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A Publication of Rural Development's Multi-Family Housing Program

Update on One-Time Medical Expense

Recently there have been questions and confusion over an article entitled "One-Time Medical Expenses" included in the July 2006 InfoNow. The sentence that stated "Because HUD regulations take precedence over Rural Development's 3560 handbooks, please ensure you process one-time medical expenses accordingly" was intended to mean that HUD regulations take precedence *only* over those issues where Rural Development's regulations state that you need to use HUD regulations. In this case, medical deductions are used to determine adjusted income, which is covered by 7 CFR 3560.153 (Rural Development regulation). It states that "Adjusted income will be calculated in accordance with 24 CFR 5.611" (HUD regulation). The HUD handbook (4350.3 REV-1) provides details for one-time medical expenses in Chapter 5, Section 2 (pages 5-42).

Save Energy, Save Money!

Efficiency Maine is administered by the Maine Public Utilities Commission and is a statewide effort to promote the more efficient use of electricity, help Maine residents and businesses reduce energy costs, and improve Maine's environment. The Efficiency Maine Business Program provides: cash incentives; free technical advice; education and training; information and guidance for purchasing energy-efficient electric products and equipment; self-survey tools to identify and evaluate electricity savings opportunities; and helps in locating participating suppliers and contractors who can assist in the installation and maintenance of energy-efficient electric equipment. For more information on how this program could assist your property, visit their website at www.energymaine.com or phone 866-376-2463.

Energy Efficiency



If you have not visited the Energy Star website we would encourage you to do so as there is a wealth of valuable information there. The website is <http://energystar.gov>.

Joe Murphy Receives Site Manager of the Year Award

At Pejepsct Terrace in Brunswick, having Elvis prepare your lunch, or President George W. Bush wish you a "Happy Fourth of July," is not considered out of the ordinary.

However, before you ask for an autograph, look a little closer. Site Manager Joe Murphy or a staff member at Pejepsct Terrace might be behind the clever costume. Pejepsct Terrace is no ordinary complex, nor is Joe an ordinary Site Manager.



June 5, 2007- Site Manager Joe Murphy accepts the Site Manager of the Year Award from Rural Development Housing Administrator Russell T. Davis (left) and State Director Michael W. Aube (right)

Joe's barbeque and cookout themes often have Joe and staff dressed up in costume. The entertaining and fun atmosphere may be one reason Joe was nominated by tenants as Maine's 2007 Site Manager of the Year. Curb appeal may be another reason. The property is well-landscaped, with tenants trying out their green thumbs planting flowers in front of their apartments or growing vegetables in the community garden.

A hands-on Manager, Joe is willing to do any job that improves the quality of living at the apartment building, including plowing snow, shoveling, mowing the lawns, and helping residents.

In addition, Joe is a remarkable bookkeeper, always striving to set the standard in business, staying on top of changes, and proactively troubleshooting for problems before they arise.

With a 30-page wait list to reside in his apartments, it is clear that Joe is a well-respected Manager and valued member of the Brunswick community. Rural Development is pleased to have presented Joe with Maine's 2007 Site Manager of the Year Award. Learn more about Pejepsct Terrace at: <http://pejepscterrace.com/index.html>

The Federal Home Loan Bank of Boston

The Federal Home Loan Banks and their members are the largest source of residential mortgage and community development credit in the United States. The Federal Home Loan Bank of Boston has over 400 member financial institutions in the six New England states, 64 of which are located in Maine. Their Affordable Housing Program is a competitive program that provides grants twice a year for the purchase, construction, or rehabilitation of rental housing. The program is flexible and can be used in combination with other programs and funding sources. During 2007, more than \$3.5 million was awarded to fund 135 units of rental housing in Maine. For more information and a list of member lending institutions in Maine, contact the Federal Home Loan Bank of Boston at www.fhlbboston.com.

Tenants who Fail to Recertify

There have been recent instances where a project has an "expired" tenant certification for which overage is charged. Management has informed Rural Development that even though they sent the required recertification letters, the tenant failed to provide the required information. Please see HB-2-3560, Chapter 7, pages 10 and 11, Section 7.5 1. *Tenant Failure to Recertify* states the borrower, within 10 days of the recertification date, will give the tenant and the Agency written notification that termination proceedings are being initiated, in accordance with 7 CFR 3560.159, and the tenant will be charged note rent until the tenant's lease is terminated. This is submitted through MINC.

