

PART 2000 - GENERAL

SUBPART TT - MEMORANDUM OF UNDERSTANDING BETWEEN THE U.S.
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND RURAL
DEVELOPMENT, U.S. DEPARTMENT OF AGRICULTURE,
ESTABLISHING MULTIPLE COOPERATIVE HOUSING EFFORTS

§2000.2251 General.

Rural Development has entered into a Memorandum of Understanding with the Department of Housing and Urban Development (HUD) to establish a framework for a continuing working relationship between the two agencies. With the execution of the agreement, 11 areas of cooperative effort are identified for staff coordination and program development.

A. The areas identified are exclusively related to housing. Both single and multi-family housing programs should benefit from a stronger cooperative effort.

B. The cooperative areas are identified in exhibits to the memorandum. These exhibits are dated and can be deleted as the cooperative efforts are accomplished. New exhibits can be added as new areas for cooperative effort are identified.

C. Generally, the memorandum will be updated in the last quarter of the fiscal year to provide direction and focus for cooperative efforts during the following fiscal year.

D. The memorandum and its exhibits are attached as Exhibit A to this subpart.

§§2000.2252 - 2000.2300 [Reserved]

Attachment: Exhibit A

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MEMORANDUM OF UNDERSTANDING

Between the
U.S. Department of Housing and Urban Development

and Rural Development of the
U.S. Department of Agriculture

PURPOSE

This Memorandum of Understanding (MOU) establishes the framework for a continuing working relationship between the U.S. Department of Housing and Urban Development and Rural Development of the U.S. Department of Agriculture to develop jointly and to implement inter-agency efforts cooperatively in providing housing assistance to low-income households in Rural America.

SITUATION

The Department of Housing and Urban Development administers a variety of housing assistance programs that serve rural families and individuals as well as those living in non-rural communities. These programs are under various authorities, including the National Housing Act (1934), the Housing Act of 1937, the Housing Act of 1949, and the Housing and Community Development Act of 1974, all as amended.

Rural Development, an Agency of the U.S. Department of Agriculture, administers programs to improve housing conditions specifically in rural areas for very low, low-, and moderate-income families and individuals. Financial assistance is available to eligible organizations, including public and private nonprofit entities, and to households. The housing programs are authorized by the Housing Act of 1949, as amended.

AGREEMENT

As detailed in the attached Exhibits, it is mutually agreed that HUD and Rural Development will maintain an on-going working relationship among its respective staffs to address a variety of mutual issues in providing housing assistance to Rural America in a cooperative, cost effective, and non-duplicative manner.

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RD Instruction 2000-TT
Exhibit A
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It is the intent of both parties to have this MOU represent current and critical areas of concern for both Agencies. Therefore, it is further agreed that, on the anniversary date of this Agreement, HUD and Rural Development will review the attached Exhibits, adding new issues to be addressed, modifying existing Exhibits on continuing issues if necessary, and deleting Exhibits on accomplished activities.

/s/
JACK KEMP
Secretary
U.S. Department of Housing and Urban Development

/s/
LA VERNE AUSMAN
Administrator
Farmers Home Administration
U.S. Department of Agriculture

HUD - RURAL DEVELOPMENT MEMORANDUM OF UNDERSTANDING

EXHIBIT A

DATE: August 23, 1991

I. Issue:

Resolve policy differences between HUD and Rural Development that impact the management and servicing of Section 515/Section 8 assisted housing.

II. Objective of Coordinated Activities:

Review policy requirements that adversely impact on housing sponsors and recommend solutions.

Review policy requirements that adversely impact on tenants in Section 515/Section 8 assisted housing and recommend solutions.

Establish a review process to resolve future policy differences.

Establish a system to preview proposed regulations that impact existing Section 515/Section 8 projects.

III. Joint Tasks Proposed to Accomplish Objectives:

Develop a list of policy differences needing review and prioritize based on impact and complexity.

