# HUD DISASTER RECOVERY RESOURCES

## HUD ALABAMA FIELD OFFICE
## 2011

HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all.

*"Families who may have been forced from their homes need to know that help is available to begin the rebuilding process," said HUD Secretary Shaun Donovan. "Whether it's foreclosure relief for FHA-insured families or helping these counties to recover, HUD stands ready to help in any way we can."*

For more information on disaster relief in Alabama or any of the programs listed, please visit our website at www.hud.gov/alabama.

# Community Planning and Development

## Community Development Block Grants (CDBG) (Entitlement)

Federal funding to help entitled metropolitan cities and urban counties meet their housing and community development needs.

**Disaster Relief:** Metropolitan cities, urban counties, and states may request that awarding of annual Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) funds be expedited or that program year start dates be moved up. For activities in a disaster area, they may also request modification of some program requirements to facilitate disaster assistance.

**Nature of Program:** Provides annual grants on a formula basis to entitled communities to carry out a wide range of community development activities directed toward neighborhood revitalization, economic development, and improved community facilities and services.

Entitlement communities develop their own programs and funding priorities and consult with local residents before making final decisions. All CDBG activities must meet one of the following national objectives: benefit low- and moderate-income persons; aid in the prevention or elimination of slums and blight; or meet certain community development needs having a particular urgency. Some of the activities that can be carried out with community development block grant funds include the acquisition of real property; rehabilitation of residential and nonresidential properties; provision of public facilities and improvements, such as water and sewer, streets, and neighborhood centers; public services; clearance; homeownership assistance; and assistance to for-profit businesses for economic development activities.

No less than 70 percent of the funds expended over a period specified by the grantee, not to exceed 3 years, must be used for activities that benefit low- and moderate-income persons.

**Grantee Eligibility:** Metropolitan cities and urban counties are entitled to receive annual grants. Metropolitan cities are principal cities of Metropolitan Areas (MAs) or other cities within MAs that have populations of at least 50,000. Urban counties are within MAs and have a population of 200,000 or more (excluding the population of metropolitan cities within their boundaries).

**Funding Distribution:** From each year's CDBG appropriation, excluding the amounts provided for grants under Section 107 of the Housing and Community Development Act of 1974 (Section 107 grants), and other specified grants, 70 percent is allocated to metropolitan cities and urban counties. The amount of each entitlement grant is determined by statutory formula, which uses several objective measures of community need, including poverty, population, housing overcrowding, age of housing, and growth lag.

**Information Sources:** Local officials and HUD field offices.
On the Web: www.hud.gov/offices/cpd/communitydevelopment/programs/entitlement/index.cfm
Local Resources: http://portal.hud.gov/hudportal/HUD?src=/states/alabama/community/cdbg

## Community Development Block Grants (Non-Entitlement) for States and Small Cities

Federal funding to help states and units of local government in non-entitled areas meet their housing and community development needs.

**Disaster Relief:** Metropolitan cities, urban counties, and states may request that awarding of annual Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) funds be expedited or that program year start dates be moved up. For activities in a disaster area, they may also request modification of some program requirements to facilitate disaster assistance.

**Nature of Program:** Provides grants to carry out a wide range of community development activities directed toward neighborhood revitalization, economic development, and improved community facilities and services. All CDBG activities must meet one of the following national objectives: benefit low- and moderate-income persons; aid in the prevention or elimination of slums and blight; or meet certain community development needs having a particular urgency. No less than 70 percent of the funds must be used for activities that benefit low- and moderate-income persons over a period specified by the state, not to exceed 3 years.

Some of the activities that can be carried out with community development funds include: the acquisition of real property; the rehabilitation of residential and nonresidential properties; the provision of public facilities and improvements, such as water and sewer, streets, and neighborhood centers; the clearance, demolition, and removal of buildings; homeownership assistance; and assistance to for-profit businesses for economic development activities.

Under the 1981 amendments to the Community Development Block Grant (CDBG) legislation, each state has the option to administer the block grant funds provided for its non-entitlement areas. If this option is exercised, the block grant funds are provided to the state, which distributes them as grants to its eligible units of general local government. The states' objectives and methods of distributing the funds are determined in consultation with affected citizens and local elected officials. States are required to report annually on the use of funds.

**Applicant Eligibility:** Forty-nine states and Puerto Rico are entitled to receive grant funds for distribution to non-entitlement units of government (those that are not metropolitan cities or part of an urban county). Hawaii has elected not to administer funding under the state CDBG program. In Hawaii, HUD awards the funds directly to the three eligible non-entitled counties using statutorily determined formula factors.

**Funding Distribution:** From each year's CDBG appropriation, excluding the amounts provided for Section 107 grants or specified other grants, 30 percent is allocated to non-entitlement areas. This amount is then allocated among the states on a formula basis. Each state's allocation is distributed to units of general local government by either the state or, in Hawaii, by HUD.

**Information Sources:** States and HUD field offices.
On the Web: www.hud.gov/offices/cpd/communitydevelopment/programs/stateadmin/index.cfm
Local Resources: http://portal.hud.gov/hudportal/HUD?src=/states/alabama/community/cdbg

## Community Development Block Grants (Section 108 Loan Guarantee)

Loan guarantee assistance for community and economic development.

**Disaster Relief:** HUD will offer state and local governments federally guaranteed loans for housing rehabilitation, economic development, and repair of public infrastructure.

**Nature of Program:** Section 108 is the loan guarantee provision of the Community Development Block Grant (CDBG) program. Under this section, HUD offers communities a source of financing for certain community development activities, such as housing rehabilitation, economic development, and large-scale physical development projects.

Eligible activities are (1) real property acquisition, (2) rehabilitation of property owned by the applicant public entity or its designated public agency, (3) housing rehabilitation eligible under the CDBG program, (4) special economic development activities under the CDBG program, (5) interest payments on the guaranteed loan and issuance costs of public offering, (6) acquisition, construction, reconstruction, rehabilitation, or installation of public facilities, (7) assistance for public facilities in colonias, (8) debt service reserves for repayment of the Section 108 loan, (9) other related activities, including demolition and clearance, relocation, payment of interest, and insurance costs. When determining eligibility, the CDBG rules and requirements apply. As with the CDBG program, all projects and activities must meet CDBG's primary objective (use of 70 percent of funds must benefit low- and moderate-income persons) and one of the following three national objectives: (a) principally benefit low- and moderate-income persons, (b) assist in eliminating or preventing slums or blight, or (c) assist with community development needs having a particular urgency. Loans may be for terms up to 20 years.

The applicant pledges its current and future CDBG funds as the principal security for the loan guarantee. HUD may require additional security for each loan, and any additional security that may be necessary is determined on a case-by-case basis.

**Applicant Eligibility:** Metropolitan cities and urban counties that receive entitlement grants may apply directly to HUD for loan guarantee assistance. Non-entitlement communities under the state CDBG program may also apply, but must have a pledge of their state's CDBG funds from the appropriate agency. Insular areas and non-entitlement communities in Hawaii may also apply directly to HUD for loan guarantee assistance. The public entity applicant may issue the Section 108-guaranteed obligation itself, or it may designate a local public agency with the necessary legal authority to do so. The appropriations Acts for fiscal years 2008, 2009, and 2010 authorize States borrowing on behalf of local governments in non-entitlement areas to apply. Final regulations implementing the authority pursuant to section 222 of the Omnibus Appropriations Act, 2009 (Public Law 111-8) were published on April 6, 2010.

**Information Sources:** Administering office and HUD field offices.
On the Web: www.hud.gov/offices/cpd/communitydevelopment/programs/108/index.cfm

## Community Development Block Grants (Disaster Recovery Assistance)

**Nature of Program:** HUD provides flexible grants to help cities, counties, parishes, and states recover from Presidentially declared disasters, especially in low- and moderate-income areas. HUD publishes allocations and program requirements in notices in the Federal Register. Generally, CDBG requirements apply unless modified by appropriations statute, waived, or supplanted by alternative requirements. CDBG Disaster Recovery Assistance is also subject to requirements of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act).

When major disasters occur, Congress may appropriate additional funding for the CDBG program as Disaster Recovery grants to rebuild the affected areas and bring crucial seed money to stimulate the recovery process. Because CDBG funds a broad range of activities, CDBG Disaster Recovery assistance helps communities and neighborhoods that otherwise might not recover due to limits on other resources. Disaster Recovery grants supplement disaster programs of the Federal Emergency Management Agency (FEMA), the Small Business Administration, and the U.S. Army Corps of Engineers.

**Applicant Eligibility:** Appropriations language determines applicant eligibility. Historically, recipients have included states and local governments in places that have been designated by the President of the United States as major disaster areas. Some supplemental appropriations may restrict funding solely to states. HUD generally awards noncompetitive, nonrecurring Disaster Recovery grants by a formula that considers disaster recovery needs unmet by other Federal disaster assistance programs.

**Information Sources:** Administering office and HUD field offices.
On the Web: www.hud.gov/offices/cpd/communitydevelopment/programs/dri/index.cfm

## Community Development Block Grants (Section 107)

Grants and technical assistance for community development programs and related activities.

**Nature of Program:** Provides grants for community development and related programs as described below, and technical assistance awards to help implement the various programs authorized by Title I of the Housing and Community Development Act of 1974.

**Community Development Block Grant Technical Assistance (CDBG TA):** States, units of general local government, Indian tribes, area-wide planning organizations, and other qualified groups designated by or assisting one or more such governmental units are eligible for technical assistance, under programs authorized by Title I of the Housing and Community Development Act of 1974.

**Historically Black Colleges and Universities (HBCUs) Program:** The HBCU program helps HBCUs to expand their role and effectiveness in addressing community development needs in their own localities, including revitalization, housing, and economic development, principally for persons of low- and moderate-income. HBCUs that meet the definition determined by the Department of Education in 34 CFR 608.2, in accordance with the Executive Order 13256 dated February 12, 2002, are eligible to participate in the program. All applicants must be accredited or pre-accredited by a national accrediting agency.

**Hispanic Serving Institutions Assisting Communities (HSIAC) Program:** The HSIAC program helps Hispanic Serving Institutions (HSIs) revitalize their local communities and foster long-term changes in the way HSIs relate to their neighbors. The HSIAC program has facilitated numerous partnerships that are successfully addressing the most critical social and economic issues, including poverty, education, housing, healthcare, and local neighborhood capacity building. In addition, the program has assisted colleges and universities in integrating community engagement themes into their curriculum, academic studies, and student activities. HSIs that meet the definition established in Title V of the 1998 Amendment of the Higher Education Act of 1965 are eligible to participate in the program. To meet this definition, at least 25 percent of the full-time undergraduate students enrolled in the institution must be Hispanic. All applicants must be institutions of higher education granting 2- or 4-year degrees that are accredited by a national or regional accrediting agency recognized by the U.S. Department of Education.

**Funding Distribution:** The amount appropriated for the Section 107 grants is allocated among the programs as directed by the appropriations act.

**Information Sources:** Administering offices and HUD field offices.
On the Web:
Community Development TA: http://www.hud.gov/offices/cpd/about/cpdta/ (This website describes the technical assistance for all CPD programs.)
Historically Black Colleges and Universities: www.oup.org/programs/aboutHBCU.asp
Hispanic Serving Institutions Assisting Communities: www.oup.org/programs/aboutHSIAC.asp

## Community Development Block Grants (Rural Innovation Fund)

Grants to meet rural communities' housing and economic development needs.

**Nature of Program:** Rural Innovation Fund provides for capacity building at the state and local level for rural housing and economic development, and the program supports innovative housing and economic development activities in rural areas.

**Applicant Eligibility:** Local rural nonprofit organizations, community development corporations (CDCs), federally recognized Indian tribes, state housing finance agencies (HFAs), and state economic development and/or community development agencies.

**Information Sources:** Administering office.
On the Web: http://portal.hud.gov/hudportal/HUD?src=/hudprograms/rural-innovation

## The HOME Program: HOME Investment Partnerships

Grants to states and units of general local government to implement local housing strategies designed to increase homeownership and affordable housing opportunities for low- and very low-income Americans.

