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MISSOURI Rural Development

MULTI-FAMILY HOUSING NEWS

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FRIENDLY HEIGHTS HOSTS OPEN HOUSE TO CELEBRATE RENOVATIONS



Seniors living at Friendly Heights apartments in Stanberry, Mo. are the beneficiaries of a newly renovated apartment complex. An open house was held on October 31 to celebrate the completion of the improvements.

Friendly Heights Apartments, Inc., an elderly rental housing apartment complex, received \$388,000 from Rural Development to make improvements to the 20 one-bedroom unit complex. Improvements included new windows, central heating and air conditioners, new concrete sidewalks and other improvements to meet accessibility requirements. This complex was built in 1970, one of the first in Missouri. It was well taken care of but needed a face lift and modernization.

Oversight of Friendly Heights is done through a non-profit board of community members who volunteer their time. The day to day management of the complex is done by Charlie Lawson who owns Community Management. Mr. Lawson received a certificate of appreciation from Rural Development for his work in procuring the funds to do the improvements and for carrying out the Friendly Heights renovation project.

Our congratulations to the Friendly Heights Board of Directors; Mr. Lawson, Manager and to the residents for making this housing facility an outstanding asset to the community of Stanberry.

NEW MFH REVITALIZATION PROGRAM

“Preservation” & “Revitalization” are the new buzz words for the Multi-Family Housing Program. This past year, RD announced a new demonstration program to preserve existing multi-family housing complexes in rural communities. Missouri was fortunate to have 12 borrowers selected for participation in the Multi-Family Housing Preservation and Revitalization (MPR) Program. 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 depreciation. Through this program, borrowers will 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.

Missouri ranked 3rd in the nation for number of selected applicants and only 16 states were selected overall to participate. For 2006, this new program will preserve 602 multi-family housing units in rural Missouri. In addition to debt deferral for these 12 properties, they were also awarded \$2,057,092 in additional loan funds, \$181,997 in grant funds from Rural Development and \$60,000 in grant funds from the Missouri Housing Development Commission.

It is expected that this program will be announced again for 2007 and will be published in the Federal Register inviting applications. We will keep you posted when the Notice of Funding Availability hits the Federal Register. If you would like more information or have questions about the program, please contact our Area Offices or the State Office.

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



POLICY CORNER

NEW LEASE AGREEMENT REQUIRED

When new regulations were written, several changes were required in the current Guide 29, Lease Agreement. The new Lease Agreement has been revised by Rural Development and reviewed by our Office of General Counsel to assure that the lease complies with state and local laws, Agency requirements, and the requirements of all programs participating in the housing project. As of now, the old Guide 29 is obsolete and is not to be used in the future. The new Lease will be obtained as new tenants move in or as you are doing the recertification of existing tenants. If you decide not to use the RD approved lease, you may develop your own Lease Agreement and have your attorney certify that the lease complies with state and local laws, Agency requirements, and the requirements of all programs participating in the housing project. This certification will need to be presented to RD prior to use. If you feel there is language left out of the Lease Agreement, you may simply want to prepare an addendum to the RD lease and obtain a certification from your attorney on the addendum. This new lease and any addendums should become a part of your Management Plan and submitted to your RD Area Office.

IMPORTANT REMINDER ABOUT THE UNAUTHORIZED ASSISTANCE PROCESS!!

The payment agreement signed by the tenant gives Rural Development the authority to make monthly adjustments to collect payments made to the borrower/management agent for repayment of unauthorized assistance.

The borrower/management agent is responsible for collecting the payment from the tenant. Since these adjustments are shown on the worksheets monthly, we would strongly encourage you to review your project worksheet prior to release (on the 20th of each month) to verify the tenant has paid the correct amount as shown on the worksheet.

If the tenant fails to make their agreed upon monthly payment, you must contact Nonna Ross at (573) 876-0989, Rachel Hartman at (573) 876-9307, or Rachelle Long at (573) 876-0987 BEFORE you accept your worksheet for payment. We will then send a letter to the tenant advising them we are canceling their payment agreement, which will stop any future adjustments to the worksheets and you will need to start eviction proceedings. The account will then be referred for Treasury Offset Program (TOP). Any issues that arise after the account has been turned over for TOP must go through our office.

If you review the worksheet and accept it for payment, you are certifying that everything on the worksheet is true and correct. If you fail to notice the adjustment and the tenant did not pay, we CANNOT make an adjustment for reimbursement of the amount not collected. Management will be responsible for reimbursing the property the adjusted amount (verified by copy of deposit slip showing funds being transferred from the management company to the complex). It will then be management's responsibility to collect the money from the tenant.

HELPFUL TOOLS AVAILABLE ON OUR WEBPAGE!

If you haven't visited our webpage recently (<http://www.rurdev.usda.gov/mo/mfhpage.htm>), we have added some important items that may be helpful to you.

TENANT CERTIFICATION - We have created a template on understanding the Tenant Certification. It is broken down into sections and gives details of the information needed in order to complete the form correctly. We have also included a Handbook reference if applicable.

