

Multi Family Preservation & Revitalization Restructuring Demonstration Program

Given the name, is it no wonder that it has been shortened to MPR? The MPR has been in existence for approximately four years and continues to be expanded and refined. The purpose of the program is to extend and enhance USDA financed properties so that each property continues to serve community affordable rental housing needs.

Projects can be preserved as affordable housing by transferring ownership to an entity that will continue with the USDA loan and meet program requirements. Projects may also be preserved by ensuring that funds are available to make necessary improvements and upgrades in a timely fashion. A Capital Needs Assessment is required to determine the viability of the project for the upcoming 20 years.

Restructuring tools available include: loan deferral, subsequent loans and grants, re-amortization of existing loans, subordination of USDA's security interest to another lender, consolidation of projects, and third party funds. These tools or a combination of tools may be used to adequately fund the reserve account and/or make immediate improvements to the project.

To participate in the program projects must apply during the application period. A notice is anticipated to be released around March or April. Applications are then ranked and selected based on the score received. In 2008 Iowa had 5 projects selected for the program. Currently all subsequent rehab. loan funds are being funneled through the MPR.

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