Please understand that Rural Development cannot recommend or approve a waiver of overage charge request if the owner and/or manager have not complied with the proper procedures.

Requests for Late Fee Waivers Versus Requests for Waiver of Overage Charges and Reinstatement of Rental Assistance

There are two types of penalty charges that may be charged to your account due to late or non-submittal of documents. It is possible that these penalty charges may be waived if adequate documentation supporting the justification of the waiver is provided. All requests for late fee waivers and/or late tenant certification overage charges and reinstatement of Rental Assistance must be submitted directly to CSC. This allows them to post it to a tracking report and to provide any additional information that may affect our consideration of the request. After reviewing it, CSC will then forward it to the State Office with their comments for our approval/rejection. The Rural

Development State Office will then forward it to the respective Area Office for review and recommendation.

1. If your payment is late your account will be charged a late fee equal to 6 percent of the note rate installment. If the waiver is granted, then the respective transaction will be processed in our automated system and the State Office will notify CSC of the outcome of the request. Depending on how much time has passed since the late fee was charged and the borrowers submit their requests, additional late fees may have been charged and paid for by project funds and may need to be refunded back to them.

If the request is denied, the borrowers will be notified in writing that their requests has been denied and that they are still required to reimburse the project the amount of the late fee as it is not a project expense. CSC will be advised accordingly. The borrowers will not be provided with appeal rights as this is not an appealable decision.

2. If a tenant certification is late, your account will be charged note rate rent for each month that it is late and Rental Assistance will not be credited. This will be accomplished by making adjustments to future project worksheets. If a waiver of the overage charges and reinstatement of Rental Assistance is granted, the State Office will notify CSC and they will make the necessary adjustments on future worksheets to the extent that valid overage charges exist to offset a credit. This could take place over multiple worksheets as overage cannot be credited unless there is existing overage to debit it from. The State Office will advise the borrowers in writing that their request has been approved.

If a waiver of the overage charges and reinstatement of Rental Assistance is not granted, the State Office will notify CSC accordingly and provide the borrower with appeal rights. Unless the borrower wins the appeal or can prove that the error was due to the tenant's fault and is authorized to pass on the charges to the tenant, the penalty charge is not a project expense and the project must be reimbursed by the management company.

Centralized Help Desk

If you are experiencing problems with the MINC application or have a specific question about its functionality, please contact the Centralized Help Desk at 1-800-457-3642 (choose option 3 "All Others" and then choose option 1 "Eastern Region Help Desk") or email: mfh@stl.usda.gov. Please be prepared to provide the management agent name, ID, contact person, phone number, and a description of the specific problem.

Tenant Certification Submissions

Rural Development staff encourages all owners and managers to submit new move-in tenant certifications, recertifications, modified certifications, and vacates in a timely manner. Although regulations allow submissions until the 10th of the month for which they are effective, we strongly encourage early submission and suggest the vacate notification or tenant certification be submitted as soon as possible after a tenant vacates, moves in, or is recertified. This will allow management time to verify that the transmission to CSC was successful. (You can view your project worksheets.) If you wait until the 10th and the transmission is not successful, you may incur overage fees and loss of rental assistance. This can be particularly costly when an entire property is being recertified.

Replacement Reserve Accounts

Please be sure all replacement reserve accounts are maintained in an interest-bearing account pursuant to 7 CFR 3560 [3560.306 (e) (1)]. Pages 4-13 of HB-2-3560 were updated to remove the words “preferably in an interest-bearing account” on 04-05-06. This clarification was made in a Special Procedure Notice (SPN) on April 5, 2006. Procedure Notices can be accessed at our website at: http://www.rurdev.usda.gov/regs/pn_list.html

Unit Turnover

Rural Development staff is noticing that a number of vacated units, particularly those in properties with rental assistance available, are taking longer than normal time to re-rent. We would like to ask that your “turnover” procedures be reviewed to see if your policies are being followed to ensure quick turnover of the unit within a minimal timeframe (30-60 days).

