



Florida Non-Profit Housing, Inc.'s Quarterly Review Newsletter

SPRING 2024

Table of Contents	Page
*T&MA Contractor Meeting *SFH Direct Loan and Grant Programs *Stakeholder Announcement	1
* SFH Guaranteed Origination *SFH Guaranteed Servicing	2
*Shining a Spotlight on Self-Help Housing *Applicant issued 1 st Certificate of Eligibility *Congressional leaders agree on FY24 USDA and HUD Funding	3
*MPI Using Modular Homes *SFH Direct Loan and Grant Program *SHARE Your Success Stories *Interest Rate Decrease for Direct loan and Grant Program	4



T&MA Contractor Meeting

The T&MA contractors held a meeting in San Diego, CA, on January 17-18. In attendance were staff members of FNPH, LIFT, RCAC, NCALL. The objectives of the meeting were the T&MA Contract, SHARES and its upcoming updates, Handbooks, Self-Help 523 Application Financial Review, Spotlight, Grantees issues, and Regulation Updates. Another large part of the meeting's focus was to discuss the planning of the



upcoming National Self-Help Conference. The conference is scheduled to take place in 2025. Information will be shared as things progress.

SFH DIRECT LOAN AND GRANT PROGRAMS

Updates to RD Instruction 444.8, Rural Housing Site Loan Policies, Procedures, and Authorizations - With the posting of [Procedure Notice \(PN\) 602](#) dated January 5, 2024, the following revisions were made:

- Paragraph VI, Limitations – Added language to emphasize that the Agency can consider requested loan amounts of varying amounts, as funding remains available.
- Paragraph VIII (B), Repayment Period – Added directions for requesting exceptions to extend the 2-year repayment period on a case-by-case basis.
- Paragraph X(A)(2), Appraisals – Added language to acknowledge that the Agency can provide an exception to accept an appraisal submitted by the applicant that meets the site loan program requirements.

In addition, the following exhibits were added:

- Exhibit D, Site Loan Application Processing Checklist
- Exhibit E, Preapplication Review Letter
- Exhibit F, Site Loan Denial Template

Please review the PN and instruction for details; and begin using the updated guidance when processing Section 523/524 site loans.

<https://www.rd.usda.gov/programs-services/single-family-housing-programs/single-family-housing-direct-home-loans/fl>

STAKEHOLDER ANNOUNCEMENT

USDA Offers Grants for Programs to Create High-Wage Jobs and New Businesses in Underserved Rural Communities

WASHINGTON, Jan. 2, 2024 – The U.S. Department of Agriculture (USDA) today announced that USDA is accepting grant applications for community-driven programs that will help create high-wage jobs and new businesses in underserved rural communities.

The [Rural Innovation Stronger Economy \(RISE\)](#) program encourages regional, innovation-driven approaches to economic development by funding job accelerator partnerships in low-income and underserved rural communities.

For fiscal year 2024, the program is making approximately \$2 million available to partnerships of local governments, investors, industry, institutions of higher education, and other public and private entities in rural areas. The funding may be used to support innovation centers and job accelerator programs that improve the ability of distressed rural communities to create high-wage jobs, form new businesses, and identify and maximize local assets.

To learn more, read full [STAKEHOLDER ANNOUNCEMENT](#).

SFH GUARANTEED ORIGATION

The Single Family Housing Guaranteed Loan Program (SFHGLP) is pleased to announce revisions to technical [Handbook-1-3555](#), Chapter 4, Lender Responsibilities; and Chapter 11, Ratio Analysis. These changes became effective upon the recent issuance of a [Procedure Notice \(PN\)](#). Below are the highlighted revisions: **Chapter 4 – Lender Responsibilities**

- Updated the point of contact for submission of Form RD 3555-11, Lender Record Change.
- Provided the definition of negligent servicing.
- Added additional clarification to the conditions in which the Agency may seek indemnification and how loss claims will be considered for loans subject to indemnification.
- Provided Agency contact information for various topics (reporting mortgage fraud, ESR system, etc.).

