

HUD HEARTLAND NEWS



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

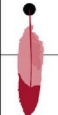
South Dakota CARES Housing Assistance Program

The South Dakota Housing Development Authority (SDHDA) has been awarded \$10 million to help South Dakotans who have been financially affected by the COVID-19 pandemic. The SD CARES Act Program will provide individuals up to \$1,500. The funds are to be used for past due rent, mortgage payments, utilities, and future housing payments. The timeframe for the use of the funds is from March 1, 2020 to December 30, 2020. All applicants need to apply [online](#) by December 18, 2020.

Partnering for COVID-19 Relief



Four Bands Community Fund, Lakota Funds, and Mazaska Owecaso Otipi Financial are partnering to help families impacted by the COVID-19 pandemic apply for up to \$1,500 in housing funds. The funds are provided and administered through the SD CARES Housing Assistance Program (SDCHAP) as part of the \$10 million the State awarded SDHDA to help pay rent, mortgage, and utilities. Applications are being accepted until December 18, 2020 or until funds run out.



All three Native organizations and SDHDA are members of the [South Dakota Native Homeownership Coalition](#) and have been working collaboratively in various capacities over the past several years to increase homeownership opportunities for Native Americans throughout the state.



Workforce Housing Summit Held in Sioux Falls



L-R: Jim Schmidt, Sioux Empire Housing Partnership; Chellee Unruh, City of Sioux Falls; Roger Jacobs, HUD; Ruth Christopherson, Citibank; and Bill O'Conner, First Premier Bank

Sioux Falls HUD Field Office Director Roger Jacobs was one of four participants on the Destination Sioux Falls: Affordable, Accessible Housing Now panel at the WIN in 2020 Workforce Summit in Sioux Falls on October 27, 2020. The annual event was both in person and virtual, bringing human resource professionals together to network and to learn and exchange best practices in retaining and recruiting talent.

With housing being a vital part in the recruitment and retention of employees, the housing panel provided updates on housing activities in the community and information on public and

private partnerships that are working together to provide housing. Roger Jacobs provided an overview of HUD rental assistance programs that human resource professionals can refer their employees to. He also provided information on FHA products to assist employees in becoming homeowners.

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CALENDAR OF EVENTS:

November 26, 2020
Office Closed

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

December 25, 2020
Office Closed

January 1, 2021
Office Closed



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Email: answers@hud.gov

Search online: www.hud.gov/answers



Forbearance Extension

FHA [announced](#) on October 20, 2020 that it was extending the timeframe of forbearance requests of FHA-insured single family homeowners affected by the pandemic through December 31, 2020.

FHA requires mortgage servicers to offer FHA mortgagors mortgage payment forbearance at the homeowners request, with the option to extend the forbearance up to a total of 12 months.

The mortgagors will be assessed for COVID-19 National Emergency Standalone Partial Claim before the end of the forbearance period. The Partial Claim groups all payment amounts into a junior lien, which would be repaid when the mortgagor sells the home, refinances, or the mortgage is otherwise extinguished.

FEDERAL HOUSING ADMINISTRATION

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

New Automated Underwriting System

HUD launched the FHA Catalyst: Single Family Origination Module - Automated Underwriting System (AUS) for lenders to originate new mortgages. This allows lenders to electronically submit loan applications automatically directly to the module and receive insurance eligibility decisions from FHA's TOTAL Mortgage Scorecard. The system features include:

- Detailed feedback certificates that provide information for lenders that corresponds with FHA policies in the Single Family Housing Policy Handbook 4000.1;
- Integrated submission of credit report date reissuances, eliminating the need for third-party routing systems; and
- Enhanced data synchronization between loan origination systems and FHA Catalyst through state-of-the-art Application Programming Interface technology.

Learn more about FHA Catalyst on the new FHA.gov [website](#).



New Construction Financing Requirements

[Mortgagee Letter 2020-36](#) updates the requirements for new construction financing for Title II single family mortgages in order with the amendments in the 2018 Final Rules that streamlined inspection and warranty requirements.

Changes to HUD's maximum financing policy include: eliminating early start letter and pre-approval requirements; consolidating requirements regardless of loan-to-value; adding Form HUD-92544, Warranty of Completion of Construction for all new construction; providing alternative inspections by a third party that is a registered architect or structural engineer, in the absence of International Code Council Certified Residential Combination Inspector or Combination Inspector; and updating when Form HUD-NPMA-99-B, New Construction Subterranean Termite Service Record is required, to align it with the four acceptable termite treatment applications reflected on the related Form HUD-NPMA-99-A, Subterranean Termite Protection Builder's Guarantee.

South Dakota Single Family FHA Information

<u>FY2020 Statistics</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>
Loans Insured	263	270	302
First-Time Homebuyers	178	189	188
Minority Homebuyers	21	17	22
Default Rate	4.26%	4.50%	4.58%
Foreclosures	68	60	62
REO Properties			
Acquired	9	3	3
Sold	6	4	5
Owned	34	33	31

CARES Act Funds for South Dakota

On September 11, 2020, HUD [announced](#) the 3rd round of CARES Act Community Development Block Grant (CDBG) funding for South Dakota. The total amount of CARES CDBG funding for the state is over \$102.7 million.

Community Development Block Grant	Funding
Rapid City	\$ 416,515
Sioux Falls	\$ 871,960
South Dakota	\$2,499,456

ICDBG-CARES Funding for Tribes

In August, HUD [awarded](#) \$100 million to Tribes across the country through the Indian Community Development Block Grant Imminent Threat program (ICDBG-CARES). In South Dakota, the Cheyenne River Housing Authority in Eagle Butte received over \$1.1 million and the Sicangu Wico Awayankapi Corporation in Rosebud received almost \$3 million. The funds are to be used for construction of new rental housing, traditional housing, an emergency operation center, and for the rehabilitation of a hotel.

