

Iowa –Tuesday, August 14, 2012

!! NEWSFLASH !!

2012 Multi-Family Housing Post-Roundtable Survey is out!

The surveys conducted by Rural Housing are anonymous. Please ensure that YOUR opinion is counted. Please fill out one or the other. It is important to us that we are providing the most relevant information to the widest audience possible. Links to surveys for those who attended, as well as a more general survey for those who did not, are below.

If you did NOT attend: <http://www.surveymonkey.com/s/BXW3N59>

For those who did attend: <http://www.surveymonkey.com/s/BSTC8ML>

A copy of the discussion topics and materials provided, including information on the Outreach efforts to women and minority farmers and ranchers will soon be posted, please visit the Management Information page of our website at: http://www.rurdev.usda.gov/IA_hp_apartments.html

NO Increase to the Management Fee Schedule for 2013

The RHS Administrator has approved NO Increase to the Management Fee Schedule for the 2013 budgets, due primarily to the following:

- A. The increased Improper Payments Information Act (IPIA) audit error rate in the Rental Assistance Program. The Agency's review of tenant files revealed on-going and uncorrected problems in this area. The error rate last year was 1.48%; the IPIA error rate for FY2012 is calculated at 3.44% - more than double that of the prior fiscal year. The most prevalent cause of the errors continues to be property managers not providing complete paperwork, such as:
- No verification documents to support amount of income reported;
 - Tenant certifications not signed or dated; and
 - Incorrect tenant certification provided to the Agency for review.
- B. Secondly, the increase in MFIS findings that are directly attributed to management agent submissions. As of May 2012, there were 6,809 findings in MFIS that are directly attributable to management agents and their responsibilities in accordance with the bundle of services. This is an increase of 696 findings from May 2011 and shows no improvement in management performance.

The Procedure Notice to change the Handbook is currently in clearance. As soon as possible, the updated references to the fees will be posted to the Regulations website.

Proper Procedure for Reserve Requests

As a reminder, it is important that the appropriate procedures are followed when making reserve requests. Following are some reminders:

- Use of Project Reserve Funds that are not budgeted must be approved PRIOR TO any contractual arrangement being made or any work being done.
- Budgeted Capital Improvements may be considered Pre-Approved. However, improvements that will cost \$3500.00 or more still require the bid process.

- Bids taken must be guaranteed until completion of the work. All bids must be for the exact same project utilizing like materials that meet USDA Construction Guidelines.
- If an IOI Company is placing a bid, their bid must be sent directly to the Servicing Office. Having an IOI performing work does not eliminate the requirement for bids.
- Breaking one large project down into smaller projects to avoid the bid process will not be accepted.
- Post Approval of Requests for use of Project Reserves will only be approved in cases of imminent and serious threat to the health, safety, or physical security of the project.

Please do not enter into an arrangement that obligates Reserve funds prior to obtaining approval from the Servicing Office. This is a breach of the Loan Agreement or Loan Resolution and could become an owner or management expense.

Use of S.B.A.s is Being Examined and Solutions Being Sought

Rural Development is aware of the frustration of users with the current Supervised Bank Account system. We are working at the National Level to resolve the issues and streamline this process as quickly as possible. In the mean time, the current procedures must be followed.

Social Security Cost of Living Adjustments

Social Security Cost of Living Adjustments don't normally require a mass recertification of all tenants receiving benefits. Reference HB-2-3560, Chapter 6, Paragraph 6.28 B.

“Tenant households must be recertified and must execute a tenant certification form at least annually or whenever a change in household income of \$100 or more per month occurs. Borrowers must recertify for changes of \$50 per month, if the tenant requests that such a change be made.”

This applies to Social Security Cost of Living Adjustments just like any other wage. Unless the change is greater than \$100, you do not need to complete an Interim Recertification, unless the tenant requests it. Then, you do not need to perform the Interim Recertification unless the change is \$50 or greater.

 To request **changes to our email list** such as removals or additions, please email dan.koetters@ia.usda.gov with the request. We appreciate your assistance with the maintenance of our email list. Thank you.

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- http://www.rurdev.usda.gov/IA_hp_apartments.html

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To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, DC 20250-9410 or call (800)795-3272 (voice) or (202) 720-6382 (TDD).