Establish a work group to: 1) conduct the reviews, 2) establish a timetable for each issue based on complexity, 3) identify possible solutions or recommended options and 4) recommend a method for implementing.

Develop a process to resolve future policy differences and to discuss the program impact of legislative and/or proposed regulatory changes.

IV. Projected Timetable:

<u>Task</u>	<u>Date to Be Completed</u>
Develop list of issues.	Completed 5/91
Initial work group meeting.	Completed 6/91

MOU-Exhibit A

Subsequent work group meetings. As needed

Document the final resolution of each policy issue. As they are resolved

V. Process for Monitoring/Follow-up:

Rural Development will assume monitoring responsibility for timetable.

VI. Principal Staff Responsible:

Name	Unit	Number
For HUD:Donald A. Kaplan	MF Mtgmt	708-3730
James J. Tahash	Planning	708-3944
For Rural Development:		
Thomas F. Gerlitz	MF Mtgmt	720-1599
James D. Tucker	Management	720-1618
Carl Grate	Servicing	720-1615

HUD - RURAL DEVELOPMENT MEMORANDUM OF UNDERSTANDING

EXHIBIT B

DATE: August 23, 1991

I. Issue:

Compliance with legislated and regulatory mandates which require joint Departmental actions.

II. Objective of Coordinated Activities:

Each party will identify any existing mandates, related to housing management activities, which they feel requires joint action.

Establish a process to evaluate the impact of future mandates.

III. Joint Tasks Proposed to Accomplish Objectives:

Develop a list of any existing mandates that are not uniform.

Establish a work group to: 1) conduct the reviews, 2) establish a timetable for each issue based on complexity, 3) identify possible solutions or recommended options and 4) recommend a method for implementing.

Each party will be responsible for reviewing legislative and/or regulatory policy changes in their program areas, advise the other party of possible impacts and provide them with an opportunity to comment on the change.

Meet as needed to develop possible solutions or recommended options when impact or complexity of the issue dictates.

IV. Projected Timetable:

<u>Task</u>	<u>Date to Be Completed</u>
Develop list of mandates.	Completed 5/91
Initial work group meeting.	Completed 6/91

MOU-Exhibit B

Subsequent work group meetings. As needed

Document the final resolution of each policy issue. As they are resolved

V. Process for Monitoring/Follow-up:

Rural Development will assume monitoring responsibility for timetable.

VI. Principal Staff Responsible:

Name	Unit	Number
For HUD:Donald A. Kaplan	MF Mtgmt	708-3730
James J. Tahash	Planning	708-3944
For Rural Development:		
Thomas F. Gerlitz	MF Mtgmt	720-1599
James D. Tucker	Management	720-1618
Carl Grate	Servicing	720-1615

MEMORANDUM OF UNDERSTANDING

EXHIBIT C

DATE: August 23, 1991

I. Issue:

Release of Junior Liens on HUD/Rural Development joint security.

II. Objective of Coordinated Activities:

To permit orderly and timely liquidation by obtaining release of valueless or partially secured junior liens held by one agency when the other forecloses a prior lien or accepts a deed in lieu of foreclosure.

III. Tasks Proposed to Accomplish Objectives:

Draft MOU as part of "umbrella" HUD - Rural Development MOU.

Handle settlement of liens at the Washington, D. C. level as the need arises.

IV. Projected Timetable:

<u>Task</u>	<u>Completion Date</u>
1. Draft of Exhibit by Rural Development	April 1, 1991
2. HUD Review of Draft Exhibit	August 30, 1991
3. Rural Development to notify Field Staffs by Exhibit to RD Ins. 1955-A	Within 45 days after MOU is executed
4. HUD to notify Field Staffs	Within 45 days after MOU is executed

V. Process for Monitoring/Follow-up:

As liquidation cases involving joint liens arise, staffs identified in Section VI of this Exhibit shall effect release of liens. The following documentation will be provided to the junior lienholder:

1. Copy of Agency's mortgage.
2. Copy of the deed transferring ownership to the Agency.

MOU-Exhibit C

3. A title opinion indicating the Agency held a valid first-
lien position.
4. Copy of a current appraisal.

V. Process for Monitoring/Follow-up (cont.):

For Valueless liens: Within 30 days after receipt of a request and the above documentation, the Agency holding a valueless junior lien will prepare and execute the release and deliver it to the first lienholder, who will be responsible for recording the release.

