready for what may come this spring and summer. Stay safe and catch lots of fish.

Single Family Updates

FHA Releases New Guidance to Protect Borrowers from Appraisal Bias

The Federal Housing Administration (FHA) recently announced a major new step in the Department's work to protect borrowers from racial or ethnic bias in home appraisals. FHA's new requirements for lenders participating in its Single Family program will enable borrowers to request a re-assessment of the appraised value of their property if they believe that the appraisal was inaccurate or biased.

[Mortgagee Letter 2024-07](#) indicates that this may be implemented immediately but must be implemented for FHA case numbers assigned on or after September 2, 2024.

FHA policy contained in its Single Family Housing Policy Handbook 4000.1 will include an updated Reconsideration of Value section with new guidance on borrower initiated reconsideration of value requirements. These updates include requirements for transactions in both single family forward and Home Equity Conversion Mortgage programs. FHA's new policy requires lenders to disclose to borrowers that they may request a reconsideration of value with instructions that explain the process, including what information will be required from a borrower and the expected reconsideration of value processing times. These disclosures must be provided at both the time of mortgage application and at the presentation of the appraisal. For lenders, the new policy includes:

- A requirement that underwriters be trained to identify and remedy appraisal deficiencies, including racial and ethnic bias;
 - Requirements for lenders when receiving, processing, and communicating the status of the reconsideration of value requests initiated by a borrower;
 - Standards for lender quality control of appraisal reviews and reconsiderations of value; and
 - Standards for appraisers to respond to requests from lenders for a reconsideration of value review.
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SOUTH DAKOTA HOUSING



South Dakota Housing Releases Grants for Grads Program

On May 3, 2024, South Dakota Housing released the “Grants for Grads” program. Grants for Grads is for income-eligible persons who have not owned a home in the past three years, graduated from an accredited post-secondary educational institution within the past five years, and purchase a home with a price of \$385,000 or less. The program provides five percent of the loan amount as a grant for down payment or closing cost assistance. Read [more](#).

FHA Releases Option to Help Borrowers Keep Their Homes

The Federal Housing Administration (FHA) announced the Payment Supplement to help borrowers who are behind on their mortgage payments to avoid foreclosure. The Payment Supplement will allow mortgage servicers to temporarily reduce a borrower's mortgage payment by using funds from a Partial Claim which enables the borrower to access up to 30 percent of the outstanding balance of their FHA-insured mortgage. The Partial Claim amount is held in a junior lien and paid back when the homeowner sells or refinances the home or the mortgage is terminated. Read [more](#).

FHA Increases Loan Limits for Manufactured Homes

FHA recently announced new loan limits for its Title I Manufactured Home Loan Program, the first time since 2008. The increases better align with the current market prices and are anticipated to increase the supply and use of manufactured homes as an affordable homeownership option for homebuyers. The new loan limits are effective for all FHA case numbers assigned on or after March 29, 2024. To learn more about the new loan limits, go to HUD's [website](#).

Funding Awarded

HUD Awards Funding to Tribal Communities

HUD announced a second round of funding this year of nearly \$70 million to 38 Tribal communities in Indian Community Development Block Grants (ICDBG).



The funding is used to build or rehabilitate housing, acquire land for housing, infrastructure projects, and to increase economic development including jobs. The ICDBG funds help provide decent housing and economic opportunities for low-and moderate-income members. In South Dakota, the Cheyenne River Housing Authority received \$681,888 and the Crow Creek Housing Authority and the Lower Brule Housing Authority each received \$2,000,000.

HUD Awards \$5.5 Billion in Annual Grants for Affordable Housing, Community Development, and Homeless Assistance

On May 7, 2024, HUD announced \$5.5 billion in funding will go to 1,200 communities across the country. These annual formula grants provide critical funding for a wide range of activities including affordable housing, community development, and homeless assistance.

The Community Development Block Grants (CDBG) provides annual grants on a formula basis to states, cities, counties, and insular areas to develop stronger, more resilient communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income people.

The HOME Investment Partnerships Program (HOME) is the primary federal tool of states and local governments to produce affordable rental and owner-occupied housing for low-income families.

Emergency Solutions Grants (ESG) provides funds for homeless shelters, assists in the operation of local shelters, and funds related social service and homeless prevention programs.

Housing Trust Funds (HTF) are used by developers and/or owners for the acquisition of, new construction, and rehabilitation of multifamily rental housing for extremely low-income persons.

