



MISSOURI Rural Development

MULTI-FAMILY HOUSING NEWS

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NEW REGULATIONS TRANSITION

As you know, effective February 24, 2005, the requirements of 7 CFR 3560 went into effect. These regulations and handbooks contain many changes to the current requirements. Some of these changes will be easier and quicker than others to implement and obviously some will take longer. Along the same line, some of the changes take effect immediately and others will not take effect until later. A couple of weeks ago you should all have received a letter from the Rural Development Area Office providing you with the initial guidance on this transition and covers some of the immediate issues. If you have not done so, please read this letter carefully.

There are three new Handbooks that provide the guidance on the requirements of the regulations. They are:

- 1) MFH Loan Origination Handbook
- 2) Asset Management Handbook
- 3) MFH Loan Servicing Handbook

The main handbook that you will need to cover most of the requirements you deal with daily are in the Asset Management Handbook. We would suggest, at a minimum, that you become familiar with the information in this handbook. A copy of all handbooks can be obtained through the link on the Missouri Rural Development Home Page. Clicking on this link will take you directly to the Handbooks. Be aware that all three books are quite large so it could take a while for it to download to your computer. If you wish to request us to download the handbook(s) to a CD for you, you may make your request to your payment processor here in the state office, Frank, Linda or Rachel.

During the next couple of months, Rural Development staff will be learning the new regulations. We are planning to have training meetings for all of the owners and management companies beginning in July, 2005.

We know that the next few months are going to be challenging at best, both for you as owners and managers and also for Rural Development employees. We know that there will be questions and different interpretations that we will all have to work through. Thank you in advance for your patience during this transition. In the meantime, please feel free to contact the Rural Development field staff if you have questions.

POLICY CORNER

TENANT GRIEVANCE PROCEDURE

Rural Development Instruction 1940-L "Tenant Grievance and Appeals Procedure" is obsolete. It has been replaced by 7 CFR 3560.160. It is mandatory that every borrower and/or management agent provide a copy to all exiting tenants, and post the new regulation in their rental office and at the project. The procedure handout can be found at: <http://www.rurdev.usda.gov/mo/mfhpage.htm>.

UNAUTHORIZED ASSISTANCE

The new regulations state that the borrower is no longer responsible for collection of unauthorized assistance when a tenant vacates the unit.

In order for Rural Development to take over collection of the unauthorized assistance through the Treasury Offset Program (TOP), we must verify the calculations completed by the borrower/management agent. Therefore, once the tenant has vacated, please send the following to the State Office, ATTN: Nonna Ross:

- Vacate date
- Copy of verification of income(s)
- Copy of calculations where unauthorized assistance was computed
- Any documentation of contact by the tenant or management agent regarding the potential/ identification/ repayment of unauthorized assistance

WAIVERS OF AGE INELIGIBLE TENANTS

With the issuance of the new 3560 regulations, we are no longer able to issue waivers for age ineligible tenants to reside in an elderly complex. If you currently have an age ineligible tenant residing in your complex, they may stay until their lease expires. After that time, that tenant must vacate the complex. The revised RRH Guide 49, Request to Rent Ineligible Tenant (Rev. 3-2005) which deletes the reference to age ineligible tenants can be found at: <http://www.rurdev.usda.gov/mo/mfhpage.htm>. Please begin using this form to request waivers for income ineligible tenants. If you wish to change your designation from an elderly complex to a family complex, please send a written request to your Area Office contact and they can start the process.

PAYMENT CENTER HIGHLIGHTS

CONVERSION TO MINC

Transmission of all tenant and budget information via MINC will become **mandatory** February 24, 2006 for complexes with 8 or more units. If your complex does not have this capability, it is an allowable expense to hire an outside contractor to complete the transmissions. If you need additional information, please call the Multi Family Housing section in Columbia.

NEW INCOME LIMITS

On February 25, 2005 the revised income limits took effect and were provided to borrowers/managers on 3/3/2005. If you have not received a copy, please contact our office.

NEW TRADING PARTNER AGREEMENTS

When you log into MINC using your MA user ID you may be receiving the following message:

"There have been revisions made to the Management Agent's Trading Partner Agreement (TPA). Please have the Management Agent login with their TP account to review the new terms of the agreement and accept them by May 1, 2005. This should be done as soon as possible as you will not have access to the system until this is done. Failure to do so will result in all the Management Agent's MA user accounts being suspended until the new TPA is reviewed and accepted."