For Partially secured liens: In cases where the junior lien is partially secured and the senior lienholder forecloses, the junior lienholder agrees to be named in the suit, allowing proceeds to be distributed by lien priority. When a deed in lieu of foreclosure is accepted by the senior lienholder, HUD and Rural Development officials identified in Section VI will negotiate a settlement amount to effect release of a partially secured junior lien, as outlined under "Valueless liens" above.

VI. Principal Staff Responsible:

Name	Title	Unit	Phone number
For Rural Development:			
Frances B. Calhoun	Director	SFH/SPM	720-1452
For HUD:			
Paulette Porche'	Director	TIASD	708-0540

HUD - RURAL DEVELOPMENT MEMORANDUM OF UNDERSTANDING (MOU)

EXHIBIT D

DATE: August 23, 1991

I. Issue:

Market Impact.

II. Objective of Coordinated Activities:

Better coordination between HUD and Rural Development in understanding market impact to preclude duplication of resources in the same market area and preclude adversely affecting existing or authorized projects of the sister Agency in the same market area.

Foster communications between the Agencies to improve knowledge of markets.

III. Tasks Proposed to Accomplish Objectives:

Jointly draft MOU as part of "umbrella" HUD-Rural Development MOU.

IV. Projected Timetable:

<u>Task</u>	<u>Responsible Agency</u>	<u>Proposed Completion Date</u>
AN to Rural Development field	Rural Development	Completed 6/12/91
Directive to HUD field	HUD	September 1, 1991
Proposed rule to implement Rural Development reg changes	Rural Development	September 1, 1991
Final rule to implement Rural Development reg changes	Rural Development	March 1, 1992

V. Process for Monitoring/Follow-up:

Rural Development MFH/PD Division will be responsible for meeting Rural Development timetable.

MOU-Exhibit D

VI. Principal Staff Responsible:

Name	Title	Unit	Phone No.
For HUD:			
David Shenk	Director	EMAD	708-0577
For Rural Development:			
Obediah G. Baker, Jr.	Director	MFH/PD	720-1604
David J. Villano	Branch Chief	MFH/PD	720-1608
Gail Z. McCowan	Specialist	MFH/PD	720-1608

HUD - RURAL DEVELOPMENT MEMORANDUM OF UNDERSTANDING (MOU)

EXHIBIT E

DATE: August 23, 1991

I. Issue:

Coordinate the implementation and monitoring efforts of the Rural Development and HUD regarding the Handicap Accessibility.

II. Objective of Coordinated Activities:

Achieve better coordination between HUD and Rural Development in their efforts to monitor the provisions of the Handicap Accessibility Standards.

III. Tasks Proposed to Accomplish Objectives:

Prompt a mutual exchange of information by having Headquarters staff, i.e., Architects, Loan Officers, and Engineers, of both Agencies attend training and orientation sessions sponsored by the respective Agencies.

Jointly develop MOU to address Technical Assistance, Compliance Procedures and handling of Complaints and Compliance Activities.

IV. Projected Timetable:

<u>Task</u>	<u>Proposed Completion Date</u>
Scheduled Orientation	September 15, 1991
Training of HUD and Rural Development staff	November 15, 1991
MOU for Technical Assistance and compliance issues.	November 15, 1991

V. Process for Monitoring/Follow-up:

Rural Development MFH/PD and HUD responsible for meeting timetable.