**Disaster Relief:** Metropolitan cities, urban counties, and states may request that awarding of annual Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) funds be expedited or that program year start dates be moved up. For activities in a disaster area, they may also request modification of some program requirements to facilitate disaster assistance.

**Nature of Program:** Participating jurisdictions may use HOME funds for a variety of housing activities, according to local housing needs. Eligible uses of funds include tenant-based rental assistance; housing rehabilitation; assistance to homebuyers; and new construction of housing. HOME funding may also be used for site acquisition, site improvements, demolition, relocation, and other necessary and reasonable activities related to the development of non-luxury housing. Funds may not be used for public housing development, public housing operating costs, or for Section 8 tenant-based assistance, nor may they be used to provide non-federal matching contributions for other federal programs, for operating subsidies for rental housing, or for activities under the Low-Income Housing Preservation Act.

All housing developed with HOME funds must serve low- and very low-income families. For rental housing, at least 90 percent of the families benefited must have incomes at or below 60 percent of the area median income; the remaining 10 percent of the families benefited must have incomes at or below 80 percent of area median income. Homeownership assistance must be to families with incomes at or below 80 percent of the area median income. Each year, HUD publishes the applicable HOME income limits by area, adjusted for family size.

HOME-assisted rental units must have rents that do not exceed the applicable HOME rent limits. Each year, HUD publishes the applicable HOME rent limits by area, adjusted for bedroom size. For projects with five or more HOME-assisted rental units, 20 percent of the units must be rented to very low-income families.

HOME-assisted homebuyer and rental housing must remain affordable for a long-term affordability period, determined by the amount of per-unit HOME assistance or the nature of the activity. HOME-assisted homebuyer housing is also subject to resale or recapture requirements.
Participating jurisdictions must provide a 25 percent match of their HOME funds. Participating jurisdictions must also set aside at least 15 percent of their allocations for housing to be owned, developed, or sponsored by community housing development organizations.

**Applicant Eligibility:** States, cities, urban counties, and consortia (contiguous units of local governments with a binding agreement).

**Funding Distribution:** HOME funds are allocated using a formula designed to reflect relative housing need. Forty percent of the funds are allocated to states, and 60 percent is allocated to units of general local government. States are automatically eligible for HOME funds and receive either their formula allocation or $3 million, whichever is greater. Local jurisdictions eligible for at least $500,000 under the formula ($335,000 in years when Congress appropriates less than $1.5 billion for HOME) also can receive an allocation. Communities that do not qualify for an individual allocation under the formula can join with one or more neighboring localities in a legally binding consortium whose members' combined allocation would meet the threshold for direct funding. Other localities may participate in HOME by applying for program funds made available by their State. Congress set aside a pool of funding, equivalent to the greater of $750,000 or 0.2 percent of appropriated funds, which HUD distributes among insular areas.

**Information Sources:** HUD local field offices and state and local community development agencies.
On the Web: http://www.hud.gov/offices/cpd/affordablehousing/programs/home/
Local Resources: http://portal.hud.gov/hudportal/HUD?src=/states/alabama/community/home

## Housing Trust Fund

Provides funds for the construction, rehabilitation, and preservation of rental homes and for homeownership for extremely low- and very low-income families.

**Nature of the Program:** The Fund provides funding to developers to preserve, rehabilitate and construct housing, primarily for extremely low-income families. At least 80 percent of the funds must be used for the production, preservation, rehabilitation, or operation of rental housing. Up to 10 percent can be used for the following homeownership activities for first-time homebuyers: production, preservation, and rehabilitation; down payment assistance, closing cost assistance, and assistance for interest rate buy-downs.

At least 75 percent of the funds for rental housing must benefit extremely low-income households and 25 percent of the funds must benefit very low-income households.

**Applicant Eligibility:** Funds are distributed by formula to states, who then may distribute the money according to a state plan to state designated entities or subgrantees for further distribution within a state, or directly to qualified recipients, such as nonprofit and for-profit organizations.

**Information Sources:** Administering office and local HUD field offices.
On the Web: http://portal.hud.gov/hudportal/HUD?src=/hudprograms/housing-trust

**Current Status:** Authorized, but currently unfunded.

## Shelter Plus Care (S+C)

Grants for rental assistance, in combination with supportive services from other sources, to assist hard-to-serve homeless persons with disabilities.

**Nature of Program:** Provides rental assistance for homeless people with disabilities, primarily those with serious mental illness, chronic problems with alcohol and/or drugs, and acquired immunodeficiency syndrome (AIDS), and related diseases. Rental assistance grants must be matched in the aggregate by supportive services that are equal in value to the amount of rental assistance and appropriate to the needs of the population to be served. Recipients are chosen on a competitive basis nationwide.

Rental assistance is provided through four S+C components: (1) Tenant-based Rental Assistance (TRA) provides rental assistance to homeless persons who choose the housing in which they reside. Residents retain the assistance if they move; and the term for grants is 5 years; (2) Sponsor-based Rental Assistance (SRA) provides rental assistance through contracts between the grant recipient and a private nonprofit sponsor or community mental health agency established as a public nonprofit entity that owns or leases dwelling units in which participants reside. The term for grants is 5 years; (3) Project-based Rental Assistance (PRA) provides rental assistance to the owner of an existing structure where the owner agrees to lease the units to homeless people. Residents do not take the assistance with them if they move. PRA grants are also for 5 years of assistance, but an owner may get 10 years of assistance if the owner rehabilitates the property; and (4) Section 8 Moderate Rehabilitation for Single Room Occupancy (SRO) Dwellings provides grants for rental assistance. Assistance is provided for 10 years.

**Applicant Eligibility:** States, units of general local government, or public housing agencies.

**Note**: The Act to Prevent Mortgage Foreclosures and Enhance Mortgage Credit Availability Act was signed into law on May 20, 2009 (Public Law 111-22). Division B of this new law is the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act). The HEARTH Act amends the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11371 et seq.) by consolidating and amending three separate homeless assistance programs (the Supportive Housing program, the Shelter Plus Care program, and the Moderate Rehabilitation/Single Room Occupancy program) carried out under title IV of the McKinney-Vento Act into a single grant program called the Continuum of Care Program. The Shelter Plus Care program will cease to exist upon implementation of the Continuum of Care program.

**Information Sources:** Administering office and local HUD field offices.
On the Web: www.hud.gov/offices/cpd/homeless/programs/splusc/index.cfm

## Emergency Shelter Grants (ESG) Program

Grants to support homelessness prevention, emergency shelter, and related services.

**Nature of Program:** Provides grants by formula to States, metropolitan cities, urban counties and U.S. territories for eligible activities, generally including essential services related to emergency shelter, rehabilitation and conversion of buildings to be used as emergency shelters, operation of emergency shelters, and homelessness prevention services.

**Applicant Eligibility:** States, District of Columbia, Puerto Rico, metropolitan cities, urban counties, and U.S. territories are eligible. Metropolitan cities and urban counties are eligible if, after applying the formula, their allocation is greater than 0.05 percent of the funds appropriated.

**Funding Distribution:** After setting aside a small amount for allocation to the territories, HUD allocates the fiscal year appropriation for ESG to eligible recipients in accordance with the percentage of CDBG funding each jurisdiction was allocated for the previous fiscal year. However, where the ESG allocation for a metropolitan city or urban county would be less than .5 percent of the total fiscal year appropriation for ESG, HUD adds that jurisdiction's allocation to the allocation for the State in which the jurisdiction is located.

**Note:** The Act to Prevent Mortgage Foreclosures and Enhance Mortgage Credit Availability Act was signed into law on May 20, 2009 (Public Law 111-22). Division B of this new law is the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act). The HEARTH Act amends Subtitle B of Title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11371-11378) to rename the program the Emergency Solutions Grants program, expand the range of eligible activities under the program, and add or change certain program requirements. HUD is now in the process of revising the regulations at 24 CFR part 576 to implement these changes and make other refinements to the program.

**Information Sources:** Administering office and local HUD field offices.
On the Web: www.hud.gov/offices/cpd/homeless/programs/esg/index.cfm

## Surplus Property for Use to Assist the Homeless (Title V)

Makes suitable federal properties, which are categorized as unutilized, underutilized, excess, or surplus, available to states, local governments, and nonprofit organizations for use to assist homeless persons.

**Nature of Program:** HUD collects information from federal agencies about their unutilized, underutilized, excess, and surplus properties and determines which are suitable for use to assist homeless persons. The decision is based on information submitted by the agency controlling the property. Every Friday, HUD publishes a Federal Register notice listing the available property. States, local governments, and nonprofit organizations apply to the Department of Health and Human Services (HHS) to obtain the property.

**Note**: The Act to Prevent Mortgage Foreclosures and Enhance Mortgage Credit Availability Act was signed into law on May 20, 2009 (Public Law 111-22). Division B of this new law is the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act), which amends the McKinney-Vento Act definition of homeless used by Title V, but otherwise leaves Title V unchanged. The change in definition will be considered through separate rulemaking in conjunction with the Department of Health and Human Services (HHS) and the General Services Administration (GSA), which administer this program with HUD.

**Information Sources:** Administering office, local HUD field offices, GSA, and HHS. Further information on a specific property is available from the landholding agency. For the name and contact at these agencies, call the nearest HUD field office or HUD's toll-free number at (800) 927-7588. On the Web: www.hud.gov/offices/cpd/homeless/programs/t5/index.cfm

## Supportive Housing Program

Grants offered through a competitive process for new construction, acquisition, rehabilitation, or leasing of buildings to provide transitional or permanent housing, as well as supportive services to homeless individuals and families; grants to fund a portion of annual operating costs; and grants for technical assistance.

**Nature of Program:** The Supportive Housing program is designed to promote the development of supportive housing and supportive services to assist homeless persons in transitioning from homelessness, and to promote the provision of supportive housing to enable homeless persons to live as independently as possible. Grants under the Supportive Housing Program are awarded through a national competition held annually.

**Applicant Eligibility:** State or local governmental entities, private nonprofit organizations, or community mental health associations that are public nonprofit organizations.

**Note**: The Act to Prevent Mortgage Foreclosures and Enhance Mortgage Credit Availability Act was signed into law on May 20, 2009 (Public Law 111-22). Division B of this new law is the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act). The HEARTH Act amends the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11371 et seq.) by consolidating and amending three separate homeless assistance programs (the Supportive Housing program, the Shelter Plus Care program, and the Moderate Rehabilitation/Single Room Occupancy program) carried out under title IV of the McKinney-Vento Act into a single grant program called the Continuum of

Care Program. The Supportive Housing Program will cease to exist upon implementation of the Continuum of Care program.

**Information Sources:** Administering office and local HUD field offices.
On the Web: www.hud.gov/offices/cpd/homeless/programs/shp/index.cfm

## Continuum of Care Program

Promotes community-wide commitment to the goal of ending homelessness; provides funding for efforts by nonprofit providers and State and local governments to quickly re-house homeless individuals and families to minimize trauma and dislocation; promotes access to and effective utilization of mainstream programs; and optimizes self-sufficiency among individuals and families experiencing homelessness.

**Nature of Program:** Grants offered through a competitive process for new construction; acquisition, rehabilitation, or leasing of buildings to provide transitional or permanent housing; rental assistance; payment of operating costs; supportive services; re-housing services; payment of administrative costs; and grants for technical assistance.

**Applicant Eligibility:** Private nonprofit organizations, states, local governments, and instrumentalities of state and local governments are eligible to apply if they have been selected by the Continuum of Care for the geographic area in which they operate.

**Note**: The Act to Prevent Mortgage Foreclosures and Enhance Mortgage Credit Availability Act was signed into law on May 20, 2009 (Public Law 111-22). Division B of this new law is the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act), which created the Continuum of Care program by combining three current homeless assistance programs.