To review and accept the new TPA you need to login to Management Agent using your Management Agent ID (which starts with TP) and password. If you have forgotten your password you can click on forgotten/suspended passwords to reset your password. If you do not have your Management Agent ID you can contact our office for that information.

In this new TPA it states that if transmissions are effective on the first of the month and received after the 10th of that same month, **you will be assessed a penalty.**

Please be advised that if the new TPA is not accepted, you will not be able to transmit tenant data. Consequently, please complete this as soon as possible.

NEED HELP WITH MINC?

Having problems negotiating MINC and would like one on one training please contact Frank, Linda or Rachel for details. Following is their contact information:

Frank: (573) 876-9302 - frank.classens@mo.usda.gov,
Linda: (573) 876-9330 - linda.bray@mo.usda.gov
Rachel: (573) 876-9307 - rachel.hartman@mo.usda.gov

LATE FEES FOR CERTIFICATIONS

For those of you that are sending tenant transactions through the mail. Effective May 1, any tenant transaction received after the 10th of the month will be considered late. RA will not be provided for those certifications and overage will be charged when appropriate. For example, RD received a tenant certification on May 11 with an effective date of May 1. RA will not be provided for this tenant and overage will be charged when appropriate.

For those of you that are transmitting on MINC. A notice will be displayed when sending in tenant certifications, using the MINC Fill-a-Form pages, after the 10th of the month. As of May 1, any tenant certifications received after the 10th of the month will be considered late. RA will not be provided for those certifications and overage will be charged when appropriate. For example, RD received a tenant certification transmission on May 11 with an effective date of May 1. RA will not be provided for this tenant and overage will be charged when appropriate.

ARE YOU SURE YOUR PAYMENT TRANSMITTED THROUGH MINC?

When making your payment through MINC please go in the next day and check that it does say **approved** next to that months worksheet. If you are printing off a confirmation for your records, this is the screen to print.

PASSWORD RESET

MINC users can reset their own Management Agent and MA User passwords. The steps to reset passwords can be found on the USDA Rural Development website under the Multi Family Housing Program Information Page link or on the MINC website.

GREAT NEWS!

Many of our borrowers have asked for a review of tenant information prior to release of the project worksheets. You will now have the ability to "View" one future month's project worksheet in the MINC program. These worksheets are provided to allow you to determine early if the certified tenant information is correct, unit assigned, number of members in the household, initial certification dates, certification expiration date, rents, tenant subsidy, etc... The worksheets are located at the bottom of the page in MINC where all the project worksheets for a particular project are displayed. The MINC training handbook has been modified to reflect these changes and a few other changes that everyone may be encouraged to review.

PASSBOOK SAVINGS RATE

Rural Development will be utilizing the Passbook Savings Rate established by HUD, which is currently at 2%. **All tenant certifications with an effective date of May 1, 2005, should be showing this new rate.**

PAYMENT PROCESSING CYCLE – (effective May 1, 2005)

Sun	Mon	Tues	Wed	Thur	Fri	Sat
Can begin transmitting tenant certifications, vacate notices, new move-ins, etc., anytime prior to the 1 st of the effective month.						1 DUE DATE FOR PAYMENTS!
2 Borrower can preview the "Unofficial" project worksheet for the current month to verify that all information is correct.	3	4	5 <i>Friendly Reminder: Have you sent in your payment?</i>	6	7	8
9	10 Due Date for re-certifications, new certifications for tenants, Vacate Notices, etc. (if after the 10 th , then Full Note Rate Rent will be charged.)	11 Late fees due for PASS borrowers.	12	13	14	15
16	17 Target Date for worksheets to be either released in MINC or mailed to Borrower.	18 Target Date for worksheets to be either released in MINC or mailed to Borrower.	19 Target Date for worksheets to be either released in MINC or mailed to Borrower.	20 Borrower's review project worksheets	21 Borrowers begin submitting payments between now and the 1 st of the month. (See Note)	22
23	24	25	26	27	28	29

NOTE: For borrowers who have payments withdrawn from their bank accounts using Pre-Authorized Debit (PAD), payment processor must go into MINC and authorize payment at least two business days prior to the date payment is to be withdrawn from the bank account.