MOU-Exhibit E

VI. Principal Staff Responsible:

Name	Title	Unit	Phone No.
For HUD:			
Merle Morrow	Attorney Advisor to DAS/EC	FHEO	708-2618
Jacelyn Shelton	Director	FHESec3	708-0836
For Rural Development:			
Obediah G. Baker, Jr.	Director	MFH/PD	720-1604
David J. Villano	Branch Chief	MFH/PD	720-1608
Rebecca Johnson	Specialist	MFH/PD	382-1608
Carlton Lewis	Branch Chief	EEO	245-5530

HUD - RURAL DEVELOPMENT MEMORANDUM OF UNDERSTANDING (MOU)

EXHIBIT F

DATE: August 23, 1991

I. Issue:

Coordination of Cost Certification and Cost Containment
Techniques:

II. Objective of Coordinated Activities:

Achieve better coordination between HUD and Rural Development in
understanding the cost certification and cost containment process and
techniques of the two Agencies.

III. Tasks Proposed to Accomplish Objectives:

Prompt a mutual exchange of policy information by having HUD and Rural
Development Headquarters staff, i.e., Architects, Loan Officers, and
Engineers, of both Agencies attend training and orientation sessions
sponsored by the respective Agencies.

IV. Projected Timetable:

Task	Proposed Completion Date
Scheduled Orientation/Training Session for HUD and Rural Development technical support, program support and multi- family housing program personnel.	September 15, 1991

V. Process for Monitoring/Follow-up:

Rural Development MFH/PD responsible for meeting timetable.

VI. Principal Staff Responsible:

Name	Title	Unit	Phone No.
For HUD:			
Howard Mayfield	Director	TSP	708-0035
For Rural Development:			
Obediah G. Baker, Jr.	Director	MFH/PD	720-1604
David J. Villano	Branch Chief	MFH/PD	720-1608
Gail McCowan	Specialist	MFH/PD	720-1608

HUD - RURAL DEVELOPMENT MEMORANDUM OF UNDERSTANDING (MOU)

EXHIBIT G

DATE: August 23, 1991

I. Issue:

Access HUD revised Congregate Services Program

II. Objective of Coordinated Activities:

Develop cooperative regulation or Agreement with HUD
for use in implementing the Congregate Services Program

III. Tasks Proposed to Accomplish Objectives, respectively:

- | | |
|--|---------------------------|
| A. Develop regulation | HUD and Rural Development |
| B. Provide guidance to field staff as needed | HUD and Rural Development |

IV. Projected Timetable:

<u>Task</u>	<u>Proposed Completion Date</u>
A. Regulation/Agreement Formulation	August 30, 1991
B. Training and Guidance	September 20, 1991 to Field Offices

V. Process for Monitoring/Follow-up respective tasks:

- A. Monthly coordination
- B. Review with HUD and exchange comments on the proposed regulation or Agreement.

VI. Principal Staff Responsible:

Name	Title	Unit	Phone No.
For HUD:			
Jerry Nachison	Branch Chief	HMAH	708-3291

For Rural Development:			
Obediah G. Baker, Jr.	Director	MFH/PD	720-1604
John Pentecost	Branch Chief	MFH/PD	720-1606
Sue Harris	Specialist	MFH/PD	720-1606

HUD - RURAL DEVELOPMENT MEMORANDUM OF UNDERSTANDING

EXHIBIT H

DATE: August 23, 1991

I. Issue:

Addressing and preventing homelessness in rural areas.

II. Objectives of Coordinated Activities:

- A. Enhance understanding of rural homelessness and methods for preventing it.
- B. Coordinate management and financing approaches for providing housing and supportive services for homeless.
- C. Use established Agency policy goal of 3 percent of Rural Development Section 502 non-program inventory housing for transitional shelter for homeless.