**Information Source:** Administering office and local HUD field offices.
On the Web:
http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/homeless/programs/coc
Local Resources: http://www.hudhre.info/index.cfm?do=viewCocContacts&st=AL&cSort=cocNum#tl

**Current Status:** Being implemented.

## Section 8 Moderate Rehabilitation Single Room Occupancy (SRO) Program

Assists very low-income, single, homeless individuals in obtaining decent, safe, and sanitary housing in privately owned, rehabilitated buildings.

**Nature of Program:** Under the SRO program, HUD enters into annual contributions contracts (ACCs) with public housing agencies (PHAs) in connection with the moderate rehabilitation of residential properties. These PHAs make Section 8 rental assistance payments to participating landlords on behalf of homeless individuals who rent the rehabilitated dwellings. The rental assistance payments generally cover the difference between a portion (usually 30 percent) of the tenant's adjusted income and the unit's rent, which must be within the fair market limit established by HUD.

HUD provides rental assistance for SRO units for a period of 10 years. Owners are compensated for the cost of rehabilitation (as well as the other costs of owning and maintaining the property) through the rental assistance payments.  At the same time, each unit must need a minimum of $3,000 of eligible rehabilitation to qualify for the program.

**Applicant Eligibility:** HUD selects PHAs and private nonprofit organizations for funding on the basis of a national continuum of care competition, in which applicants must demonstrate a need for the assistance and the ability to undertake and carry out the SRO program.  In their applications, applicants are required to identify the sponsors of proposed projects, specific structures to be rehabilitated, prospective sources of acquisition and/or rehabilitation financing, and a plan for providing supportive services for the homeless individuals in the units.  Generally, very low-income, single, homeless individuals are eligible to occupy the assisted units.

**Note:** The Act to Prevent Mortgage Foreclosures and Enhance Mortgage Credit Availability Act was signed into law on May 20, 2009 (Public Law 111-22).  Division B of this new law is the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act).  The HEARTH Act amends the McKinney-Vento Homeless Assistance Act (42 U.S.C.  11371 et seq.) by consolidating and amending three separate homeless assistance programs (the Supportive Housing program, the Shelter Plus Care program, and the Moderate Rehabilitation/Single Room Occupancy program) carried out under title IV of the McKinney-Vento Act into a single grant program called the Continuum of Care Program.  The Section 8 Moderate Rehabilitation Program will cease to exist upon implementation of the Continuum of Care program.

**Information Sources:** Administering office and local HUD field offices.
On the Web: [www.hud.gov/offices/cpd/homeless/programs](www.hud.gov/offices/cpd/homeless/programs)

## Rural Housing Stability Assistance Program

Provides re-housing or improves the housing situations of individuals and families who are homeless or in the worst housing situations in the geographic area; stabilizes the housing of individuals and families who are in imminent danger of losing housing; and improves the ability of the lowest-income residents of the community to afford stable housing.

**Nature of Program:** Competitively awarded grants for rent, mortgage, or utility assistance, security deposits, relocation assistance, short-term emergency lodging, construction of new housing units to provide transitional or permanent housing, acquisition or rehabilitation of a structure to provide non-emergency transitional or permanent housing, property leasing, rental assistance, and payment of operating costs for assisted housing units.

**Applicant Eligibility:** Organizations eligible to receive a grant under this program include private nonprofit entities and county and local governments.

**Note**: The Act to Prevent Mortgage Foreclosures and Enhance Mortgage Credit Availability Act was signed into law on May 20, 2009 (Public Law 111-22).  Division B of this new law is the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act), which repealed the Rural Homeless Housing Assistance program, which had never been implemented or funded, and created the Rural Housing Stability Assistance program.

**Information Sources:** Administering office and local HUD field offices.
On the Web: [http://portal.hud.gov/hudportal/HUD?src=/hudprograms/rural-housing](http://portal.hud.gov/hudportal/HUD?src=/hudprograms/rural-housing)

**Current Status:** Being implemented.

## Brownfields Economic Development Initiative (BEDI)

Competitive grant program designed to assist cities with the redevelopment of abandoned and underused industrial and commercial facilities, where expansion and redevelopment is burdened by real or potential environmental contamination.

**Nature of Program:** BEDI provides competitive economic development grants to Community Development Block Grant (CDBG) recipients, in connection with notes or other obligations guaranteed under Section 108 of the Housing and Community Development Act of 1974, for the purposes of enhancing either the security of the guaranteed loans or the viability of the projects financed with these Section 108 loans. Grants provide financial assistance for industrial or commercial sites known as brownfields, on which redevelopment is hindered by the presence or potential presence of environmental contamination. BEDI funds may be used for virtually all activities eligible under the CDBG program, and also in conjunction with other CDBG and Section 108 Loan Guarantee proceeds, and must comply with national objectives and other eligibility requirements.

**Applicant Eligibility:** CDBG entitlement communities and non-entitlement communities are eligible. A request for a new Section 108 loan guarantee authority must accompany each BEDI application. BEDI and Section 108 funds must be used in conjunction with the same economic development project. Non-entitlement communities, including those in Hawaii, may also apply for and receive grants under the BEDI program. If a non-entitlement community receives a BEDI grant and applies for Section 108 loan guarantee assistance, the applicable state entity (or HUD, in the case of Hawaii) is required to pledge CDBG funds as partial security for the loan guarantee.

**Information Sources:** Administering office.
On the Web: www.hud.gov/offices/cpd/economicdevelopment/programs/bedi/index.cfm
Local CDBG Contacts: http://portal.hud.gov/hudportal/HUD?src=/states/alabama/community/cdbg

## Self-Help Homeownership Opportunity Program (SHOP)

Grants for self-help housing.

**Nature of Program:** SHOP authorizes HUD to make competitive grants to national and regional nonprofit organizations and consortia that have experience in providing or facilitating self-help housing opportunities. Grants are to be used by the grantee or its affiliates for eligible expenses in connection with developing non-luxury housing for low-income families and persons who otherwise would be unable to purchase a house. Eligible expenses for grants are limited to land acquisition (including financing and closing costs), infrastructure improvements (installing, extending, constructing, rehabilitating, or otherwise improving utilities and other infrastructure), and administrative costs (up to 20 percent of the grant amount). Homebuyers must contribute a significant amount of sweat equity toward the construction of their homes. SHOP also requires community participation through volunteers who assist the homebuyers on the construction of the homes. Assisted units must be decent, safe, and sanity non-luxury dwellings that comply with local building and safety codes and standards. These units must be sold to eligible low-income homebuyers at prices below the prevailing market price.

**Applicant Eligibility:** National and regional nonprofit organizations and consortia.

**Information Sources:** Administering office.
On the Web: www.hud.gov/offices/cpd/affordablehousing/programs/shop/index.cfm

## Capacity Building for Community Development and Affordable Housing

Grants to national intermediaries to develop the capacity and ability of community development corporations (CDCs) and community housing development organizations (CHDOs) to carry out community development and affordable housing activities that benefit low income families.

**Nature of Program:** Section 4 of the HUD Demonstration Act of 1993 authorizes HUD to provide assistance through competitive grants to five national nonprofit intermediary groups. These groups provide direct operational support, loans, grants, and predevelopment assistance to subgrantee CDCs and CHDOs or provide training and education to develop the capacity and ability of CDCs or CHDOs to undertake community development and affordable housing projects and programs. The grantees concentrate on neighborhood based nonprofit CDCs and CHDOs that have as part of their mission the holistic improvement of the neighborhood for the benefit of low income families. Private sources must provide a match three times the amount of any assistance provided under this section.

**Applicant Eligibility:** Living Cities/The National Community Development Initiative, Local Initiatives Support Corporation (LISC), Enterprise Community Partners, Inc., Habitat for Humanity International, and YouthBuild USA.

**Information Sources:** Administering office.
On the Web: www.hud.gov/offices/cpd/about/capacitybuilding.cfm

## Housing Opportunities for Persons With AIDS (HOPWA)

Provides formula allocations and competitively awarded grants to eligible states, cities, and nonprofit organizations to provide housing assistance and related supportive services to meet the housing needs of low-income persons and their families living with HIV/AIDS. These resources help clients maintain housing stability, avoid homelessness, and improve access to HIV/AIDS treatment and related care while placing a greater emphasis on permanent supportive housing.

**Nature of Program:** The HOPWA program was established by the AIDS Housing Opportunity Act and remains the only federal housing program solely dedicated to providing rental housing assistance for persons and their families living with HIV/AIDS. The program provides states and localities with resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of low-income persons living with HIV/AIDS. HOPWA housing support enables these special-needs households to establish or maintain stable housing, reduce their risks of homelessness, and improve their access to healthcare and other support. Housing assistance provides the foundation from which these individuals and their families may participate in advances in HIV treatment and related care. Although a large majority of HOPWA grant funding (90 percent) is allocated by formula based on the number of cases and highest incidence of AIDS, approximately 10 percent is awarded for the renewal of permanent supportive housing projects, demonstration projects for Special Projects of National Significance, and for non-formula areas. Applicants for formula awards are the eligible states and the most populous city in each eligible Metropolitan Statistical Area that qualifies and follows HUD's Consolidated Planning process. Eligible competitive grant applicants include states, units of general local government, and nonprofit organizations. HUD gives priority to the renewal of competitive projects that have provided permanent supportive housing for this special needs population. In addition, competitive grant funding is also available to provide additional funding for training, oversight, and technical assistance activities.

Grants may be used to provide a variety of forms of rental housing assistance, including emergency and transitional housing, shared housing arrangements, community residences, and single room occupancy dwellings (SROs). Appropriate supportive services are provided as part of any assisted housing. Eligible grant activities include housing information, resource identification, and permanent housing placement; acquisition, rehabilitation, conversion, lease, and repair of facilities to provide short-term shelter and services; new construction (for SROs and community residences only); project- or tenant-based rental assistance, including assistance for shared housing arrangements; short-term rent, mortgage, and utility payments; operating costs; technical assistance for community residences; administrative expenses; and supportive services, including case management.

Eligible persons receiving HOPWA rental assistance or residing in rental housing assisted under this program must pay as rent, including utilities, the highest of 30 percent of the family's monthly adjusted income, 10 percent of the family's monthly income, or the applicable portion of the family's welfare payment that is designated for housing costs.

**Applicant Eligibility:** States, units of local governments, and nonprofit organizations.

**Information Sources:** Administering office.
On the Web: www.hud.gov/offices/cpd/aidshousing/programs/index.cfm
Local Resources: http://www.hudhre.info/index.cfm?do=viewHopwaGranteeResults&st=AL

# Federal Housing Administration (FHA)
## Single Family Housing Programs

### One- to Four-Family Home Mortgage Insurance (Section 203(b))
Federal mortgage insurance to finance homeownership and the construction and financing of housing.

**Nature of Program:** Homebuyers may obtain FHA-insured mortgages from HUD-approved lenders to purchase homes (including condominium units) with low downpayments. By insuring commercial lenders against loss, HUD encourages them to invest capital in the home mortgage market. HUD insures loans made by private financial institutions a portion of the sales price with terms for up to 30 years. The loan may finance homes in both urban and rural areas. The maximum mortgage amounts are at least $271,050 in all areas, with higher limits in areas with higher median house prices up to a maximum of $729,750 for one-unit homes through September 30, 2011. Higher limits also exist for two- to four-family properties. The loan limits change annually, based on home price estimates. The limits are benchmarked to the loan limits of the Government-Sponsored Enterprises, Fannie Mae and Freddie Mac. The mortgagee collects from the borrower an up-front mortgage insurance premium payment, which may be financed, at the time of loan closing, as well as annual premiums that are not financed, but included in the regular mortgage payment.

**Applicant Eligibility:** Any person able to meet the cash investment, mortgage payment, and credit requirements. The program is generally limited to owner-occupants.