Chapter 11 – Ratio Analysis

- Revised the terminology in Section 11.2 to mirror the verbiage on the Uniform Residential Loan Application.
- Clarified that if an amount other than what is reflected on the credit report is used in the Total Debt Ratio, the lender should provide documentation of the amount utilized.
- Clarified that when a balloon/deferred payment loan is due within 12 months, the lender must evaluate the complete loan application to determine the applicant's repayment ability.
- Clarified that a copy of the executed escrow agreement for temporary buydown accounts must be retained in the lender's permanent loan file.

Questions regarding program policy and this announcement may be directed to sfhgld.program@usda.gov

USDA Stand-Alone Mortgage Recovery Advance (MRA) Ratio Waiver

With the current market trends of rising interest rates, the Single-Family Housing Guaranteed Loan Program (SFHGLP) Rural Development recognizes that current regulatory requirements are impacting our servicer's ability to provide effective loss mitigation, resulting in adverse outcomes for distressed homeowners in need of servicing relief. We are pleased to announce a Stand-Alone MRA ratio waiver; to remove the 55 percent and 31 percent limitations from the requirements in the regulation for the Stand-Alone MRA.

Since the Stand-Alone MRA is being used to solely cure the arrearage and allow the borrower to continue their current contractual payment, this will give the borrower's an opportunity to regain a current mortgage payment status and start making the contractual payments they originally qualified for, and were able to maintain, prior to experiencing their hardship.

The waiver is applicable for the two regulatory requirements below:

- 7 CFR Part 3555.304 (b) (1) The borrower's total debt to income ratio following the special loan servicing must not exceed 55 percent.
- CFR Part 3555.304 (d) (2) If the borrower's total monthly mortgage payment is less than 31 percent of gross monthly income prior to an extended term loan modification, the mortgage recovery advance can be used to cure the borrower's delinquency without changing the terms of the promissory note. Servicers should adhere to all other guidelines in the 7CFR Part 3555 and the Loss Mitigation Guide located in [Chapter 18](#) of the HB-1-3555 SFH Guaranteed Loan Program Technical Handbook.

This waiver applies only to the Stand-Alone MRA and will remain in effect until rescinded by the USDA or a permanent policy change is made adjusting the requirements.

Questions regarding program policy and this announcement may be directed to the National Office Division at sfhgld.servicing@usda.gov or (202) 720-1452.

SHINING A SPOTLIGHT ON SELF-HELP HOUSING

Have you had the opportunity to explore our Self-Help Housing Spotlight website? You can find Spotlight at <https://www.selfhelphousingspotlight.org/>. It serves as an excellent resource, providing comprehensive insight into the self-help housing program. Through our website, we are committed to delivering a seamless and uplifting online experience for families interested in joining our program and potential grantees seeking information.

Spotlight offers a comprehensive array of features, including:

- Insights into what prospective groups can anticipate during the construction of their dream homes.
- Inspiring success stories from homeowners who have participated in the self-help program.
- Abundant photographs and news releases illustrating the inner workings of the program.
- Video testimonials capturing the purpose and determination of building one's own self-help house.
- Links to organizations across the nation that administer the self-help housing program.
- Resource pages offering useful information for self-help grantees.

We're always eager to feature current stories, news articles, or media from your organization on our Spotlight website to further promote the Self-Help Housing program. Please note that a release form is required for publication. If you wish to include your organization on Spotlight's, *find a Program Near Your* webpage or update existing information on your Spotlight webpage, please complete the relevant form(s) and return them to your T&MA contractor. All "Grantee Website Forms" can be found at <https://www.selfhelphousingspotlight.org/grantee-forms/>.

Thank you for being an integral part of our community. Your support is incredibly important to us, and we are committed to keeping the Self-Help program in the spotlight as we continue moving forward together creating brighter futures, one home at a time.