III. Tasks Proposed to Accomplish Objectives, respectively:

- A. Share methodology for counting the homeless, jointly define "homeless", utilize HUD's contract with the Housing Assistance Council to study the delivery of McKinney Act, other Federal, State and local programs for the rural homeless.
- B. Share relevant regulations and approaches, make inventory of housing resources and services, including use of vacant Rural Development-financed rental units.
- C. With AN to Rural Development field staff and by coordination with HUD, Rural Development to promote use of existing non-program housing inventory that would be available for lease or sale for homeless. Work jointly to identify and overcome barriers to use of such units for transitional housing.

IV. Projected Timetable:

Task	Date to Be Completed
A. On Homeless Study	Ongoing through December 1991
B. On Management and Financing Approaches	September 1, 1991

MOU-Exhibit H

C.On Use of Non-program Inventory, plus AN to Rural Development field staff	Ongoing AN by 9/15/91 for FY 92
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V. Process for Monitoring/Follow-up respective tasks:

- A. Monthly coordination
- B. Initial meeting, then later HUD review and comment on Rural Development proposed regulations.
- C. Semi-annually, provide HUD a list of non-program properties by State.

VI. Principal Staff Responsible:

Name	Title	Unit	Phone No.
For HUD:			
Jim Forsberg	Director	CPD/SNAP	708-3291
Bill Molster		CPD/SNAP	708-1234
Mike Roanhouse		CPD/SNAP	708-1234
For Rural Development:			
John Pentecost	Branch Chief	MFH/PD	720-1606
Tom Sanders	Specialist	MFH/PD	720-1606
Amy Donahue	Program Analyst	P&E/PAS 703	756-6420
Reed Petersen	Branch Chief	SFSPM	720-1452

HUD - RURAL DEVELOPMENT MEMORANDUM OF UNDERSTANDING

EXHIBIT I

DATE: August 23, 1991

I. Issue:

Communication on Loan Limits and Approved Lenders (mortgagees).

II. Objective of Coordinated Activities:

Share information on HUD loan limits and housing sales prices with Rural Development.

Share information on approved lenders and removal of lenders from list.

III. Tasks Proposed to Accomplish Objectives:

HUD will send copies of new/revised list of loan limits to Rural Development as they are published in the Federal Register.

HUD will verify lender approval to Rural Development by telephone initially. Develop jointly a method for long-term information between HUD Regional Offices and Rural Development State Offices.

IV. Projected Timetable:

Task	Date to Be Completed
Copies of new/revised loan limits	As revisions are completed
Lender Approval List	As needed
Method for long-term communication	10/01/91

V. Process for Monitoring/Follow-up:

SFHPD to track progress.

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VI. Principal Staff Responsible:

Name	Title	Unit	Number
For HUD:			
Morris (Bud) Carter	Director	HSID	708-2700
Bill Heyman	Director	HSL	708-1824
Parker Deal	Director	HSLM	708-2830
For Rural Development:			
Larry Hammond	Director	SFHPD	720-1474
Jim Craun	Branch Chief	SFHPD	720-1474

HUD - RURAL DEVELOPMENT MEMORANDUM OF UNDERSTANDING

EXHIBIT J

DATE: August 23, 1991

I. Issue:

Coordinate HUD and Rural Development efforts to meet goals of Paper Work Reduction Act as it regards assisted housing programs.

II. Objective of Coordinated Activities:

Jointly develop a uniform residential loan application to be used for all housing assistance loan applications.

Identify other common-use single family housing loan origination forms that can be used Nationwide by each Agency.

III. Tasks Proposed to Accomplish Objectives:

Rural Development to join in government-wide effort to implement "Uniform Residential Loan Application" (URLA).

Work with HUD to identify other common-use forms.