**Information Sources:** Administering office and the FHA Resource Center at 1-800-225-5342.
On the Web: www.hud.gov/offices/hsg/sfh/ins/203b--df.cfm
To locate a HUD-approved lender on the Web: http://www.hud.gov/ll/code/llslcrit.html
Condominium program website: www.hud.gov/offices/hsg/sfh/condo/index.cfm
To locate a HUD-approved Housing Counseling Agency in Alabama:
http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?webListAction=search&searchstate=AL

## Mortgage Insurance for Disaster Victims (Section 203(h))

Federal mortgage insurance for victims of a major disaster who have lost their homes and are in the process of rebuilding or buying another home.

**Nature of Program:** This program helps victims in Presidentially designated disaster areas recover by making it easier for them to obtain mortgage loans and become homeowners or reestablish themselves as homeowners. The program provides mortgage insurance to protect lenders against the risk of default on loans to qualified disaster victims. Individuals are eligible for this program if their homes are located in an area that was designated by the President as a disaster area and were destroyed or damaged to such an extent that reconstruction or replacement is necessary. Insured loans may be used to finance the purchase or reconstruction of a one-family home that will be the principal residence of the homeowner. This program resembles the Section 203(b) program (Mortgage Insurance for One- to Four-Family Homes), FHA's basic mortgage insurance program.

Section 203(h) offers features that make homeownership easier. For example, no downpayment is required. The borrower is eligible for 100 percent financing. Closing costs and prepaid expenses must be paid by the borrower in cash or paid through premium pricing by the seller, subject to a limitation on seller concessions. Mortgagees collect from the borrowers an up-front insurance premium (which may be financed) at the time of purchase, as well as monthly premiums that are not financed, but instead are added to the regular mortgage payment.

**Applicant Eligibility:** Any person whose home has been destroyed or severely damaged in a Presidentially declared disaster area is eligible to apply for mortgage insurance under this program, even if they were renting the property. The borrower's application for mortgage insurance must be submitted to an FHA-approved lending institution within one year of the President's declaration of the disaster.

**Information Sources:** Administering office and the FHA Resource Center at 1-800-225-5342.
On the Web: www.hud.gov/offices/hsg/sfh/ins/203h-dft.cfm
To locate a HUD-approved lender on the Web: http://www.hud.gov/ll/code/llslcrit.html
To locate a HUD-approved Housing Counseling Agency in Alabama:
http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?webListAction=search&searchstate=AL

## Rehabilitation Loan Insurance (Section 203(k))

Insures loans to finance the rehabilitation or purchase and rehabilitation of one- to four-family properties.

**Disaster Relief:** HUD's Section 203(k) loan program enables those who have lost their homes to finance the purchase or refinance of a house along with its repair through a single mortgage. It also allows homeowners who have damaged houses to finance the rehabilitation of their existing home.

**Nature of Program:** HUD insures rehabilitation loans up to approximately 96.5 percent of the lesser of appraised value before rehabilitation plus rehabilitation costs or 110 percent of appraised value after rehabilitation. A loan can be used to (1) finance rehabilitation of an existing property; (2) finance rehabilitation and refinancing of the outstanding indebtedness of a property; and (3) finance purchase and rehabilitation of a property. An eligible rehabilitation loan must involve a principal obligation not exceeding the amount allowed under Section 203(b) home mortgage insurance.

**Applicant Eligibility:** Any person able to make the cash investment and the mortgage payments.

**Information Sources:** Administering office and the FHA Resource Center at 1-800-225-5342.
On the Web: www.hud.gov/offices/hsg/sfh/203k/203k--df.cfm
To locate a HUD-approved lender on the Web: http://www.hud.gov/ll/code/llslcrit.html
To locate a HUD-approved Housing Counseling Agency in Alabama:
http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?webListAction=search&searchstate=AL

## Energy Efficient Mortgage Insurance

Federal mortgage insurance to finance the cost of energy efficiency measures.

**Nature of Program:** FHA's Energy Efficient Mortgage program (EEM) helps homebuyers or homeowners save money on utility bills by enabling them to finance the cost of adding energy efficiency features to new or existing housing as part of their FHA insured home purchase or refinancing mortgage.

An FHA mortgage may exceed the normal maximum loan limits by the cost of energy efficient improvements, providing those improvements were verified to be cost-effective, meaning that the total cost of the improvements is less than the total present value of the energy saved over the useful life of the energy improvement. The borrower may be qualified for the loan without the additional loan funds used for energy upgrades, but must make a 3.5 percent cash investment in the property based on the lesser of sales price or appraised value.

The cost of the energy improvements and estimate of the energy savings must be determined by a home energy rating, which may be financed as part of the cost-effective energy package. Energy improvements to an existing home may be installed within a limited time period after the insured loan has closed, depending on the program under which the mortgage is insured. Energy improvements to a newly constructed home must be installed prior to closing. The maximum mortgage amount for a single-family unit depends on its location and is adjusted annually.

**Applicant Eligibility:** One- to four-unit existing and new properties are eligible.

**Information Sources:** Administering office and the FHA Resource Center at 1-800-225-5342.
On the Web: www.hud.gov/offices/hsg/sfh/eem/energy-r.cfm
To locate a HUD-approved lender on the Web: http://www.hud.gov/ll/code/llslcrit.html
To locate a HUD-approved Housing Counseling Agency in Alabama:
http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?webListAction=search&searchstate=AL
More Information: FHA Mortgagee Letters 93–13 (Single Family Loan Production—Energy Efficient Mortgage Pilot Program), 95–46 (Single Family Loan Production—Expansion of the Energy-Efficient Mortgage Program), and HUD Handbook 4155.1, Rev. 5, Chg. 1.

## Single Family Property Disposition Program (Section 204(g)) - Real Estate Owned Properties

Disposes of one- to four-family FHA properties in a manner targeted to expanding homeownership opportunities.

**Disaster Relief:** HUD may offer special discounts or housing lease options during certain (not all) Presidentially declared disasters.
http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/reo/reodisas

**Nature of Program:** The purpose of this program is to dispose of properties acquired by the Federal Housing Administration (FHA) through foreclosure of an insured or Secretary-held mortgage or loan under the National Housing Act. Single family foreclosed properties contain one to four units. Listings of properties in inventory are available on the Internet. Individual parties may submit an offer through the Internet, using a real estate broker licensed with HUD. Nonprofit and government entities may purchase properties at a discount through a lottery system without a real estate broker.

**Applicant Eligibility:** Individual bidders are eligible if they can finance their home purchase and provide an earnest money deposit with their bids. Nonprofit and government entities have special eligibility requirements, as detailed on HUD's website.

**Information Sources:** Administering office and the FHA Resource Center at 1-800-225-5342.
On the Web: www.hud.gov/offices/hsg/sfh/reo/reohome.cfm
Local Resources: https://hudhomestore.secureportalk.net/HUD/PropertySearchResult.aspx?sState=AL

## Loss Mitigation

Prescribed set of default workout options that allow lenders to effectively work with delinquent FHA borrowers to find solutions to avoid foreclosure.

**Disaster Relief:** HUD grants a 90-day moratorium on foreclosures and forbearance on foreclosures of Federal Housing Administration (FHA)-insured home mortgages where there is a Presidentially declared disaster.

**Nature of Program:** FHA Loss Mitigation delegates to mortgagees both the authority and the responsibility to utilize certain actions and strategies to assist borrowers in default or imminent default retain their homes, and/or reduce losses to the insurance fund that result from mortgage foreclosures. Mortgagees may utilize any of several loss mitigation options that lead to home retention, including: FHA-HAMP, long-term special forbearance, mortgage modification, and partial claim (an option exclusive to HUD wherein the Department makes a no-interest loan to the borrower in an amount sufficient to reinstate the mortgage). If the borrower is unable or unwilling to support the mortgage debt, servicers must consider use of other loss mitigation tools, including a pre-foreclosure sale or a deed in lieu of foreclosure, before initiating legal action to foreclose the mortgage.

HUD encourages mortgagees to utilize loss mitigation by reimbursing administrative costs (title reports, recording fees) involved in these actions and by paying financial incentives. Though mortgagees have flexibility in selecting the loss mitigation strategy appropriate for each borrower, participation in the loss mitigation program is not optional. Prior to initiation of foreclosure, mortgagees are required to evaluate all defaulted borrowers for loss mitigation options eligibility, quickly activate appropriate loss mitigation options, provide housing counseling availability information, consider all reasonable means to assist the borrower in addressing the delinquency, and retain written documentation of compliance with loss mitigation requirements. Failure to comply may result in the loss of incentive compensation, interest curtailment, and other financial and administrative sanctions, including withdrawal of HUD's approval of a mortgagee.

**Mortgagor Eligibility:** Any FHA-insured borrower who is in default for at least 90 days (120 days for partial claim) and who occupies the mortgaged property as a primary residence may be eligible for home retention loss mitigation. FHA-HAMP, pre-foreclosure sale and deed-in-lieu options are available immediately upon default, if the cause of the default is incurable.

**Information Sources:** HUD's National Servicing Center at 1-888-297-8685.
On the Web: http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/nsc/lossmit
Tips to Avoid Foreclosure: www.hud.gov/foreclosure/index.cfm
Local Resources: http://www.hud.gov/local/al/homeownership/foreclosure.cfm

## Unemployment Special Forbearance Program

The Unemployment Special Forbearance Program announced in July 2011 requires that servicers extend the forbearance agreements of qualifying unemployed homeowners to at least 12 months.

**Nature of Program:**

FHA Type 1 Special Forbearance Temporary Program Changes

FHA's forbearance extension will become effective on August 1st, 2011, and will expire 2 years from the effective date. Servicers will have 60 days beyond August 1st to implement the extension. On the expiration date, all guidelines pertaining to special forbearances will return to the original program requirements.

The FHA is temporarily changing its Type 1 Special Forbearance program requirements in the following ways:

i. Removing upfront barriers to the participation.
ii. Extending the minimum forbearance period from four months to twelve months.

In addition, the FHA will reemphasize the requirement that servicers conduct a review at the end of the forbearance period to evaluate the borrower for all applicable foreclosure assistance programs, starting with extended forbearance, and notify the borrower in writing whether or not he/she qualifies for any available option.

i. If the borrower does not qualify for any foreclosure assistance option, the servicer must provide the borrower with the reason for denial and allow the borrower at least seven calendar days to submit additional information that may impact the servicer's evaluation.

Reasons for denial could include, but are not limited to:

i. The delinquency exceeds 12 months worth of Principal, Interest, Taxes and Insurance (PITI) installments;
ii. The borrower is unable to make a partial payment; and/or
iii. The borrower has qualified for a standard foreclosure assistance option.

The forbearance plan will continue to its end point unless one of the following conditions occurs:

i. The borrower abandons the property.

ii. The borrower advises the servicer he/she is no longer going to seek employment and/or will not honor the terms of the forbearance agreement.
iii. The borrower allows forbearance payments to become 60 days past due and unpaid.
iv. The borrower finds a job and the loan is reinstated.

**Applicant Eligibility:** Unemployed homeowners.

**Information Sources:** HUD's National Servicing Center at 1-888-297-8685 and www.makinghomeaffordable.gov.
On the Web:
http://portal.hud.gov/hudportal/HUD?src=/press/press_releases_media_advisories/2011/HUDNo.11-139
Fact Sheet: http://portal.hud.gov/hudportal/documents/huddoc?id=UnemplymtFactSheet.pdf

## FHA-Home Affordable Modification Program (FHA-HAMP)

Allows homeowners to modify their FHA-insured mortgages to reduce monthly mortgage payments and avoid foreclosure.

**Nature of Program:** FHA-HAMP allows the use of a partial claim up to 30 percent of the unpaid principal balance as of the date of default combined with a loan modification.

To confirm if the mortgagor is capable of making the new FHA-HAMP payment, the mortgagor must successfully complete a trial payment plan. The trial payment plan shall be for a three month period and the mortgagor must make each scheduled payment on time. The mortgagor's monthly payment required during the trial payment plan must be the amount of the future modified mortgage payment. The Mortgagee must service the mortgage during the trial period in the same manner as it would service a mortgage in forbearance. If the mortgagor does not successfully complete the trial payment plan by making the three payments on time, the mortgagor is no longer eligible for FHA-HAMP.

