



DATE: March 4, 2020

TO: Missouri Multi-Family Housing Borrowers

FROM: Leann Gleason
Acting Housing Program Director

SUBJECT: Revised Guidance on Self-Evaluations and Transition Plans
Effective Date: January 10, 2020

Background

On September 9, 2009, RD-MO issued “MFH Building & Accessibility Regulations Up-Date,” and as part of that document, guidance on Transition Plans (TP) and Self-Evaluations (SE) was included. We have revised and are re-issuing that portion of our guidance to address the January 10, 2020 [Unnumbered Letter \(UL\) titled “Section 504 of the Rehabilitation Act of 1973 Compliance in Rural Development Multi-Family Housing Properties.”](#)

Please note that there are incorrect dates on Page 1 and Page 2 of the UL:

- Page 1, last paragraph, second sentence should state “Properties that were ready for occupancy on or before June 10, 1982...”
- Page 2, first paragraph, first sentence should state “Borrowers of the above referenced MFH programs whose properties are newly constructed or were ready for occupancy after June 10, 1982...”
- Page 2, first paragraph, next to last sentence should state “Borrowers whose properties were ready for occupancy on or before June 10, 1982...”

All Multi-Family Housing (MFH) properties should have a Self-Evaluation and current Transition Plan for their property; meaning Borrowers/Management Agents are in the process of completing compliance work during a defined 3-year period that hasn't yet ended. If the 3-year TP period has not yet expired, an updated or revised SE is not required at this time – unless non-compliant barriers are or have been identified. In that case, see Item #3 below.

Per the January 10, 2020, UL, if the 3-year period ends before all the compliance work is completed, the property has 90 days to present an updated or revised TP. The revised TP will require an updated SE in order to confirm whether or not any new non-compliant barriers are present. If an RD MFH property does not have a current TP, see Item #1 below.

Updated RD-MO Guidance

Missouri MFH borrowers MUST choose from one of the following three options, to be completed no later than January 20, 2021.

1. Existing TPs over Three Years Old: If any items on an existing TP are over three

(3) years old and have not yet been completed or corrected, the SE must be updated or revised in accordance with HB-2-3560, Appendix 5 “Civil Rights Laws’ Accessibility Requirements”. A knowledgeable source or third-party provider must assist in completing the SE with the assistance of interested persons. If any items are identified during the SE as being non-compliant with current accessibility requirements, an updated or revised TP must be developed. If any items identified on the “original” TP have not yet been completed, the owner must complete these items in Year One of the “revised” TP if funding is available as described in Item #2.

2. Existing TPs in their first Three Years: If an existing TP is still in its initial 3-year period, HB-2-3560, Appendix 5 “Civil Rights Laws’ Accessibility Requirements” requires that any non-compliant items be corrected by the scheduled due date if funding is available. This means that if the work identified will cost \$10,000 and you have \$10,001 in the reserve account, it must be completed because the property has the funds to do it. If a complaint was filed in regard to this, the borrower would lose because they have sufficient funds to complete the work. Borrowers must prove to the Agency that completing all required accessibility items is not financially possible.
3. Newly Identified Non-Compliant Items: Accessibility regulations are continually being revised. If any items are identified during any review/inspection as not being in compliance with the current accessibility requirements, the borrower will be required to update or revise their SE. If the revised SE identifies any *new* non-compliant items, a *revised* TP must be created. If a TP is currently in place, any items on the “existing” TP must be included on the revised TP. Any “existing” items with a “past-due” date of completion, *must be completed within Year One of the revised TP. Any existing items that have not yet reached their date of completion must retain their original date of completion.* A copy of the revised SE and TP must be provided to RD.

RD Review of Accessibility Modifications

Once a selection has been made from items 1 through 3 above **AND** prior to doing any work with regard to accessibility that involves ramps, curb cuts, concrete work, bathroom modification or unit modification; RD-MO requires that the plans and specifications be provided to the servicing office for further review by the RD State Architect. The last thing RD wants is for the borrower to complete work that did not comply with UFAS, FHA, ADA/AG or RD requirements.

Non-Compliance

Borrowers that fail to either bring themselves into compliance with applicable Civil Rights laws or fail to submit an acceptable TP will be notified in writing by RD and given 90 days to come into compliance either by completing the work or submitting an acceptable TP. If the borrower fails to complete one of the above actions within 90 days, the Servicing Office will notify the RD National Civil Rights Office.

If you should have any questions, please do not hesitate to contact the Area Specialist who oversees your complex. In addition, please be sure to bookmark Missouri’s Multi-Family Housing Direct Loan program page (<https://www.rd.usda.gov/programs-services/multi-family-housing-direct-loans/mo>) and refer to the Guidance tab for additional state-specific guidance.

EXPIRATION DATE:
Until Updated or Replaced