



Casper Field Office Newsletter

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Accomplishments

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Welcome to the third issue of our 2007 newsletter. During the month of July, our office in conjunction with the Denver Office of Public Housing provided training to Wyoming public housing authorities and Board of Commissioners. The full day training included housing choice voucher updates, 2007 SuperNOFA, asset management, procurement, limited English proficiency, Violence Against Women Act, reasonable accommodations, energy conservation, and PIH information center (PIC) and enterprise income verification (EIV) systems training. Casper hosted a region-wide Rocky Mountain Continuum of Care (CoC) and HMIS Symposium. The training was sponsored by HUD and presented by Rural Community Assistance Corporation and Abt Associates. Participants were welcomed by HUD staff and provided with remarks on HUD's direction on homeless policy and CoC competition. Some of the topics discussed were ten year plans process, planning and capacity building for rural areas, successful exhibit I applications from other states and the homeless management information system (HMIS). During the month of August, the Montana and South Dakota HUD offices provided two grant writing workshops to emphasize opportunities for faith based and community organizations to learn to write competitive proposals and grants. Community, faith based and non-profit organizations from Wyoming were invited to attend. During the month of September, our office set up two informational table displays to promote awareness of Healthy Homes and Homeownership initiatives.



Public Housing Training



CoC and HMIS Conference

FHA Secure Initiative

"FHA has helped almost 35 million people become homeowners, making it the largest insurer of mortgages in the world."

The Federal Housing Administration is pleased to announce an initiative that will enable homeowners to refinance various types of adjustable rate mortgages (ARMs) that have recently "reset." Under the new *FHASecure* plan, FHA will allow families with strong credit histories who had been making timely mortgage payments before their loans reset-but are now in default-to qualify for refinancing. The *FHASecure* initiative, which is a temporary program, requires that the loan application be signed no later than December 31, 2008.

FHA recognizes that many lenders are engaged in a variety of loss mitigation activities to keep borrowers in their homes, and applauds these efforts. FHA has recently experienced a substantial increase in the number of conventional borrowers refinancing into FHA products. With *FHASecure*, it can help even more. The *FHASecure* initiative will operate under the same safe guidelines as the FHA's existing mortgage insurance program without affecting FHA's financial health. Eligible homeowners will be required to meet strict underwriting guidelines and pay a mortgage insurance premium, which offsets the risk to FHA's insurance fund at no cost to the taxpayer.

FHASecure, like all FHA products, will be underwritten to ensure the borrowers have the ability to repay the loan, will require escrow for taxes and insurance, and will continue to offer unprecedented foreclosure prevention assistance. The FHA has never permitted and will not include pre-payment penalties or teaser rates that are common in exotic mortgages and have caused much of the current market troubles.

To qualify for *FHASecure*, eligible homeowners must meet the following five criteria:

1. A history of on-time mortgage payments before the borrower's teaser rates expired and loans reset;
2. Interest rates must have or will reset between June 2005 and December 2008;
3. Three percent cash or equity in the home;
4. A sustained history of employment; and
5. Sufficient income to make the mortgage payment.

"*FHASecure* is designed for families who are good borrowers but were steered into high-cost loans with teaser rates," said Assistant Secretary for Housing-FHA Commissioner Brian Montgomery. "These homeowners, many of whom are minorities, need a safe, affordable mortgage product that will help build wealth. All FHA borrowers pay mortgage insurance premiums to offset claims to the FHA insurance fund and ultimately prevent risk to the taxpayer."

FHASecure will also bring much-needed liquidity to the mortgage market. FHA anticipates more lenders will offer FHA-insured loans, pool them, and securitize them with the Government National Mortgage Association (Ginnie Mae), which has the full faith and credit of the U.S. government. This guarantee makes Ginnie Mae's mortgage-backed securities the safest on the market and helps to channel greater capital into the housing market, benefiting U.S. homeowners.

Since its inception in 1934, FHA has helped almost 35 million people become homeowners, making it the largest insurer of mortgages in the world. For more information about *FHASecure* and other FHA products, please call 1-800-CALL-FHA (225-5342) or visit www.hud.gov. For a list of your local homeownership center or a HUD-approved housing counselor, go to www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm.

America's Affordable Communities Initiative (AACI)

Workforce housing, defined as livable, affordable, and attractive single and/or multifamily ownership and rental housing is in short supply in many areas of the nation – both urban and rural. It has been well established by study after study, as well as practical application, that regulatory barriers can increase housing costs anywhere from 10 to 35 percent and in many cases even prevents its construction.

A regulatory barrier to workforce/affordable housing is defined as a public or regulatory requirement, payment, or process that significantly impedes the development or availability of affordable housing without providing a commensurate health and/or safety benefit. Common regulatory barriers include excessive fees; out of date building codes that require old fashioned, expensive materials and/or outdated construction methods; burdensome rehabilitation codes; subdivision regulations; and restrictive or exclusionary zoning ordinances. In many cases, the regulations served a valid public purpose and were well intentioned efforts by community leadership when initially enacted; however, some regulations and zoning ordinances outlive their usefulness over time.

In response to this growing problem, the U.S. Department of Housing and Urban Development (Department) created the America's Affordable Communities Initiative (AACI) in 2003 to help state and local governments address regulatory reform to reduce the cost of affordable housing for America's workforce. The goals of the AACI are to promote education on the impact of regulatory barriers to affordable housing, conduct studies that will evidence the need for regulatory reform, partner for change with communities and outside organizations, provide incentives for reform, and change the thinking from "not in my backyard" to "why not in our community?"

As a Secretarial priority, the America's Affordable Communities Initiative is guided by two important principles which have formed the foundation for the overall objectives. First and foremost, it is well understood by the Department leadership that local issues

need local solutions; it is not the Department's goal to dictate to states and local communities how to change their regulatory environment. Secondly, if the Department is asking states and local communities to commit to reform and to be creative, then the Department needs to make that commitment as well. Therefore, the Department undertook the several projects that follow:

1. Seek public input to identify HUD regulations that may unnecessarily increase the cost of housing and publish a response to each comment received.
2. Produce educational brochures.
3. Establish a new pre-clearance procedure to ensure HUD regulations proposed in the future are reviewed to determine if they create a barrier to affordable housing development.
4. Establish the reductions of regulatory barriers as a secretarial priority in the notice of funding availability (NOFA) process.
5. The National Call to Action for affordable housing through regulatory reform.
6. Promote the use of the Regulatory Barriers Clearinghouse web site to provide state and local governments a forum and valuable research tool.

The Regulatory Barriers Clearinghouse (RBC) web site allows communities and interest groups to exchange ideas and information on a wide variety of sources including hundreds of state and local communities from around the country. The website database is broken down into easy to use categories and can be found at www.regabarriers.org.

Although regulatory reform is just one piece of the puzzle, jurisdictions which develop solutions in the regulatory front not only produce more affordable housing, but also in many cases will develop other innovative solutions.

Upcoming Events

Foundations in Environmental Review: NEPA and 24 CFR Part 58 Training- Pending

October 11, 2007 - Governor's Planning Council on Developmental Disabilities Mega Conference in Casper at the Parkway Plaza: HUD will be speaking on Fair Housing. "It's not an Option, It's the Law."

Congratulations!

Wind River Development Fund in Fort Washakie will receive a Rural Housing and Economic Development Innovative grant award in the amount of \$219,983. This award will assist in creating 45 jobs, establishing 5 new businesses, and creating a business incubator. Partners in this project are the Wind River Development Fund, the Wyoming Business Council, and Rural Community Innovations, Inc. The proposed resources leveraged for this endeavor is \$110,000.