

HOT TOPICS



Rental Assistance



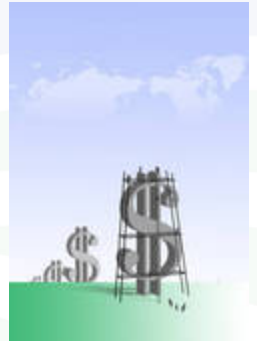
- Project based assistance
- Subsidizes shelter costs between tenant's contribution (30% of the tenant's AFI) up to the basic rent
- High demand for RA continues
- Limitations also exist





Rental Assistance – Show Me the Money

- 1977- RA implemented – 5 yr & 20 yr agreements
- 2004 – 2006 – 4 year agreements
- 2007 – 1 year and 2 yr terms
- 2008 & 2009 – 1 year term
- FY '09 - \$997,000,000 compared to FY 08 of \$478,715,370



The Big Picture – National demographics

- 15,977 RD Projects nationwide
- 33.3% elderly / 66.7% family
- 42.51% single female
- Average Income \$11,258
- 93.7% very low income tenants
- RA makes up 63.7% of RRH portfolio



Nebraska portfolio



- 248 projects – 3,654 total units
- 36.5% elderly / 63.5% family
- 44.19% single female
- Average income \$10,826
- 93.13% very low income tenants
- RA is available in approx 70% of RRH portfolio

Rental Subsidy

- 3302 Occupied units
 - ❖ 2392 Rental Assistance (72.4%)
 - ❖ 427 HUD Section 8 (12.9%)
 - ❖ 118 HUD Voucher (3.6%)
 - ❖ 360 no assistance (10.9%)

Rent over-burdened

- 13 tenants paying 30-40% of income
- 2 tenants paying 41- 50%
- 3 tenants paying 51% +

Estimated 88% of applicants on waiting list will require RA

How Does Rental Assistance Become Available for a tenant?

- Tenants receiving RA move out of complex and RA becomes available
- Tenants income increases until they are no longer eligible for RA and RA becomes available
- Unused RA is transferred from another project

RA Transfer



- Sept 16, 2008 – notification on change in RA policy in Nebraska
- Change result of not complying with National guidelines for RA transfers
- Consistent policy nationwide

Transfer of RA

- Since it is unknown when renters requiring RA will move in or out, it is the Agency policy **not to transfer RA between projects unless there remains a period of 6 mo when RA remains unused**

Unused RA

- “Unused” RA may be transferred by Agency to other projects if:
 - ✓ Project has not used RA for ensuing 6 mo period
 - ✓ 30 day advance notification to project owner with appeal rights

Availability of RA

- Since there is limited availability of RA, managers should NOT make any promises that RA will be available to tenants or applicants
- If RA is not available, the BASIC rent (rent without RA subsidy) must be charged until RA may become available

- Managers cannot transfer RA from separate projects that they manage to another

Priorities of Transfer RA

1. Eligible very low tenants paying the highest % of AAI for housing
2. Very low income applicants on waiting list, considering unit size and type need

Requesting RA

- Managers may make a written request to their Area Specialist to request additional RA.

Requesting RA

- For existing tenants needing RA, include in the request to the Area Specialist the Project name, tenant name and unit and % of rent overburdened
- For applicants on waiting list: provide Project name, applicant name, size of unit required, AAI

Requesting RA

- Area Specialists will notify the State Office regarding the request. The S/O will maintain a waiting list to assign available RA based on Agency policy of priority.
- When eligible unused RA is available, the S/O will submit a request to the National Office for transfer of RA

Gap in available RA

- Utilize other forms of rental assistance (ie HUD Section 8)
- Market to low and moderate income tenants that may not require RA
- Consolidation of projects where possible to utilize RA across multiple projects without having to “transfer RA”

Policy Guidance for Waiving Late Fees or Overage

- National Office policy issued May 9, 2008 (available from RD office)
- Only in circumstances beyond the borrower's control or waiver is in the best interest of the government
- Rural Development error

Waiver of Overage

- Tenant certifications must be submitted no later than the 10th day of ea month
- Tenant certifications after the 10th are considered late will be charged overage
- Waiver of overage must be submitted to CSC with justification for reason

Circumstances for waiver consideration

- Circumstances beyond the borrowers control (i.e. undetected transmission failure due to network interruption)
- Unfair burden on the borrower
- Charges were result of Agency error

Documentation

- Provide unit #, amt of overage charged and RA withheld
- Details of circumstances beyond control (proof of file transfer page showing submission & e-mail with status transfer)
- Description of actions taken to prevent situation from occurring in the future

Wage matching

- NE AN 2284 (HB-2-3560) issued 9/17/08
- Review of tenant income through NWDOL wage/benefit records
- Attach E “Request for Wage & Benefit Information” to tenant
- Cost of search



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