



## Multi-Family Housing Program

July 25, 2017

### USDA Rural Development Manager Meetings August 17 - 29

USDA Rural Development staff in Iowa is providing a half day of program training with a question and answer session during four manager meetings across the state August 17 – 29. Meetings will be held in Waterloo, Storm Lake, Ottumwa and Winterset.

Please RSVP at least three days prior to the meeting you plan to attend by entering your name on this link <http://doodle.com/poll/ifepb8kvz7dz6m9i>.

The meeting dates, times and locations include:

- Thursday, August 17<sup>th</sup> – Waterloo – location and time to be determined (information will be provided directly to those register for this meeting)
- Tuesday, August 22<sup>nd</sup> – Storm Lake – 9 a.m. to noon – USDA Rural Development office, 1619 North Lake Ave.
- Thursday, August 24<sup>th</sup> – Ottumwa – 9 a.m. to noon – Indian Hills Community College, 525 Grandview Ave.
- Tuesday, August 29<sup>th</sup> – Winterset – 9 a.m. to noon – Winterset Library, 123 North 2<sup>nd</sup> St.

### Attention MINC Customers – Processing Changes

Effective June 14<sup>th</sup> processing of the following tenant transmissions changed and will now **automatically reject** instead of showing as **pending**.

- Remove transactions
- Late certifications
- Certifications with "childcare adjustment reported with no qualifying household members"
- Certifications with "medical adjustment reported with no qualifying household members"
- Certifications with "not enough rental assistance (RA) available"
- Certifications with "verify a \$XXX.XX project payment adjustment"
- Certifications with "zero income tenant certification" without the income exempt flag set

Certifications with "transaction effective date more than one month old" will now **automatically accept** instead of showing as **pending**.

Certifications with "verify reported income", "verify reported net assets" and "verify reported income and assets" will **continue to be marked as pending** with the following exceptions:

- **Accept** if income is greater with no RA and with increase in household size
  - **Reject** if income is greater with RA
  - **Accept** if income is less with change in household size
  - **Reject** if income is less with no change in household size
- Please review MINC updates from the message board and from the help tab, under error conditions and system messages. Or call 1-866-600-7984 with any questions.

## **Affirmative Fair Housing Marketing Plans Required Every Five Years**

An unnumbered letter issued in April

([https://www.rd.usda.gov/files/IA\\_hp\\_mfh\\_UL\\_040617\\_AF\\_MP\\_Review\\_and\\_Approval.pdf](https://www.rd.usda.gov/files/IA_hp_mfh_UL_040617_AF_MP_Review_and_Approval.pdf)) has modified the requirement for Affirmative Fair Housing Marketing Plans (AFHMP) to every five years.

In accordance with 7 CFR, Chapter XVIII, Part 1901, Subpart E, § 1901.203 borrowers, contractors, packagers, or others who provide housing must prepare and submit an AFHMP. Additionally, AFHMPs are to be submitted on HUD Form 935.2A (current revision date 12/2011) for assisted programs, i.e. Multi-Family Housing.

Borrowers must review their AFHMP every five years, or:

- when the local community development jurisdiction's consolidated plan is updated
- when there are significant changes in the demographics of the project or the local housing market.

If the borrower's analysis finds that the plan is satisfactory, USDA Rural Development will not require any additional documentation. If the borrower's analysis determines the current AFHMP requires modifications or updates, the borrower must submit the updated AFHMP.

Borrowers should retain a copy of the analysis for their own record. Rural Development staff will review borrower records and analysis during regularly scheduled compliance reviews. An approved AFHMP will be made available by the borrower for public inspection at the participant's place of business and at each sales or rental office.

## **Fiscal Year 2018 Management Fee \$50 Per Occupied Unit Per Month**

The fiscal year 2018 management fee has increased. The new maximum fee for Iowa will be **\$50** per occupied unit per month beginning January 1, 2018.

## **Violence Against Women Act Webcast Trainings July 26 and August 1**

The U.S. Department of Housing and Urban Development (HUD) and USDA Rural Development are providing live webcasts on July 26 and August 1 to discuss the Violence Against Women Reauthorization Act of 2013 (VAWA) final rule which became effective in December 2016.

No registration is required and the live webcasts can be viewed at <https://portal.hud.gov/hudportal/HUD?src=/press/multimedia>.

- Wednesday, July 26, 2017, 1:30 p.m. – 3:00 p.m.: **VAWA Final Rule from owner/agent perspective**
- Tuesday, August 1, 2017, 12:30 p.m. -2:00 p.m.: **VAWA Final Rule from HUD/PBCA perspective.** \*\*Owners/agents are encouraged to attend.

Rural Development has structured its implementation policies and procedures to mirror those of the HUD Section 8 Program at 24 CFR part 5, Subpart L – Protections for Victims of Domestic Violence, Dating Violence, Sexual Assault or Stalking (5.2001 - 5.2011), with the exception of the policies and procedures as outlined in the Administrative Notice #4814, dated January 18, 2017, "Implementation of 42 U.S.C. 14043e-11 of the Violence Against Women Reauthorization Act in Rural Development's Multi-Family Housing Programs".

For additional information please visit <https://www.rd.usda.gov/publications/regulations-guidelines/administrative-notices>

## **Allowable Expenses in Multi-Family Housing Properties**

The "Allowable Expenses in Multi-Family Housing Properties" unnumbered issued on April 28, 2017 ([www.rd.usda.gov/files/RDUL-AllowMFH.pdf](http://www.rd.usda.gov/files/RDUL-AllowMFH.pdf)) clarifies allowable expenses to be charged against project income in Rural Development-financed Section 515 and Section 514 multi-family properties, as well as the responsibilities of USDA staff to critically evaluate proposed operating budgets and actual operating expenses.

The letter addresses questions such as are expenses that are charged to the property allowable expenses to be charged against project income, or are the expenses part of the bundle of services that are included in the per occupied unit per month management fee?

USDA Rural Development servicing staff have a responsibility to ensure property funds are being used appropriately and that they rely on project income to maintain operations and provide safe, decent, sanitary and affordable housing to our residents.

To achieve these objectives it is necessary and proper for USDA staff to thoroughly review budget submissions, ask questions, and seek documentation that supports budget requests or actual expenses.

USDA's full regulation web site can be found at [www.rd.usda.gov/publications/regulations-guidelines](http://www.rd.usda.gov/publications/regulations-guidelines)

## **Servicing Workout Plans and 2018 Budgets**

The 2018 budget season is just around the corner. If you have projects that will need a new, revised, or renegotiated servicing workout plan (SWOP) to coincide with the 2018 budget, please submit those SWOPs and budgets in a timely manner and simultaneously to your USDA Rural Development area office servicing staff.

Here are some examples when a SWOP is needed (there are additional reasons as well):

- Three-month average vacancy is 25% or greater
- Average vacancy used in the budget exceeds the cap of 10% for complexes with 16 or more units, or 15% for complexes with 15 or fewer units
- Past due accounts payables
- Delinquent reserve account or insufficient transfers to the reserve account

The plan presented in the SWOP should be reflected in the proposed 2018 budget. If you have questions please contact your servicing official.

## **Participation in a 2017 Summer Food Program**

If you have not already done so, please contact your USDA Rural Development area office if your complex is participating in 2017 Food and Nutrition Service summer food program as either a full-service site or a location where sack lunches were provided to children in your community.

## **Contact USDA Rural Development**

If you have questions about information in this newsletter please contact your USDA Rural Development area office servicing staff or visit [www.rd.usda.gov/ia](http://www.rd.usda.gov/ia) for more information.

###

USDA is an equal opportunity provider, employer and lender.