**Applicant Eligibility:** Mortgagors with FHA-insured mortgages that do not qualify for other loss mitigation programs and with adequate debt-to-income ratios. Homeowners must successfully complete a trial payment plan before becoming a full participant in the program.

**Information Source:** Administering Office and HUD's National Servicing Center at 1-888-297-8685.
On the Web: http://www.makinghomeaffordable.gov/programs/lower-payments/Pages/fha-hamp.aspx

## Home Equity Conversion Mortgage (HECM) Program (Section 255)

The Federal Housing Administration (FHA) mortgage insurance allows borrowers, who are at least 62 years of age, to convert the equity in their homes into a monthly stream of income or a line of credit.

**Nature of Program:** Reverse mortgages can provide a valuable financing alternative for qualified homeowners. Any lender authorized to make HUD-insured loans may originate reverse mortgages. Borrowers may choose from among five payment options: (1) tenure, by which the borrower receives monthly payments from the lender for as long as the borrower lives and continues to occupy the home as a principal residence; (2) term, by which the borrower receives monthly payments for a fixed period selected by the borrower; (3) line of credit, by which the borrower can make withdrawals up to a maximum amount, at times and in amounts of the borrower's choosing; (4) modified tenure, by which the tenure option is combined with a line of credit; and (5) modified term, by which the term option is combined with a line of credit.

The borrower retains ownership of the property and may sell the home and move at any time, keeping the sales proceeds in excess of the mortgage balance. The borrower cannot be forced to sell the home to pay off the mortgage, even if the mortgage balance grows to exceed the value of the property. An FHA-insured reverse mortgage need not be repaid until the borrower moves, sells, or dies. When the loan is due and payable, if the loan exceeds the value of the property, the borrower (or the heirs) will owe no more than the value of the property.

**Applicant Eligibility:** All borrowers must be at least 62 years of age and occupy the property as a principal residence. Any existing lien on the property must be small enough to be paid off at settlement of the reverse mortgage.

**Information Sources:** Administering office and the FHA Resource Center at 1-800-225-5342.
On the Web: www.hud.gov/offices/hsg/sfh/hecm/hecmabou.cfm
To locate a HUD-approved lender on the Web: http://www.hud.gov/ll/code/llslcrit.html
To locate a HUD-approved Housing Counseling Agency in Alabama:
http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?webListAction=search&searchstate=AL

## Manufactured Homes Loan Insurance (Title I)

Federal insurance of loans to finance the purchase of manufactured homes.

**Nature of Program:** HUD insures loans to finance the purchase of manufactured homes or lots. The loans are made by private lending institutions. The maximum loan amount is $69,678 for a manufactured home, $92,904 for a manufactured home and a suitably developed lot, and $23,226 for a developed lot. The maximum limits for combination home and lot loans may be increased up to 85 percent in designated high-cost areas. The maximum loan term varies from 15 to 25 years, depending on the type of loan. Most manufactured home loans are financed through purchases by lenders of retail installment contracts between homebuyers and manufactured home dealers.

**Applicant Eligibility:** Any person able to make the cash investment and the loan payments; however, the home must be the principal residence of the borrower.

**Information Sources:** Administering office and the FHA Resource Center at 1-800-225-5342.
On the Web: http://www.hud.gov/offices/hsg/sfh/title/manuf14.cfm
To locate a HUD-approved lender on the Web: http://www.hud.gov/ll/code/llslcrit.html
To locate a HUD-approved Housing Counseling Agency in Alabama:
http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?webListAction=search&searchstate=AL

## Property Improvement Loan Insurance (Title I)

Federal insurance of loans to finance property improvements.

**Nature of Program:** HUD insures loans to finance improvements, alterations, and repairs of individual homes, apartment buildings, and nonresidential structures, as well as new construction of nonresidential buildings. Loans on single family homes (except manufactured homes) and nonresidential structures may be for up to $25,000 and may extend to 20 years. Loans on apartment buildings may be as high as $12,000 per unit, but the total for the building cannot exceed $60,000, and the loan term cannot exceed 20 years. A loan on a manufactured home that is classified as real property may be for up to $17,500 with a maximum loan term of 15 years. Loans on other manufactured homes are limited to $7,500 and a maximum term of 12 years. A property improvement loan may be a loan from the lender to the borrower or a retail sales installment contract (purchased by a lender) between the borrower and the contractor or dealer providing the materials or services.

Loans over $7,500 must be secured by a recorded mortgage or deed of trust on the improved property.

**Applicant Eligibility:** Any person who is able to make loan payments and has at least a 50 percent ownership in the property to be improved.

**Information Sources:** Administering office and the FHA Resource Center at 1-800-225-5342.
On the Web: www.hud.gov/offices/hsg/sfh/title/title-i.cfm
To locate a HUD-approved lender on the Web: http://www.hud.gov/ll/code/llslcrit.html
To locate a HUD-approved Housing Counseling Agency in Alabama:
http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?webListAction=search&searchstate=AL

## Counseling for Homebuyers, Homeowners, and Tenants (Section 106)

Housing counseling for homebuyers, homeowners, and tenants.

**Nature of Program:** HUD is authorized to counsel current and prospective homebuyers, homeowners, and tenants. HUD provides the service through approximately 1,700 HUD-approved counseling agencies. These agencies are public and private nonprofit organizations with housing counseling skills and knowledge of HUD, VA, and conventional housing programs. HUD awards housing counseling grants on a competitive basis to its approved agencies when Congress appropriates funds for this purpose. The funding helps the approved agencies partially meet their operating expenses.

Counseling consists of information on the purchase and rental of housing, money management, budgeting, credit counseling, prevention of mortgage default and rent delinquencies that lead to foreclosure or eviction, home maintenance, fair housing laws, and requirements and guidance regarding the Home Equity Conversion Mortgage application. The objective of the counseling is to help homebuyers, homeowners, and tenants to improve their housing conditions and to meet their responsibilities.

**Applicant Eligibility:** Homeless individuals and families, potential renters, renters, potential homebuyers, homebuyers, and homeowners may seek the assistance of a HUD-approved housing counseling agency to meet a housing need or resolve a housing problem.

**Information Sources:** Administering office and the FHA Resource Center at 1-800-225-5342. To locate a HUD-approved housing counselor in a specific area, call 1-800-569-4287 or go online to http://portal.hud.gov/portal/page/portal/HUD/i_want_to/talk_to_a_housing_counselor.
On the Web: www.hud.gov/offices/hsg/sfh/hcc/hcc_home.cfm
Locate a HUD-approved Housing Counseling Agency in Alabama:
http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?webListAction=search&searchstate=AL

## Good Neighbor Next Door

Provides law enforcement officers, teachers, firefighters, and emergency medical technicians with the opportunity to purchase homes located in revitalization areas at a significant discount.

**Nature of Program:** The Department wants to make American communities stronger and build a safer nation. The Good Neighbor Next Door program promotes these goals by encouraging persons whose daily professional responsibilities represent a nexus to the needs of the community to purchase and live in homes in these communities. This program makes homes in revitalization areas available to law enforcement officers, teachers, firefighters, and emergency medical technicians. Each year, HUD sells a limited number of properties from its inventory at a 50 percent discount from the list price to eligible persons in the above professions. To make these homes even more affordable, eligible program participants may apply for an FHA-insured mortgage with a downpayment of only $100. Because homes sold through this program are located in revitalization areas, there may be additional assistance from state or local government sources. If the home needs repairs, the purchaser may also use FHA's Section 203(k) mortgage program. The Section 203(k) program provides financing for both the purchase of the home and cost of needed repairs.

**Applicant Eligibility:** Purchasers must be employed as a full-time law enforcement officer, teacher, firefighter, or emergency medical technician, and must certify that they intend to continue such employment for at least one year following the date of closing. The eligible purchaser does not need to be a first-time homebuyer. However, the purchaser (or spouse) cannot have owned another home for one year prior to the time a bid for purchase is submitted, and the purchaser must agree to live in the HUD home as the principal residence for 3 years after move-in.

**Information Sources:** Administering office and HUD Atlanta Homeownership Center.
On the Web:
http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/reo/goodn/gnndabot
Local Properties:
https://hudhomestore.secureportalk.net/HUD/PropertySearchResult.aspx?zipCode=&city=&county=&street=&sState=AL&fromPrice=0&toPrice=0&caseNumber=&bed=0&bath=0&buyerType=Good%20Neighbor%20Next%20Door&Status=0

## Insured Mortgages on Indian Land (Section 248)

FHA insures loans made to Native Americans to buy, build, or rehabilitate houses on Indian land. These loans are fundamentally the same as regular Section 203(b) loans except that they are only available to Native Americans on Indian land.

**Nature of Program:** Native Americans are the most poorly housed sector of the American population. FHA's mortgage insurance provides opportunities for low- and moderate-income Native Americans to purchase a home in their communities on Indian land. Because of the complex title issues on Indian land, many lenders have been reluctant to finance housing. With FHA insurance, the lender's risk is minimized, and this program increases the availability of mortgage credit to Native Americans living on Indian land. FHA's low downpayment requirements and flexible underwriting standards increase the ability of Native Americans to meet the requirements for the loan.

**Applicant Eligibility:** Any Native Americans wishing to live on Indian land and intending to use the mortgage property as the primary residence is eligible to apply for mortgage insurance.

**Information Sources:** Administering office and HUD field offices.
On the Web: www.hud.gov/offices/hsg/sfh/ins/sfh248.cfm
To locate a HUD-approved lender on the Web: http://www.hud.gov/ll/code/llslcrit.html
To locate a HUD-approved Housing Counseling Agency in Alabama:
http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?webListAction=search&searchstate=AL

# Federal Housing Administration (FHA)
## Multifamily Housing Programs

### Disaster Recovery Guidance by Multifamily Housing After a Presidentially Declared Disaster

**Information Sources:** Administering office and HUD field offices.
On the Web: HUD Handbook 4350.1, REV-1, CHG-2, Chapter 38, is the official Multifamily Emergency/Disaster Guidance.

### Supportive Housing for the Elderly (Section 202)
Provides assistance to expand the supply of housing with supportive services for the elderly.

**Nature of Program:** Capital advances are made to eligible private, nonprofit sponsors and, in cases of mixed-finance, for-profit limited partnerships where the sole general partner is (i) a nonprofit organization or (ii) a for-profit corporation wholly owned and controlled by one or more nonprofit organizations; or (iii) a limited liability company wholly owned and controlled by one or more nonprofit organizations to finance the development of rental housing with supportive services for the elderly. The advance is interest free and does not have to be repaid so long as the housing remains available for very low-income elderly persons for at least 40 years. Project rental assistance covers the difference between the HUD-approved operating cost of the project and the tenants' contributions toward rent.

**Applicant Eligibility:** Private, nonprofit organizations and consumer cooperatives may qualify for assistance, and may partner with private, for-profit entities so long as the sole general partner is a nonprofit organization that meets the statutory requirements. Occupancy is open to very low-income households which include at least one person 62 years of age or older.

**Information Sources:** Administering office and HUD field offices.
On the Web: www.hud.gov/offices/hsg/mfh/progdesc/eld202.cfm
Local privately-owned Section 202 housing:
http://www.hud.gov/apps/section8/results.cfm?city_name_text=&county_name_text=&zip_code=&property_name_text=&client_group_type=Elderly&maxrec=20&state_code=AL&statename=Alabama

### Emergency Capital Repairs Program
Provides grants for substantial capital repairs to eligible multifamily projects that are owned by private nonprofit entities.

**Nature of Program:** This program provides grants for substantial capital repairs to eligible multifamily projects with elderly tenants that are needed to rehabilitate, modernize, or retrofit aging structures, common areas, or individual dwelling units. The capital repair needs must relate to items that present an immediate threat to the health, safety, and quality of life of the tenants. The intent of these grants is to provide one-time assistance for emergency items that could not be absorbed within the project's operating budget, and where the tenants' continued occupancy in the immediate future would be called into question by a delay in initiating the proposed cure.