2007 PROPOSED BUDGET - Haven't submitted your 2007 proposed budget yet? A template for Form 3560-7, Proposed Budget, has been prepared to help you understand where the information should be shown. We would strongly suggest that you review this template as there have been changes to this form since last year and how it should be completed. Please remember that even though we have a template for preparing Form 3560-7, you must submit your budget through the Management Information Network Connection (MINC), under Fill-A-Form (Send Proposed Budget) or utilizing your vendor software. For more helpful tips, there is a document titled "Guidance for Completing 2007 Proposed Budget". It is in PowerPoint format and gives general guidelines on the Proposed Budget.

YEAR END BUDGET - As we get closer to yearend, we will be updating the template for the yearend Budget.

SUPERVISORY VISITS - There is a PowerPoint presentation on tips to help prepare for a Supervisory Visit. This is the same presentation presented at MOCARH training sessions and is worth a look.

PRE-AUTHORIZED DEBIT (PAD) - Did you know you can sign up for PAD and make your payment through MINC? All you have to do is go into MINC each month and tell it exactly how much money to withdraw from your bank account and the date you want it to come out. No more mailing checks with the possibility of it getting lost or being received late. Just fill out the form and send it to our office here in Columbia and you will be ready to go! If you have questions regarding this process, contact Rachel Hartman at 573-876-9307 or e-mail at rachel.hartman@mo.usda.gov.

LEASE AGREEMENT - As discussed elsewhere in this newsletter, the Lease Agreement was recently revised. We have posted to the website a Master Lease Agreement which you can use for printing your supply of Lease Agreements, a fillable Lease Agreement so you may fill in the blanks using your computer, a Lease Agreement in Large Print for those that don't like the fine print, and a Lease Agreement Template which provides tips for completing the agreement.

SPANISH VERSION OF TENANT GRIEVANCE PROCEDURE - Many of you have had a need for a Spanish version of the Tenant Grievance Procedure. The Texas State Office helped us out with this and it is now available for your use.

TIPS FOR PAYMENTS AND TENANT CERTIFICATIONS

As you know, October 1, 2006, the Centralized Servicing Center in St. Louis took over the processing of all payments and tenant certifications for Missouri. Below are some friendly reminders to help ease the transition:

- Project Worksheets are released on the 20th of each month.
 - It is your responsibility to review your unofficial project worksheet in MINC for expired certifications, unused rental assistance, and adjustments.
- Who to contact if you have Questions or Changes -
 - Tenant certifications, Payments and eAuthentication - contact CSC at the toll free number 1-866-600-7984, extension 3006. Email: multifamily@stl.usda.gov. If you send an email, please put your borrower name, case number, project number and a brief description of the problem in the Subject line. Example: Lazy Daze Apts., 29-39-123456789, 01-2, October Worksheet Unit 1 not vacant.”
 - Unauthorized Assistance which may result in adjustments to your worksheet should be directed to the State Office at 573-876-0989 or 573-876-0987.
 - Notice of Lease Termination (eviction) - If you are in the process of evicting a tenant, you should send a copy of the Termination Notice to the area office that services your complex. You should then go into MINC under Fill A Form and send the eviction transaction so it will be properly coded on your project worksheet.
 - Address/contact information changes, notify the Area Office that services your complex.
- Submitting payments to CSC:
 - Mailing address is USDA, CSC, MFH Unit, P.O. Box 66967, St. Louis, MO 63166-6967.

○ Required documents to be submitted with your payment:

- Form 3560-29, *Notice of Payment Due*, or 1944-29, *Project Worksheet For Credit and Rental Assistance*
- Copy of either the MINC generated project worksheet or your rent roll.
- **REMEMBER - THE PROJECT WORKSHEET MUST BE SIGNED. IF THE PAYMENT PACKET IS NOT COMPLETE, NOT CORRECT, OR NOT SIGNED, YOUR PAYMENT WILL NOT BE PROCESSED IN ITS ENTIRETY.**

➤ Tenant Transmissions/payments to CSC. We just want to remind you that our regulations give specific due dates for both tenant transmissions and payments. If these are not received by CSC on or before the due date they could generate either overage charges or late fees. The only exception to this is if the due date falls on a weekend or holiday. In this case the due date would be the business day prior to the due date (ex., holiday falls on a Friday, due date would be on Thursday). Please keep this in mind if you are sending your payment by overnight courier one day prior to the due date. Even if an attempt is made to deliver the package and our office is closed, you will not be given a date of credit until it is actually signed for. Listed below are the Federal holidays we will be observing for the remainder of 2006 and for all 2007:

Monday, 12/25/2006	Christmas Day
Monday, 01/01/2007	New Years Day
Monday, 01/15/2007	Martin Luther King's Birthday
Monday, 02/19/2007	Washington's Birthday
Monday, 05/28/2007	Memorial Day
Wednesday, 07/04/2007	Independence Day
Monday, 09/03/2007	Labor Day
Monday, 10/08/2007	Columbus Day
Monday, 11/12/2007	Veterans Day
Thursday, 11/22/2007	Thanksgiving Day
Tuesday, 12/25/2007	Christmas Day

➤ For ALL MINC Transmissions, go under the Review Transactions tab in MINC to see if the transaction has been accepted, rejected or still pending. If the transaction is not shown, this means it was not transmitted and you must submit your transaction again.

We know there will be hiccups with this transition. The above reminders, if completed, will hopefully minimize the difficulties.



"USDA is an equal opportunity provider, employer and lender." To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Ave., S.W., Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD).