SECTION 515 MULTI-FAMILY HOUSING PRESERVATION AND REVITILIZATION RESTRUCTURING PROGRAM

The Department of Agriculture (USDA) Rural Development announces the Section 515 Multi-Family Housing Preservation and Revitalization Restructuring (MPR) Program. For existing Section 515 owners or purchasers this Demonstration Program seeks to restructure existing Section 515 loans to ensure these properties have sufficient resources to preserve and revitalize them for the purpose of providing safe and affordable housing for low-income residents.

How May Funding Be Used?

Funding made available under this program shall be used to restructure existing Section 515 loans to ensure these properties have sufficient resources to preserve the properties for the purpose of providing safe and affordable housing for low-income residents.

Funding may be used for:

- Debt referral for the remaining term of the loan or 20 years, whichever is less.
- A Revitalization Grant limited to no more than $5,000 per unit to be used to fund immediate capital or reserve needs.
- A Section 515 rehabilitation loan at 0 percent interest.
- Soft mortgage loans will be available at 1 percent interest and deferred to the last payment on the Section 515 debt.
- Debt forgiveness when property will be conveyed to a "not-for-profit entity".
- Subsequent Section 515 rehabilitation loans at traditional rates and terms.

Loans and/or grants must be disbursed within three years from closing.

Who May Apply?

This program is open to all existing Section 515 owners and purchasers. The following is a list of future eligibility requirements:

- Existing owners/principals or purchasers must be in compliance with existing Section 515 loan agreements,
- Management must be in good standing with the USDA or the owner agrees, as a condition of participation, to bring in new management,
- The property must be needed in the community. Need can be demonstrated if the average vacancy for the past 12 months is no more than 10 percent for properties consisting of 16 units or more and no more than 15 percent for properties consisting of 15 units or less, except the Agency can consider documentation submitted by the applicant that demonstrates the occupancy standard will be met once a restructuring is performed, and
- The capital needs of the property as determined by a Capital Needs Assessment must be attainable with assistance available under the MPR Demonstration Program

"USDA is an equal opportunity provider, employer and lender."
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, Room 236-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice or TDD).