**Applicant Eligibility:** Private nonprofit owners of eligible multifamily assisted housing developments designated for occupancy by elderly tenants.

**Information Sources:** Administering office and HUD field offices.
On the Web: http://www.hud.gov/offices/hsg/mfh/progdesc/ecrp.cfm

## Multifamily Rental Housing for Moderate-Income Families (Section 221(d)(3) and (4))

Mortgage insurance to finance rental or cooperative multifamily housing for moderate-income households, including projects designated for the elderly. Section 221(d)(3) and (4) are HUD's major insurance programs for new construction or substantially rehabilitated multifamily rental housing.

**Nature of Program:** The Department insures mortgages made by private lending institutions to help finance construction or substantial rehabilitation of multifamily (five or more units) rental or cooperative housing for moderate-income or displaced families. Projects in both cases may consist of detached, semi-detached, row, walk-up, or elevator structures. SRO projects may consist of units that do not contain a complete kitchen or bath.

Currently, the principal difference between the programs is that HUD may insure up to 100 percent of replacement cost in the case of new construction under Section 221(d)(3) for public, nonprofit and cooperative mortgagors, but only up to 90 percent under Section 221(d)(4), irrespective of the type of mortgagor.

**Applicant Eligibility:** Section 221(d)(3) is available to public, nonprofit, and cooperative mortgagors. Section 221(d)(4) mortgages are available to profit-motivated sponsors.

**Information Sources:** Administering office.
On the Web: www.hud.gov/offices/hsg/mfh/progdesc/rentcoophsg221d3n4.cfm
Local privately-owned multifamily housing:
http://www.hud.gov/apps/section8/step2.cfm?state=AL%2CAlabama

## Mortgage Insurance for Housing for the Elderly (Section 231)

Federal mortgage insurance to finance the construction or rehabilitation of rental housing for the elderly and/or persons with disabilities.

**Nature of Program:** To assure a supply of rental housing suited to the needs of the elderly or handicapped, HUD insures mortgages made by private lending institutions to build or rehabilitate multifamily projects consisting of five or more units. HUD may insure up to 100 percent of the Federal Housing Commissioner's estimate of value after completion for nonprofit and public mortgagors, but only up to 90 percent for private mortgagors. Congregate care projects with central kitchens providing food service are not eligible.

**Applicant Eligibility:** Investors, builders, developers, public bodies, and nonprofit sponsors may qualify for mortgage insurance. All elderly (62 or older) and/or persons with disabilities are eligible to occupy units in a project insured under this program.

**Information Sources:** Administering office; HUD Multifamily Hubs and Program Centers.
On the Web: www.hud.gov/offices/hsg/mfh/progdesc/renthsgeld231.cfm

**Current Status:** Active, but only a few loans are insured each year. Multifamily housing for the elderly is now generally insured under the Section 221(d)(3) and (4) programs.

## Supplemental Loans for Multifamily Projects (Section 241)

Federal mortgage loan insurance to finance improvements and additions to, and equipment for multifamily rental housing and healthcare facilities.

**Nature of Program:** HUD insures loans made by lenders to pay for improvements or additions to apartment projects, nursing homes, hospitals, or group-practice facilities that already carry HUD-insured or HUD-held mortgages. Projects may also obtain FHA insurance on loans to preserve, expand, or improve housing opportunities, to provide fire and safety equipment, or to finance energy conservation improvements to conventionally financed projects. Major movable equipment for nursing homes, group practice facilities, or hospitals also may be covered by a mortgage under this program.

**Applicant Eligibility:** Qualified owners and purchasers of multifamily projects and owners of healthcare facilities (as specified above).

**Information Sources:** Administering offices; HUD Multifamily Hubs and Program Centers for rental projects; Office of Healthcare Programs for healthcare facilities.
On the Web: www.hud.gov/offices/hsg/mfh/progdesc/supplement241a.cfm

## Supportive Housing for Persons with Disabilities (Section 811)

Provides assistance to expand the supply of housing with the availability of supportive services for persons with disabilities and promotes and facilities community integration for people with significant and long-term disabilities.

**Nature of Program:** Capital advances are made to eligible nonprofit sponsors and, in cases of mixed-finance, for-profit limited partnerships the sole general partner of which is (i) is a nonprofit organization; (ii) a for-profit corporation controlled by a nonprofit organization; or (iii) a limited liability company controlled by a nonprofit organization which has a Section 501(c)(3) tax exemption ruling, to finance the development of rental housing with the availability of supportive services for persons with disabilities. The advance is interest free and does not have to be repaid so long as the housing remains available for very low-income persons with disabilities for at least 40 years. Project rental assistance covers the difference between the HUD-approved operating cost of the project and the tenants' contributions toward rent. Section 8 tenant-based assistance is also available, subject to appropriations.

In addition, project rental assistance is available as another method of financing supportive housing for persons with disabilities. This assistance is only available to extremely low-income persons with disabilities and extremely low-income households that include at least one person with a disability.

Funds are provided to state housing finance agencies and other appropriate entities that apply, subject to appropriations.

**Applicant Eligibility:** Nonprofit organizations with a Section 501(c)(3) IRS tax exemption may qualify for assistance, and may partner with private, for-profit entities so long as the sole general partner is a nonprofit organization that meets the statutory requirements. Occupancy is open to very low-income persons with disabilities who are at least 18 years old and less than 62 years of age.

**Information Sources:** Administering office and HUD field offices.
On the Web: www.hud.gov/offices/hsg/mfh/progdesc/disab811.cfm
Local privately-owned Section 811 housing:
http://www.hud.gov/apps/section8/results.cfm?city_name_text=&county_name_text=&zip_code=&property_name_text=&client_group_type=Disabled&maxrec=20&state_code=AL&statename=Alabama

## Multifamily Mortgage Risk-Sharing Programs (Sections 542(b) and 542(c))

Two multifamily mortgage credit programs under which Fannie Mae, Freddie Mac, and state and local housing finance agencies share the risk and the mortgage insurance premium on multifamily housing.

**Nature of Program:** Section 542(b) of the Housing and Community Development Act of 1992 authorizes HUD to enter into reinsurance agreements with Fannie Mae, Freddie Mac, qualified financial institutions (QFIs), and the Federal Housing Finance Board. The agreements provide for risk-sharing on a 50-50 basis. Currently, only Fannie Mae and Freddie Mac have active risk-sharing programs with HUD.

Section 542(c) enables HUD to carry out a program in conjunction with qualified state and local housing finance agencies (HFAs) to provide federal credit enhancement for loans for affordable multifamily housing through a system of risk-sharing agreements. Agreements provide for risk-sharing between 10 percent and 90 percent.

The Fiscal Year 2001 Appropriations Act changed the program from a pilot program into a permanent insurance authority.

**Applicant Eligibility:** Fannie Mae, Freddie Mac, QFIs, HFAs, and the Federal Housing Finance Board.

**Information Sources:** Administering office, and for Section 542(c), state housing finance agencies.
On the Web: www.hud.gov/offices/hsg/mfh/progdesc/riskshare542b.cfm or
www.hud.gov/offices/hsg/mfh/progdesc/riskshare542c.cfm

# Federal Housing Administration (FHA)
## Healthcare Programs

### New Construction or Substantial Rehabilitation of Nursing Homes, Intermediate Care Facilities, Board and Care Homes, and Assisted Living Facilities (Section 232); Purchase or Refinancing of Existing Facilities (Section 232/223(f))

Federal mortgage insurance to finance or rehabilitate nursing, assisted-living, intermediate care, or board and care facilities.

**Nature of Program:** HUD insures mortgages made by private lending institutions to finance construction or renovation of facilities to accommodate 20 or more patients requiring skilled nursing care and related medical services, or those in need of minimum but continuous care provided by licensed or trained personnel. Assisted living facilities and board and care facilities may contain no fewer than five one-bedroom or efficiency units. Nursing home, intermediate care, and board and care services may be combined in the same facility covered by an insured mortgage or may be in separate facilities. Major equipment needed to operate the facility may be included in the mortgage. Facilities for day care may be included. Existing projects are also eligible for purchase or refinancing with or without repairs (and not requiring substantial rehabilitation) under Section 232/ Section 223(f).

**Applicant Eligibility:** Developers, private owners, and private nonprofit corporations or associations, and public agencies (nursing homes only), or public entities that are licensed or regulated by the state to accommodate convalescents and persons requiring skilled nursing care or intermediate care, may qualify for mortgage insurance. Patients requiring skilled nursing, intermediate care, assisted living and/or board and care are eligible to live in these facilities.

**Information Sources:** Office of Healthcare Programs.
On the Web: www.hud.gov/healthcare
Local Healthcare Resources:
http://www.hud.gov/apps/section8/results.cfm?city_name_text=&county_name_text=&zip_code=&property_name_text=&client_group_type=Health+Care&maxrec=20&state_code=AL&statename=Alabama

### Hospitals (Section 242)

Federal mortgage insurance to finance construction or rehabilitation of public or private nonprofit and proprietary hospitals, including major movable equipment.

**Nature of Program:** HUD insures mortgages made by private lenders to facilitate the construction or renovation of acute care hospitals. Clients range in size from large urban teaching hospitals to small rural hospitals. Critical Access Hospitals (hospitals with 25 beds or less which have received designation by states and the Department of Health and Human Services) are also eligible. Facilities must be properly licensed, provide primarily acute patient care, and be able to demonstrate the need for the project. Key program criteria include a maximum loan-to-value of 90 percent, a loan term of 25 years, and funding of a mortgage reserve fund. The term of the HUD-insured mortgage for hospitals cannot exceed 25 years. Existing hospital projects are also eligible for refinancing.

**Applicant Eligibility:** Public, proprietary, and nonprofit acute care hospitals licensed or regulated by the state.

**Information Sources:** Office Healthcare Programs (202) 708-0599.
On the Web: http://www.hud.gov/healthcare
Local Healthcare Resources:
http://www.hud.gov/apps/section8/results.cfm?city_name_text=&county_name_text=&zip_code=&property_name_text=&client_group_type=Health+Care&maxrec=20&state_code=AL&statename=Alabama

# Public and Indian Housing

## Public and Indian Housing Disaster Housing Assistance

When requested by FEMA, HUD may administer a Disaster Housing Assistance Program/Disaster Housing Vouchers to provide housing vouchers to disaster displacees.

**Information Sources:** Local public housing agencies or HUD field offices.
On the Web:
http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/publications/hurricane

## Public and Indian Housing Assistance

**Nature of Program:** Public housing was established to provide decent and safe rental housing for eligible low-income families, the elderly, and persons with disabilities. Public housing comes in all sizes and types, from scattered single family houses to highrise apartments for elderly families. There are approximately 1.2 million households living in public housing units, managed by some 3,300 housing agencies (HAs). The U.S. Department of Housing and Urban Development (HUD) administers Federal aid to local HAs that manage the housing for low-income residents at rents they can afford. HUD furnishes technical and professional assistance in planning, developing and managing these developments.

**Applicant Eligibility:** Public housing is limited to low-income families and individuals. An HA determines your eligibility based on: 1) annual gross income; 2) whether you qualify as elderly, a person with a disability, or as a family; and 3) U.S. citizenship or eligible immigration status. If you are eligible, the HA will check your references to make sure you and your family will be good tenants. HAs will deny admission to any applicant whose habits and practices may be expected to have a detrimental effect on other tenants or on the project's environment.

Information Sources: Public Housing Customer Service Center at 1-800-955-2232.
On the Web: http://portal.hud.gov/hudportal/HUD?src=/topics/rental_assistance/phprog
Local Resources: http://www.hud.gov/offices/pih/pha/contacts/states/al.cfm

## Housing Choice Voucher Program

Through tenant-based vouchers, HUD provides rental subsidies for standard-quality units that are chosen by the tenant in the private market.