When a 30-day notice is received:

- Is contact made with tenant to get a preliminary inspection of the unit done so vendors for carpet replacement, paint, etc., can be lined up to do necessary work?
- Is staff reviewing waiting lists and making contact with potential tenants to fill the vacant unit?
- Does specific marketing need to be done? For example, perhaps your advertisement would include the following terms: Immediate Occupancy, 1-Bedroom or 2-Bedroom, 2nd floor walkup unit, rental assistance available, very low households have priority.

Required Equal Opportunity Language

Please review your letterhead, advertisements, brochures, and web pages to make sure you are including the proper Equal Opportunity language. We are required to verify that the appropriate language is being used. See the excerpt below from a Compliance Review Fact Sheet that is posted at <http://www.rurdev.usda.gov/me/MFH/multi.htm>.

Please make sure that you are using the appropriate language in all forms of communication:

- All letterheads, brochures, web pages, and advertisements should contain the proper Equal Opportunity statement that is required by USDA Departmental Regulation 4300-3 and notify applicants how to file a discrimination complaint. **(Housing providers are also required to have an Equal Housing Opportunity statement on brochures, letterheads, etc.)** The required USDA Civil Rights Statement is as follows:

“In accordance with Federal Law and USDA Policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, or disability (not all prohibited bases apply to all programs). To file a complaint of discrimination, write to: USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C., 20250-9410, or call 1-800-795-3272 (voice) or 202-720-6382 (TDD). USDA is an equal opportunity provider and employer.”

If there is insufficient space, such as in classified advertisements or “yellow page” displays, an abbreviated statement such as “We are an Equal Opportunity organization” will be acceptable. In all other cases, the full text must be used.



Did You Know?

Did you know that Rural Development has funds for Community Facilities, such as Assisted Living, Nursing, or Rehabilitation Facilities? Through the **Community Facilities Guaranteed Program**, Rural Development guarantees loans by local lenders. For more information, [click here](#), or [contact your local Rural Development office](#).

Bangor Area Office has Moved

The Bangor Area Office has moved from its previous location at 28 Gilman Plaza to 1423 Broadway, in Bangor. The phone number remains 990-3676.

UMaine Cooperative Extension Offers Healthy Eating Program

Rural Development works with many community partners to improve the quality of life in Maine. Please consider sharing the following information on the Eat Well Program with your tenants. Also included with this newsletter is a flier on the Eat Well program that you may post on your bulletin board or share with tenants. (See information below)



**EAT
WELL**

A program for healthy eating
from University of Maine Cooperative Extension

FREE • FUN • CONFIDENTIAL

Learn to

- stretch food dollars,
- make healthy meals and snacks,
- fit meals into a busy schedule,
- keep foods safe, and
- live a healthier lifestyle.

Choose home visits or teaching groups—or learn by mail!

The Eat Well program is free to eligible individuals, families, groups, and schools. To find the Eat Well program in your county, call 1-800-287-0274



A Member of the University of Maine System

UMaine Extension programs are open and accessible to all in accordance with program goals.

Have a Story to Tell?

Rural Development is always interested in hearing about upcoming events, including special celebrations such as a 100th birthday celebration, special recognitions of your complex or residents, celebrations involving new additions or improvements made possible through Rural Development, or anything else you would like to brag about!

Please send items of interest to Emily Cannon, Public Affairs Specialist, at Emily.Cannon@me.usda.gov.

Did You Know?

Did you know that Maine Rural Development has guidance on how to solve building moisture problems? You can review the information found at Maine Instruction 1924-A, Exhibit K, "How to Solve Your Moisture Problems." We have attached a copy of this instruction for your information.

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Maine USDA RD Web Site:
<http://www.rurdev.usda.gov/me/>

MINC Website:
<https://usdaminc.sc.egov.usda.gov>

For USDA RD Forms/Regulations/Admin. Notices:
<http://www.rurdev.usda.gov/regs/>

Contact CSC: 1-866-600-7984
Or by email: multifamily@stl.usda.gov

HUD Occupancy Handbook: <http://www.hudclips.org/> then click on [Search or Browse All HUD Handbooks and Guidebooks](#), click on "search," type "4350.3" in the document number box and click on search.

To subscribe or unsubscribe to this newsletter, please contact Emily Cannon at Emily.Cannon@me.usda.gov

