



## Iowa Multi-Family Housing Program Update June 7, 2016

### One-Year Trial Begins - Rental Assistance Transfers

On May 24, 2016, USDA Rural Development issued an [Unnumbered Letter](#) which allows state offices to reallocate unused Rental Assistance (RA) within their states without approval from the national office, reversing a policy in place since 2013 that required state offices to return unused RA to the national office to be recaptured.

According to the letter, unused RA is RA that has not been used in the last six months in Section 515 properties and the last 12 months in Section 514 properties. This change in policy now means state offices will be authorized to transfer unused RA to preservation and other priorities within each state. This policy will be in effect on a trial basis for one year.

Unused RA does not include RA for properties with mortgages that have matured through normal payments or have been terminated by prepayment or foreclosure. RA for such properties will continue to be recaptured by the national office.

Here are some important steps outlining manager requirements:

- If you have an existing tenant who is now in need of RA, and you do not have RA available to assign to the tenant; or
- If you have an applicant on your waiting list who is ready to move-in and needs RA, and you do not have RA available to assign to the new tenant

Complete [Form RD 3560-25](#) and forward it to the servicing area office. The applicant/tenant's name, who is in need of RA, must be included on this form.

Completed and signed forms must be received in the area office by the last day of each month.

The transferee may use the transferred units effective the first day of the month in which the transfer is **approved**.

Borrowers must assign the rental assistance units, in accordance with the established priorities identified in HB-2-3560, Exhibit 8-2, as soon as they become available.

For more information about USDA Rural Development's Multi-Family Housing Programs in Iowa please contact our area office staff.

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