**Nature of Program:** The following is a short list of key features:
Targeting and Eligibility. At least 75 percent of the families admitted to a public housing agency's (PHA) Housing Choice Voucher program during the PHA's fiscal year must have income at or below 30 percent of the area median income. In general, eligibility for vouchers is limited to:

- Very low-income families;
- Low-income families previously assisted under the public housing, Section 23, or Section 8 project-based housing programs;
- Low-income families that are non-purchasing tenants of certain homeownership programs;
- Low-income tenants displaced from certain Section 221 and 236 projects; or
- Low-income families that meet PHA-specified eligibility criteria (see Section 8(o)(4)).

Payment Standards. The subsidy amount is based on a payment standard set by the PHA between 90 percent and 110 percent of the fair market rent (FMR). HUD may approve payment standards lower than 90 percent of FMR and payment standards higher than 110 percent of FMR, and may require PHA payment standard changes because of incidence of high rent burdens (see Sections 8(o)(1)(B), (D), and (E)).

Tenant Rent. A family renting a unit at or below the payment standard pays the highest of 30 percent of monthly adjusted income, 10 percent of monthly income, the welfare rent, or the PHA's minimum rent. A family renting a unit above the payment standard pays the highest of 30 percent of monthly adjusted income, 10 percent of monthly income, the welfare rent, or the PHA's minimum rent, plus the amount of rent above the payment standard (see Sections 8(o)(2)(A) and 8(o)(2)(B)). The rent to the owner in the voucher program must always be reasonable in relation to the rent charged for comparable unassisted units.

Maximum Initial Rent Burden. A family must not pay more than 40 percent of adjusted monthly income for rent when the family first receives voucher assistance in a particular unit. (This maximum rent burden requirement is not applicable at reexamination if the family stays in place) (see Section 8(o)(3)).

The voucher program also has provisions that outline tenant and owner responsibility. In addition to the traditional tenant screening by owners, PHAs are permitted to screen applicants for assistance. In addition, PHAs can disapprove owners who refuse to evict tenants for drug-related or violent criminal activity, or for activity that threatens the health, safety or right of peaceful enjoyment of the premises of tenants, PHA employees or owner employees, or the residences of neighbors (see Section 8(o)(6)(C)). Finally, ―Violent criminal activity on or near the premises is also a statutory ground for termination of tenancy (see Section 8(o)(7)(D)).

Project-Based Voucher Assistance. A PHA that runs a tenant-based housing choice voucher program may choose to use up to 20 percent of its voucher assistance to implement a project-based voucher program. For more information, please see the Project-Based Voucher Program section.

Homeownership Voucher Assistance. A PHA may choose to use tenant-based housing choice voucher assistance to help eligible first-time homeowners with their monthly homeownership expenses. For more information, please see the Homeownership Voucher Assistance section.

Enhanced Voucher Assistance. These are special vouchers available to tenants who would otherwise be adversely affected by HUD program decisions. Enhanced vouchers are generally issued to provide continued assistance for a family at the termination of project-based rental assistance. If the family stays in the same project, the voucher payment standard covers the full market rent. Enhanced vouchers have several special requirements, but in all other respects are subject to rules of the tenant-based voucher program. Differences include a special statutory minimum rent requirement and a special payment standard, applicable to a family receiving enhanced voucher assistance that elects to stay in the same unit, which can sometimes result in a PHA approving a unit that would otherwise be unaffordable to a family with regular tenant-based assistance. If the family moves, all normal voucher rules apply.

Low-income residents of units in multifamily projects (5+ units) covered in whole or in part by a contract of project-based assistance are, in certain situations, eligible for enhanced voucher assistance. These situations include owner opt-outs from specified programs.

**Applicant Eligibility:** Public housing agencies.

**Information Sources:** Local public housing agencies or HUD field offices.
On the Web: www.hud.gov/offices/pih/programs/hcv/about/fact_sheet.cfm
Local Resources: http://www.hud.gov/offices/pih/pha/contacts/states/al.cfm

## Homeownership Voucher Assistance

Help for voucher families buying homes.

**Nature of Program:** A public housing agency (PHA), at its option, may provide monthly assistance to families that have been admitted to the Section 8 Housing Choice Voucher program in accordance with HUD regulations, that meet certain criteria, and that are purchasing homes in an amount that would otherwise have been provided to that family as tenant-based voucher assistance.

**Applicant Eligibility:** Public housing agencies.

**Information Sources:** Local public housing agencies or HUD field offices.
On the Web: http://www.hud.gov/offices/pih/programs/hcv/homeownership/index.cfm
Local Resources: http://www.hud.gov/offices/pih/pha/contacts/states/al.cfm

## Project-Based Voucher Program

Rental assistance for eligible families who live in specific housing developments or units.

**Nature of Program:** The project-based voucher program has replaced the project-based certificate program. Key features of the program include the following:

- A PHA may project-base up to 20 percent of the PHA's available voucher funding.
- A PHA may provide project-based assistance for existing housing that does not need rehabilitation, as well as for newly constructed or rehabilitated housing.

- After one year of assistance, a family may move from a project-based voucher unit. The family may switch to the PHA's tenant-based voucher program when the next voucher is available, or to another comparable program if such a program is offered.
- Except for units designated for families that are elderly, disabled, and/or receiving supportive services, no more than 25 percent of units in a multifamily project may have project-based voucher assistance.
- The PHA may enter into a HAP contract with an owner for an initial term of up to 15 years and an extension of the initial term of up to 15 years. A PHA may agree to an extension at the time of initial HAP contract execution or any time before the expiration of the contract. In order to extend the initial contract term, the PHA must determine whether such an extension is appropriate to continue providing affordable housing for low-income families. Both the initial contract term and any contract extension are subject to the availability of appropriated funds.

**Applicant Eligibility:** Public housing agencies.

**Information Sources:** Local public housing agencies or HUD field offices.
On the Web: http://www.hud.gov/offices/pih/programs/hcv/project.cfm
Local Resources: http://www.hud.gov/offices/pih/pha/contacts/states/al.cfm

## HUD Veterans Affairs Supportive Housing (VASH) Vouchers

**Nature of Program:** The HUD-Veterans Affairs Supportive Housing (HUD-VASH) program combines Housing Choice Voucher (HCV) rental assistance for homeless veterans with case management and clinical services provided by the Department of Veteran's Affairs (VA). VA provides these services for participating veterans at VA medical centers (VAMCs) and community-based outreach clinics.

**Information Sources:** Local public housing agencies or HUD field offices.
On the Web:
http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/hcv/vash#3
Local resources: http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_9177.pdf

## Public Housing Capital Fund

Capital and management funding for public housing agencies.

**Disaster Relief:** Public Housing Authorities may, with HUD approval, reprogram Public Housing Capital Funds to address damage to public housing property caused by the disaster. Generally, PHAs will submit plan change requests to HUD who will expedite such requests. The funds help public housing agencies (PHAs) correct physical, management, or operating deficiencies and keep units in the housing stock safe and desirable homes for low-income families.

**Nature of Program:** The Capital Fund is available by formula distribution for capital and management activities, including development, financing, and modernization of public housing projects, which includes redesign, reconstruction, and reconfiguration of public housing sites and buildings (including accessibility improvements) and development of mixed-finance projects; vacancy reduction; addressing deferred maintenance needs and the replacement of obsolete utility systems and dwelling equipment; planned code compliance, management improvements, including the establishment and initial operation of computer centers in and around public housing through a

Neighborhood Networks initiative, for the purpose of enhancing self-sufficiency, employability, and economic self-reliance of public housing residents by providing them with on-site computer access and training resources; demolition and replacement; resident relocation; capital expenditures to facilitate programs to improve the empowerment and economic self-sufficiency of public housing residents, and improve resident participation; capital expenditures to improve safety and security of residents; homeownership activities, including programs under Section 32; improvement of energy and water-use efficiency by installing or changing fixtures and fittings; and integrated utility management and capital planning to maximize energy conservation and efficiency.

Based on Section 9, not more than 20 percent of a public housing agency's (PHA) capital funds may be used for operating expenses if the PHA's plan provides for such use. However, non-troubled PHAs that own or operate fewer than 250 units have full flexibility in how they use capital and operating funds for eligible activities under Sections 9(d)(i) and 9(e)(i).

PHAs may request HUD approval to borrow funds from the private market to make improvements to and/or develop additional public housing, by pledging a portion of their future annual Capital Fund grants to make debt service payments.

**Applicant Eligibility:** Public housing agencies.

**Information Sources:** Local public housing agencies or HUD field offices.
On the Web: http://www.hud.gov/offices/pih/programs/ph/capfund/index.cfm
Local resources: http://www.hud.gov/offices/pih/pha/contacts/states/al.cfm

## Public Housing Homeownership (Section 32)

Sale of public housing units to low-income families.

**Nature of Program:** This new public housing homeownership program was established by Section 32 of the U.S. Housing Act of 1937, which was added by the Quality Housing and Work Responsibility Act of 1998. The new public housing homeownership program (the Section 32 program) replaces the public housing homeownership program that was authorized by Section 5(h) of the U.S. Housing Act of 1937. The new statutory program was patterned largely after HUD's regulations that implemented the Section 5(h) program. The program offers public housing agencies (PHAs) a flexible way to sell public housing units to low-income families, with preference given to current residents of the unit(s) being sold. The program helps low-income families purchase homes through an arrangement that benefits both the buyer and the public housing agency that sells the unit. It gives the buyer access to an affordable homeownership opportunity and to the many tangible and intangible advantages it brings, while permitting PHAs to sell individual units and developments that may, due to their location or configuration, be more suitable for homeownership than for rental housing. PHAs can retain and reuse the proceeds of the sale of public housing units to meet other low-income housing needs.

**Applicant Eligibility:** Public housing agencies.

**Information Sources:** Administering office. Office of Public Housing Investments.
On the Web: www.hud.gov/offices/pih/centers/sac/homeownership/index.cfm
Local Resources: http://www.hud.gov/offices/pih/pha/contacts/states/al.cfm

**Current Status:** Active. Section 32 public housing homeownership is now current and an active public housing homeownership program. Section 5(h) remains active for previously approved public housing home purchases.

## Revitalization of Severely Distressed Public Housing (HOPE VI)

Eradication of severely distressed public housing.

**Nature of Program:** In 1989, Congress established the National Commission on Severely Distressed Public Housing and charged this Commission with proposing a National Action Plan to eradicate severely distressed public housing by the year 2000. The Urban Revitalization Demonstration (URD) program, or HOPE VI, is a program that was born out of the Commission's work. Since 1993, this program has been an important part of the transformation of public housing by encouraging public housing agencies (PHAs) to seek new partnerships with private entities to create mixed-finance and mixed-income affordable housing. In 2003, the HOPE VI program was expanded to assist local governments in the production of affordable housing in Main Street rejuvenation projects. The activities permitted under HOPE VI include, but are not limited to: the capital costs of demolition, major reconstruction, rehabilitation, and other physical improvements; the provision of replacement housing; management improvements; planning and technical assistance; and the provision of supportive services (including the funding, beginning in Fiscal Year 2000, of an endowment trust for supportive services).

The program allows HUD to provide competitive grants to PHAs to carry out HOPE VI-eligible activities. PHAs provide matching contributions in amounts at least equal to five percent of the grant amount.

**Applicant Eligibility:** Public housing agencies and, for Main Street Grants only, ―smaller communities as defined in Section 24(n).

**Information Sources:** Administering office; Office of Public Housing Investments.
On the Web: www.hud.gov/offices/pih/programs/ph/hope6/about/description.cfm
More Information:
http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/hope6/about

## Choice Neighborhoods

Demonstration grant program to transform neighborhoods of extreme poverty into functioning, sustainable, mixed-income neighborhoods.

**Nature of Program:** The Choice Neighborhoods initiative demonstration program provides competitive grants to transform neighborhoods of extreme poverty with public and HUD-assisted housing into functioning, sustainable mixed-income neighborhoods with appropriate services, public assets, transportation and access to jobs, and schools, including public schools, community schools, and charter schools.

Choice Neighborhoods grants primarily fund the preservation, rehabilitation and transformation of public and HUD-assisted housing. Funds may also be used for the conversion of vacant or foreclosed properties to affordable housing.