FNPH APPLICANT ISSUED 1ST CERTIFICATE OF ELIGIBILITY

Luke Hickey is the first applicant to receive a Certificate of Eligibility under FNPH's newly implemented 502 Loan Packaging Program. Cristian Rivera, Loan Packager, began working with Luke Hickey in September of 2023. He called FNPH after seeing our flyer for the 502 Direct Loan Program. It was determined the program was a great opportunity for him. Mr. Hickey did receive an approval for a conventional loan at a diminished amount. Within the 502 program he received a Certificate of Eligibility on January 17, 2024 with a significantly higher loan amount. He is currently in the process of looking at building a new home. This begins our mission of helping people achieve the American dream.

CONGRESSIONAL LEADERS AGREE ON FY24 USDA AND HUD FUNDING.

Most of USDA's rural housing programs received spending cuts. The Section 502 direct mortgage loan program, for example, was reduced from \$1.25 billion in FY23 to \$880 million in FY24. The final measure also rescinds \$28 million in unused Section 504 grant funds and \$35 million in unused Section 542 voucher monies from past years. Many HUD programs were reduced also, with HOME falling from \$1.5 billion to \$1.25 billion and SHOP from \$13.5 million to \$12 million. Native American housing saw an increase, however, from \$1.02 billion last year to \$1.344 billion in FY24. Tables and analyses are available on HAC's website for [USDA](#) and [HUD](#)

MOUNTAIN PROJECTS, INC. APPROVED TO USE MODULAR HOMES

Working closely with USDA at various levels, Mountain Projects, Inc. (MPI) located in Waynesville, North Carolina has become the first Grantee in the Southeast Region to be approved to use modular homes in the Self-Help Program. MPI has been serving the southern mountains of Western North Carolina since 1965. They have several long-running initiatives to assist homeowners in need. They are an essential force in their community with a promise to provide affordable, safe places for residents to call home.



The use of modular homes is expected to make the building process much faster. The families will still be responsible for completing 65% of the labor. The anticipated quick turn round in the completion of the homes will help fulfill the need for housing in their area at a more

affordable cost in less time. The homes featured in this article are three of the models being offered to Self-Help Participants. Stay tuned for photos as the process unfolds.

FEE INCREASES FOR ORIGATION APPRAISALS AND CONDITIONAL COMMITMENTS

An Unnumbered Letter (UL) dated February 13, 2024, has been issued which increases the appraisal fee to \$775 and the conditional commitment fee to \$850 under the direct programs. The fee increases are effective March 14, 2024. The increased fees reflect market research for origination appraisals in rural areas and incorporates the average cost of appraisals under the programs' nationwide contract with the Appraisal Management Companies.

Rural Development staff will follow the implementation responsibilities outlined in the UL, which has been posted to <https://www.rd.usda.gov/resources/directives/unnumbered-letters> under Housing Programs (or [click here for a direct link](#)).

SHARE YOUR SUCCESS STORIES

FNPH is seeking success stories of Self-Help families. We are interested in the life changing accomplishments of our grantees and the participating families. Help us spotlight your hardworking staff and families. Please submit your stories of homeownership. We also ask that you send along several photos and an authorization to FNPH. For more information or a submission, please email Dora Murphy at dmurphy@fnph.org.

USDA INTEREST RATE DECREASE

Programs	February 2024 Interest Rate	March 2024 Interest Rate
Rural Housing (RH) 502 Low- Very-Low	4.625%	4.5%
Single Family Housing (SFH) Non-Program	5.125%	5.0%
Rural Housing Site (RH) 524 Non-Self-Help	4.625%	4.5%

FLORIDA NON-PROFIT HOUSING, INC.

3909 Kenilworth Boulevard

P.O. Box 1987

Sebring, FL

33871-1987

(863) 385-1643

www.fnph.org