FY 2024 CPD Formula Program Allocations in South Dakota

NAME	CDBG	HOME	ESG	HTF
State	\$5,680,880	\$3,000,000	\$647,925	\$3,144,833
Rapid City	\$493,735	\$0	\$0	\$0
Sioux Falls	\$1,039,825	\$487,607	\$0	\$0

Funding Opportunities



South Dakota Housing Announces Housing Opportunity Funds Available

South Dakota Housing recently announced Housing Opportunity Fund program funds are available for nonprofit and for-profit entities, tribal governments, housing authorities, and political subdivisions or agencies. The funds are used for the rehabilitation, purchase, and new construction of rental or homeownership housing. Applications are due by 5:00 pm CST on June 28, 2024.

South Dakota Housing Announces Program for the Hard-to-House

SDH just announced the Sustainable Housing Incentive Program (SHIP) for the “hard-to-house”. The program will cover direct expenses related to finding and maintaining housing for these persons for landlords and service providers. The money can be used for reimbursement for unit repairs, application fees, security deposits, lost rent, unit repairs and for arrears in helping these obtain permanent housing. Those eligible are local governments, non-profits, victim service providers, public housing authorities and tribal governments. Applications are due at 5:00 pm CDT on June 28, 2024.

Outreach & Training



Field Office Director Roger Jacobs and Program Analyst Matt Cerny present to the South Dakota Rehab Center on February 16, 2024

South Dakota HUD Field Office Provides Housing Navigation 101 Outreach

By: Matt Cerny

South Dakota Field Office Director Roger Jacobs and Program Analyst Matt Cerny partnered with Minnehaha County Human Services to provide "Housing Navigation 101" presentations to case managers in various South Dakota service provider organizations to better understand housing programs and allow them to provide a better service for their clients to be able to access affordable housing. Since the beginning of this fiscal year, we have provided presentations to the Children's Home Society, South Dakota Rehab Center, and Urban Indian Health, all in Sioux Falls. All three organizations assist low-income clients in finding affordable housing as part of their mission.

In total, 30 caseworkers have been educated on critical topics such as how HUD public housing vouchers work and knowledge of other HUD housing options in the state. These case workers will now be able to more effectively help their clients navigate searching for housing options to find suitable housing.



L:R: Christopher Vogel, FHEO Program Compliance Branch Chief and Kelly Gorz, FHEO Equal Opportunity Specialist, present at the Fair Housing Training in Sioux Falls on April 16, 2024

HUD South Dakota Field Office Partners with FHEO for Fair Housing Trainings

By: Matt Cerny

On April 16-18, 2024, to commemorate Fair Housing Month, the South Dakota Field Office coordinated with the Office of Fair Housing and Equal Opportunity (FHEO) to provide fair housing training in South Dakota. FHEO Program Compliance Branch Chief, Christopher Vogel and FHEO Equal Opportunity Specialist, Kelly Gorz presented two sessions in Rapid City, one in Pierre, and two in Sioux Falls, providing an overview of the Fair Housing laws and Section 504. In total, there were 212 rental property owners, realtors, property managers, caretakers, maintenance staff and other housing professionals that attended the training. Each session included lively discussion from the audience on timely issues and questions they were facing.



FOD Roger Jacobs presents at the Small Business Expo on April 30, 2024

South Dakota HUD Field Office Participates in Small Business Expo

By: Matt Cerny

South Dakota Field Office Director Roger Jacobs and Program Analyst Matt Cerny participated in the South Dakota Small Business Administration's (SBA) Small Business Expo in Rapid City on Tuesday, April 30. The event focused on connecting with SBA resources and partners to get help contracting, exporting and manufacturing.

Roger Jacobs provided a "Selling to the Government" presentation to educate small businesses that are unaware of HUD contracting opportunities to market their goods and services to HUD grantees. HUD provides \$70 million annually to housing providers for rental assistance. Small businesses can market to these assisted properties. You can learn more about contracting opportunities with HUD by HUD's Small & Disadvantaged Business Utilization [website](#), where they provide tips on marketing and selling to the government and publish a forecast of contracting opportunities.

Other News

Sales & Property Tax Refund available for Seniors & Disabled Citizens

The South Dakota Department of Revenue has a program offering sales and property tax refunds to eligible seniors (at least 65 years old on or before January 1, 2023) and disabled individuals. Applications are accepted from May 1, 2024 to July 1, 2024. Refunds are calculated based on income. Persons must also have been a South Dakota resident the entire previous year and meet the annual income requirements. For more information and to apply, go to their [website](#) or call (800) 829-9188 x1.

Upcoming Events

- May 22-23 - [Exploring Innovative Rural Communities Conference](#) in Hot Springs
- June 11-12 - [Homeless Summit](#) in Pierre
- June 18-19 - [South Dakota Native Homeownership Coalition Convening & Tribal Visit](#) in Sisseton
- June 25-26 - [SDH Annual Housing Conference](#) in Pierre



Sioux Falls Field Office

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