CDBG CARES Act Website

HUD recently launched the Community Development Block Grant CARES Act (CDBG-CV) [website](#) on the HUD Exchange. Congress provided \$5 billion for the CDBG-CV program to states, cities, and urban areas. The website provides access to all CDBG-CV resources and training in one place. The website also allows the submission of basic CDBG-CV programmatic or policy questions, and on-call technical assistance for complex questions with a skilled technical assistance provider.

Housing Counseling Grants for SD



On October 20, 2020, HUD announced supplemental grants [awarded](#) to support housing counseling services

provided by agencies who received Fiscal Year 2020 grant funding. The grants include foreclosure avoidance and rental counseling services, especially needed during this time of the pandemic. The South Dakota Housing Development Authority received \$68,187.

Multifamily Applications Module

FHA announced the first module on its FHA Catalyst technology platform for multifamily lenders. The FHA Catalyst: Multifamily Applications [Module](#) allows lenders to electronically submit their applications for insurance on multifamily properties.

This module will allow the applications to be submitted in a simplified, streamlined, and secure manner without the need for paper submissions.

Foreclosure and Eviction Moratorium Extension

In August, FHA issued [Mortgagee Letter 2020-27](#), its third extension to the foreclosure and eviction moratorium originally issued in Mortgagee Letter 2020-4 as part of the CARES Act. The extension allows FHA-insured homeowners an extension through December 31, 2020.

Rural Supportive Housing Initiative



South Dakota has joined with North Dakota and TDA Consulting, Inc. to work with Collaborative Solutions, Inc. which was awarded a grant

from HUD. The Rural Supportive Housing Initiative has been anchored to increase permanent supportive housing for vulnerable populations, including those with serious mental illness, substance abuse and disability, homelessness, and those living with HIV/AIDS.

A Peer Network has been established which is a supportive forum for organizations and their participants to come together to build the capacity of nonprofit housing development/service organizations and create partnerships between developers and service providers. [Learn more.](#)

Section 3 Rule Revision Finalized

On September 28, 2020, HUD announced the release of the final rule implementing the Section 3 statute, which becomes effective on November 30, 2020. The revised rule streamlines the process and encourages public housing authorities and HUD grantees to focus on sustained employment for low and very low-income persons. The final rule will allow for focus on economic opportunities with less regulations. [Read the press release here.](#)

One Heart Transformation Center

“Creating pathways out of poverty for those desiring to thrive” is the mission statement of the One Heart Transformation Center in Rapid City. Its purpose is to elevate the human spirit and the spirit of the Rapid City community and for their participants to become thriving citizens of the community upon graduation. **One Heart** will provide transitional housing and services, addiction and mental health counseling, and life skills and job training in an effort to rebuild, stabilize, and transform lives.

The One Heart Transformation Campus began in January 2017 with the Rapid City Collective Impact exploring the project and its feasibility. The campus consists of 4 acres on the 100-300 blocks of Kansas City Street and will have 90 total units within 3 residential towers. There will be 3 provider buildings with 15-20 providers on-site regularly with several more on-site intermittently.

Guests are referred by a provider partner. They then work with a care coordinator to develop an upward mobility plan. They are supported as they begin/continue their journey and upon graduation have found employment and housing in the community. The One Heart Transformation Center plans to open in early 2021.



South Dakota HUD Office
4301 W. 57th Street, Suite 101
Sioux Falls, SD 57108

Phone: (605) 330-4223
Fax: (605) 330-4465
Email: SD_Webmanager@hud.gov
Website: www.hud.gov/southdakota

This is a quarterly publication of the South Dakota HUD office. For active internet links, view the newsletter online at www.hud.gov/southdakota

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

Sioux Falls Office Staff



Roger Jacobs
Field Office Director

Jacqueline Westover
Single Family Housing
Specialist

Lisa Wright
Management Analyst

MMI Fund Report is Positive

FHA just released its 2020 annual report to Congress on the financial status of the single-family Mutual Mortgage Insurance (MMI) Fund. The MMI Fund increased 1.26 percentage points over 2019, ending the fiscal year with a capital ratio of 6.10 percent. Congress has a 2.0 percent mandated capital ratio.

As of the end of the fiscal year, FHA had insurance on over 8.3 million single-family mortgages. The number of first-time homebuyers reached a new high of 83.1 percent of total endorsements in 2020. The number of minority homebuyers reached almost 33 percent of all new endorsements in 2020. And the reverse mortgage portfolio had a negative 0.78 percent capital ratio for the year. Read the full report on HUD's [website](#).

New Fair Market Rents

Effective October 1, 2020, Fair Market Rents (FMRs) for Fiscal Year 2021 were released on the HUDuser [website](#). The Notice for the FMRs mentions that the trend factors used to determine the new FMRs include updated economic assumptions to reflect the economic downturn due to the COVID-19 pandemic. 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.

RAD Reaches Milestone

HUD's Rental Assistance Demonstration (RAD) program has generated more than \$10 billion in capital investment to improve or replace 140,000 public housing units since its inception. RAD was created in 2013 to give public housing authorities the tool to preserve/improve their properties.

Mitchell Housing has converted 112 housing units of the Meadowlawn Apartments under the RAD program, creating 76 direct and indirect jobs in South Dakota. This \$3.6 million investment equates to \$32,152 per unit rehabbed. The RAD program ensures that the condition of the property will be improved and its capital needs will continue to be met for the next 20 years.

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.