IV. Projected Timetable:

Task	Date to Be Completed
Rural Development to review URLA-submit comments to HUD	8/31/91
HUD, Rural Development, VA, FNMA and Freddie MAC to implement use URLA	9/15/91
Joint effort to identify other forms	ongoing

V. Process for Monitoring/Follow-up:

N/A

VI. Principal Staff Responsible:

Name	Title	Unit	Number
For HUD:			
Morris (Bud) Carter	Director	HSID	708-2700
For Rural Development:			
Larry Hammond	Director	SFHPD	720-1474
Jim Craun	Branch Chief	SFHPD	720-1474

HUD - RURAL DEVELOPMENT MEMORANDUM OF UNDERSTANDING

EXHIBIT K

DATE: October 16, 1991

I. Issue:

Rural Development Single Family Housing (SFH) inventory properties used in the HUD HOPE 3 program.

II. Objective of Coordinated Activities:

Rural Development acquires SFH properties in inventory as a result of its loan program. Inventory properties suitable for Rural Development program applicants are repaired and sold, preferably to program applicants on program terms. Nonprogram properties are broom cleaned and sold for cash or on nonprogram terms.

HUD, through the HOPE 3 program, provides homeownership opportunities for low income families and individuals (Participants) by providing grantees (Grantees) with Federal assistance to initially acquire and rehabilitate government owned properties from government agencies and sell them to Participants at affordable prices, after making needed repairs. Alternatively, Grantees can facilitate direct acquisition and repair of housing by Participants by providing financing, funds for down payments, repairs and/or subsidized interest rates.

Rural Development and HUD cooperate and coordinate the use of Rural Development inventory properties for the benefit of Participants.

III. Tasks Proposed to Accomplish Objectives:

1. Upon request, Rural Development will provide to Grantees lists of all SFH properties in inventory in the areas of interest.
2. Grantees may submit to Rural Development, for themselves or a Participant, a written offer for a property to be closed within 30 days.
3. Whether or not the property was listed for sale, Rural Development may sell and will give preference to offers from Grantees and Participants for inventory sales. If Rural Development contracts for repairs have not been awarded, repairs will not be made, except for decent, safe and sanitary (DSS) requirements.
4. If Rural Development has listed the property for sale, the listing will be withdrawn when the written offer from a

Participant or Grantee is received by Rural Development. Rural Development will not pay a sales commission for properties sold to Participants or Grantees.

5. Rural Development will repair NP properties not meeting Rural Development DSS requirements to remove the decent, safe and sanitary problem(s) if the value of the property increases more than the cost of repairs. Otherwise, Rural Development will sell NP properties with the DSS clause. Grantees are responsible for meeting DSS conditions and having the DSS clause removed from the deed before Participants occupy the dwelling.

6. Rural Development will sell properties to Grantees or Participants with a 10 percent price discount from current market value or the listed price, which ever is less.

7. Rural Development may sell program properties to Grantees or Participants with Rural Development program financing or for cash. Rural Development may sell nonprogram properties to Grantees or Participants with Rural Development nonprogram financing or for cash. The buyer must meet all other Rural Development eligibility requirements.

8. Rural Development will close the sale within 30 days. If Grantee or Participant cannot close within 30 days, Rural Development will reject the offer.

IV. Projected Timetable:

<u>Task</u>	<u>Completion Date</u>
1. Draft Exhibit by Rural Development	October 16, 1991
2. HUD Review Draft Exhibit	November 1, 1991
3. Rural Development notice in Federal Register	Within 30 days after MOU is executed
4. Rural Development notify Fields Staffs	Within 45 Days after MOU is executed
5. HUD notify Field Staffs	Within 45 days after MOU is executed

V. Process for Monitoring/Follow-up:

Rural Development and HUD responsible for meeting the timetable. Periodic reviews and contacts between Rural Development and HUD will assess the progress of this cooperative effort.

VI. Principal Staff Responsible:

Name	Title/Unit	Number
For Rural Development:		
Frances B. Calhoun	Division Director, SFH/SPM	720-1452
Reed J. Petersen	Branch Chief, SFH/SPM	720-1452
For HUD:		
Marcia Dodge	Deputy Director, CPD/OUR	708-2685
John Garrity	Director, HOPE 3	708-0324

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