



MISSOURI Rural Development

MULTI-FAMILY HOUSING NEWS

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March

DO YOU WANT TO REVITALIZE YOUR PROPERTY???

In 2005, a new program was introduced to help revitalize multi-family housing properties. Some Missouri borrowers have been fortunate to receive benefit of the Multi-Family Housing Revitalization Demonstration Program (MPR) during the first 3 years of its existence and now the 2008 Notice of Funding Availability has been published and ready for borrowers to file pre-applications. This notice is available at the following web site:

<http://a257.g.akamaitech.net/7/257/2422/01jan2008180/0/edocket.access.gpo.gov/2008/pdf/E8-4952.pdf>

and the pre-application is available to complete electronically at:

<http://www.rurdev.usda.gov/rhs/mfh/MPR/MPRhome.htm>

Many of the properties financed through USDA Rural Development in past decades are still in excellent condition; however, some are in need of modernization resulting from normal physical deterioration. Through this program, borrowers may be allowed to defer their debt which will generate additional funding for making improvements to their property. Additional funding opportunities are also available through soft second loans, third party loans, grants and direct Rural Rental Housing loans.

If you are interested in getting your property "repaired, accessible or just plain modernized", this program could work for you.

GUARANTEED 538 PROGRAM AVAILABLE

Did you know that Rural Development has a way to make your rural, affordable, multi-family complex easier to finance? If you are looking for ways to make your complex more affordable, then we invite you to discover the Section 538 Guaranteed Rural Rental Housing Program.

Guaranteed 538 funds can be used for the rehabilitation of existing RD financed complexes. To be eligible, the complex must have repairs of a minimum of \$6,500 per unit. This program works well with the MPR program mentioned above.

The Notice of Funding Availability has been published and we are inviting applications from Guaranteed Lenders. Please refer to the Multi-Family page on our website for more information. The web address is:

www.rurdev.usda.gov/mo/mfhpage.htm

If you would like more information about either of these programs or have questions, please contact your Area Office.

CONGRATULATIONS TO FEDERAL HOME LOAN BANK RECIPIENTS!!

Last year Rural Development partnered with Federal Home Loan Bank of Des Moines (FHLBDM) and provided training sessions across the state on the grant programs available. As a result of this partnership and the training, FHLBDM awarded grants totaling \$2,543,900 to rehabilitate the following projects in the Missouri Rural Development portfolio:

Birch Tree Housing Corporation	\$175,274
Cabool Senior Citizens Housing	\$347,240
Douglas County Senior Citizens Housing	\$408,608
Hammrick Terrace Apts. Houston	\$473,643
Broadway Village Pleasant Hill	\$108,388
Hamilton Housing Corporation	\$500,000
Audubon Estates Ste. Genevieve	\$213,867
Kidder Senior Housing	\$116,880
Browning Housing Corporation	\$200,000

**CONGRATULATIONS TO THESE BORROWERS
AND THANKS FOR YOUR HARD WORK IN
GETTING THE APPLICATIONS FILED AND THE
PROPERTIES REVITALIZED!**

2008 NEW INCOME LIMITS

On March 19, 2008, the revised income limits took effect and has been provided to borrowers/managers. These income limits are also available on our web site at:

<http://www.rurdev.usda.gov/mo/MODirect2008.pdf>

**PLEASE SHARE OUR NEWS WITH YOUR
SITE MANAGERS AND MAINTENANCE
PERSONNEL.**

YEAR END REPORTING REQUIREMENTS HAVE CHANGED AGAIN!

One thing is certain and that is change. Last year we worked at getting familiar with the new “engagement” requirements for year end. Now, that too, has changed. These changes will be beneficial for some of you and for others, it may be an additional cost that you have not had in the past. For the 2007 year end reports the following requirements apply:

- All borrowers submit RD 3560-7, Budget showing actual figures, RD 3560-10, Balance Sheet and the new Borrower Certification of Performance Standards. The certification form has also changed from last year and is available from any RD office or from our website.
- In addition, the following “engagement/audit” requirements apply:
 - Properties with 1-15 units – no further engagement or audit requirements apply
 - Properties with 16-23 or more units – these properties will need to do an “Agreed-Upon Procedure/Engagement”.
 - Properties with 24 or more units – these properties will be required to have a combined audit and AUP Report.

Guidance for the new requirements is in Handbook 2, Chapter 4, Section 5. If you have not already done so, you should log onto our website, under regulations, and print out the new chapter. As a reminder, the new 3560-7, Actual Budget Template with instructions for completing this form is also on our Missouri web site. If you have any questions, you should contact your Area Office.

CSC UPDATES

The Centralized Servicing Center continues to strive to provide service to you in regards to payments and tenant certifications. CSC has recently provided to us some clarifications that we would like to pass on to you:

- **EFFECTIVE APRIL 11 2008, NO MFH PAYMENTS OR OTHER DOCUMENTS CAN BE MAILED TO CSC.** There will be a new address to submit project payments that are not processed through MINC. We will notify all Borrowers of the mailing address in the upcoming days. **Make your payments due on April 1st now to avoid late fee penalties. You will no longer be able to send payments by overnight, or certified mail, to get credit the next day as this will be a post office box and will not be considered received by CSC.** If this occurs and CSC does not have the payment in hand by the 10th of each month, late fees will **NOT** be waived.

Even though payments are actually due on the 1st of each month. We have noticed that several borrowers wait until closer to the 10th to send their payment by mail. This has caused many payments not to reach CSC by the 10th and late fees have been assessed. Changing the address, as stated above, will make it even more important that payments be made earlier and as close to the 1st of the month as possible. A solution to this issue would be for all of you to sign up for Pre-Authorized Debit (PAD). Remember, you tell the system **EACH MONTH** exactly how much money to withdraw from your bank account and the date you want it to come out. This will save postage and late fee assessments. The form to sign up for PAD is on our web page and is fillable. Send it directly to our office here in Columbia and we will get you ready to go. If you have questions regarding this process, please contact Rachel Hartman at 573-876-9307 or email at rachel.hartman@mo.usda.gov.

▪ **OVERAGE AND LATE FEE WAIVERS:** We have had a tremendous increase in the requests for these waivers. Overage fees are assessed when tenant certifications are submitted late, which is after the 10th of the month the certification is effective. Late fees are assessed when the payment or rental assistance request is not received by CSC by the 10th of each month. For Rural Development to be able to waive these fees, the borrower must meet the requirements as stated in Handbook 3, Chapter 4. Specifically overage waivers are covered in 4.11 B and late fee waivers are covered in 4.16 A. Please review these requirements carefully BEFORE submitting a request for waiver. If the waiver does not meet the requirements, we cannot approve it and this costs the project and/or management. Please make every effort to get the tenant certifications and payments made timely to eliminate this additional workload and cost.

▪ **ELECTRONIC FUNDS TRANSFER (EFT):** This process allows automatic deposit to your bank account of your rental assistance checks. This became a mandatory requirement on January 1, 1999, but there are still several that have never signed up to participate in this program. We are being asked to get in full compliance with this requirement. Consequently, those of you who are not signed up for EFT will be contacted individually by this office. SF-3881 is the form that is to be used to sign up for this process and can be obtained by contacting Rachel Hartman at 573-876-9307 or email at rachel.hartman@mo.usda.gov.

**Visit our Multi-Family Housing website at:
<http://www.rurdev.usda.gov/mo/mfhpage.htm>**