Grantees must undertake comprehensive local planning with input from residents and the community. A strong emphasis is placed on local community planning for school and educational improvements, including early childhood initiatives. Grantees shall create partnerships with other local organizations including assisted housing owners, service agencies and resident organizations.

**Applicant Eligibility:** Local governments, public housing authorities, non-profit organizations and for profit organizations that apply in partnership with a public entity.

**Information Source:** Administering office; Office of Public and Indian Housing.
On the Web:
http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/cn

## Federal Guarantees for Financing for Tribal Housing Activities (Title VI)

HUD guarantees loans for financing eligible affordable housing activities and affordable housing-related community development activities.

**Nature of Program:** This program authorizes HUD, through the Office of Native American Programs, to guarantee obligations issued by tribes or tribally designated housing entities (TDHEs) with tribal approval, to finance eligible affordable housing activities under Section 202 of the Native American Housing Assistance and Self-Determination Act (NAHASDA) and housing-related community development activities consistent with the purposes of NAHASDA. No guarantee could be approved if the total outstanding obligations exceed five times the amount of the grant for the issuer, taking into consideration the amount needed to maintain and protect the viability of housing developed or operated pursuant to the U.S. Housing Act of 1937.

The program requires issuers to pledge current and future Indian Housing Block Grant (IHBG) appropriations to the repayment of the guaranteed obligations. The full faith and credit of the United States is pledged to the payment of all guarantees.

HUD may not guarantee obligations exceeding $400 million for each of Fiscal Years 2009-2013. The total amount of outstanding obligations guarantees on a cumulative basis may not exceed $2 billion. Once 50 percent of the authority has been committed in any year, HUD may limit the amount of guarantees any one tribe may receive in any fiscal year to $50 million or request an increase in the statutory dollar limitations. HUD may enter into commitments to guarantee loans for any fiscal year only to the extent that funds have been appropriated.

**Applicant Eligibility:** Indian tribes and tribally designated housing entities that are IHBG recipients.

**Information Sources:** Administering office, and Office of Loan Guarantee, Office of Native American Programs, Suite 3390, 1999 Broadway, Denver, CO 80202-5733.
On the Web: www.hud.gov/progdesc/fintrib1.cfm

## Loan Guarantees for Indian Housing (Section 184)

Home loan guarantees for Indian families, Indian housing authorities, and Indian tribes.

**Nature of Program:** Section 184 of the Housing and Community Development Act of 1992 established a loan guarantee program for Indian families, Indian housing authorities (IHAs), and Indian tribes. The purpose of the program is to provide access to private mortgage financing to Indian families, IHAs, and Indian tribes that could not otherwise acquire housing financing because of the unique legal status of Indian lands. The loans guaranteed under the program are used to construct, acquire, refinance, or rehabilitate single family housing located on trust land or land located in an Indian or Alaska Native area. The program authorizes Indian tribes to assume responsibility for federal environmental reviews. This guarantee authority is freestanding and has its own guarantee fund. HUD may enter into commitments to guarantee loans for any fiscal year only to the extent amounts have been provided in appropriations acts.

**Applicant Eligibility:** Indian families, Indian housing authorities, and Indian tribes.

**Information Sources:** Administering office; Office of Loan Guarantee, Office of Native American Programs, Suite 3390, 1999 Broadway, Denver, CO 80202-5733.
On the Web: www.hud.gov/progdesc/insec184.cfm

# Fair Housing and Equal Opportunity

## Fair Housing Act (Title VIII)

Investigates, conciliates, and charges cases of housing discrimination prohibited under the Fair Housing Act of 1968 (Title VIII).

**Disaster Relief:** HUD's Office of Fair Housing and Equal Opportunity provides guidance on how to easily comply with the Fair Housing Act, how to avoid housing discrimination, and how to seek help during a Presidentially declared disaster. Notices can be found at http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/HousingProviders and http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/DisaterSurvivors.

**Nature of Program:** The Fair Housing Act prohibits discrimination in housing based on race, color, religion, sex, national origin, disability, or familial status (includes individuals or families with children under 18 years of age and pregnant women). The Fair Housing Act applies to almost all housing in the country.

The Fair Housing Act prohibits discrimination in residential real estate transactions and makes it illegal to coerce, intimidate, threaten, or interfere with people exercising their rights under the Act, or assisting others in exercising their rights.

To comply with the Fair Housing Act, a seller, landlord, lender, insurance agent, realtor, etc. may not:

- Deny housing, offer different terms and conditions to an applicant, or refuse to rent, sell, or negotiate with an applicant because of one or more of the prohibited bases cited above;
- Use discriminatory advertising or make discriminatory statements in connection with housing;
- Falsely deny that housing is available;
- Deny access to or membership in a multiple-listing service or real estate broker's organization; or
- Discriminate in making loans for, or secured by, residential real estate.
- In addition, landlords, condominium boards, homeowner associations, or other entities that exercise control over individual residences or common spaces within a development may not:
- Refuse permission for residents with disabilities or their families to make reasonable modifications to housing, at their own expense, if the changes are necessary for a resident to

fully enjoy his or her premises. However, in some instances, the resident may be required to restore the property to its original condition before moving out;

- Refuse to make reasonable accommodations in rules, policies, practices, and services to provide equal opportunity to residents with disabilities to use and enjoy their homes, so long as it does not interfere with the rights of others to use and enjoy their homes.

Communities should not adopt and enforce discriminatory zoning and land use ordinances.
Familial status protections do not apply to certain housing for older people. Such housing is exempt under the law if it is intended for, and solely occupied by, residents 62 years of age or older, or if 80 percent of the units are occupied by at least one person 55 years of age or older, and the housing facility or community publishes and adheres to policies and procedures that demonstrate this intent to be housing for older persons.
Since March 13, 1991, most multifamily dwellings of four or more units have been required to be designed and built so that the units are accessible to people with disabilities.

In addition to nondiscrimination, the Fair Housing Act also provides that HUD must administer all of its programs and activities in a manner that affirmatively furthers the policies of the Act. Many recipients of HUD funding are required to affirmatively further fair housing. This process includes conducting an analysis of impediments to fair housing choice, taking action to overcome such impediments, and keeping detailed records of corrective action.

Anyone who believes that he or she has been discriminated against can file a complaint with any HUD office in person, by mail, or by telephone within one year after the alleged discrimination has occurred. HUD or an equivalent state or local agency will investigate and attempt to conciliate the complaint. If it is not conciliated and it appears that discrimination has occurred, then HUD will issue a charge. A HUD administrative law judge (ALJ) will hold a hearing unless either party chooses to take a case to federal district court.

If proceeding before a HUD ALJ, the complainant may receive access to the housing that was denied and may be awarded compensatory damages and attorneys' fees as well. In such cases, the discriminating party may also be assessed a civil penalty of up to $16,000 for a first offense. If a federal district court hears the case, the complainant may be awarded actual and punitive damages as well as attorney's fees.

When HUD finds that a complaint has merit and requires prompt court action, as when an eviction is threatened or when a unit is about to be sold or rented to another person, HUD may direct the Department of Justice to file an action holding the unit off the market until the matter is resolved.

**Applicant Eligibility:** Any individual experiencing housing discrimination may file a complaint with any HUD office, in person, by mail, or by telephone, not later than one year after the alleged discriminatory act has occurred or terminated. An aggrieved person may also file suit in a federal court whether or not a complaint has been filed with HUD. HUD has established a national toll-free housing discrimination hotline at: (800) 669-9777 (voice) or (800) 927-9275 (TTY).

**Information Sources:** Administering office; Office of Enforcement, Enforcement Support Division. On the Web: http://www.hud.gov/offices/fheo/progdesc/title8.cfm

## Fair Housing Initiatives Program (FHIP)

Increases compliance with the Fair Housing Act and substantially equivalent state and local fair housing laws.

**Nature of Program:** Provides funding to Qualified Fair Housing Enforcement Organizations (QFHOs), Fair Housing Enforcement Organizations (FHOs), public and private not-for-profit entities, state or local governments, and Fair Housing Assistance program agencies, formulating or carrying out programs to prevent or eliminate discriminatory housing practices. Funds enable the recipients to carry out activities designed to inform the public about rights and obligations under federal, state, or local laws prohibiting housing discrimination, and to enforce those rights. There are four distinct categories of funding under FHIP: (1) the Administrative Enforcement Initiative, (2) the Education and Outreach Initiative, (3) the Private Enforcement Initiative, and (4) the Fair Housing Organization Initiative.

**Applicant Eligibility:** The Administrative Enforcement Initiative is limited to state and local government agencies that administer fair housing laws certified as ―substantially equivalent to the Fair Housing Act. The Education and Outreach Initiative is open to state or local governments and public or private entities that are formulating or carrying out programs to prevent or eliminate discriminatory housing practices. The Private Enforcement Initiative is limited to QFHOs and FHOs that are formulating or carrying out programs to prevent or eliminate discriminatory housing practices. At least one year of fair housing enforcement experience is required under the Private Enforcement Initiative. The Fair Housing Organization Initiative (FHOI) is limited to QFHOs and provides funding to assist newly created fair housing enforcement organizations and support development of established organizations.

**Information Sources:** Administering office; Office of Programs, FHIP Division.
On the Web: www.hud.gov/offices/fheo/partners/FHIP/fhip.cfm

**Current Status:** Active. There is no funding, however, for the Administrative Enforcement Initiative.

## Equal Opportunity in HUD-Assisted Programs (Title VI, Section 504, Americans with Disabilities Act, Section 109, Age Discrimination Act, and Title IX)

Assures equal opportunity to participate in and benefit from HUD-assisted programs or activities without regard to race, color, national origin, disability, or age, and, in some instances, religion or sex.

**Nature of Program:** HUD programs must comply with federal laws prohibiting discrimination in federally assisted programs or activities.

Title VI of the Civil Rights Act of 1964 and HUD's implementing regulations at 24 CFR Part 1 prohibit race, color, and national origin discrimination in the administration of programs or activities receiving Federal financial assistance and imposing affirmative obligations on such programs or activities to remedy the effects of past discrimination.

Section 504 of the Rehabilitation Act of 1973 and HUD's implementing regulations at 24 CFR Part 8 prohibit disability discrimination and impose accessibility standards on housing and non-housing programs receiving Federal financial assistance.

The Americans with Disabilities Act of 1990 and its implementing regulations at 28 CFR Part 35 prohibit discrimination against persons with disabilities in places of public accommodation.

The Age Discrimination Act of 1975 and HUD's implementing regulations at 24 CFR Part 136 prohibit age discrimination in the provision of services or programs receiving Federal financial assistance.

Section 109 of Title I of the Housing and Community Development Act of 1974 and HUD's implementing regulations at 24 CFR Part 6 prohibit discrimination on the grounds of race, color, national origin, religion, and sex for any program or activity funded in whole or in part with Title I Federal financial assistance.

Title IX of the Education Amendments Act of 1972 and HUD's implementing regulations at 24 CFR Part 3 prohibit discrimination on the basis of sex in education programs or activities that receive Federal financial assistance.

Technical assistance is available to state and local agencies with civil rights problems in HUD-assisted programs. Recipients that are in noncompliance are given the opportunity to achieve voluntary compliance. If this fails, federal assistance for the program may be refused, terminated, or suspended. HUD may refer the matter to the Department of Justice for enforcement if efforts to achieve voluntary compliance are unsuccessful.

**Applicant Eligibility:** Any HUD-assisted program or activity, except contracts of insurance or guaranty, is subject to Title VI, Section 504, and the Age Discrimination Act. CDBG recipients are also subject to Section 109; HUD-assisted educational programs are also subject to Title IX. Any person or group suspecting discrimination in any HUD-assisted program because of race, color, national origin, age, or disability (and religion in the Community Development Block Grant program, and sex in HUD-assisted education programs or activities) may file a complaint.

**Information Sources:** Administering office; Office of Enforcement and Programs, Compliance and Disability Rights Division.
On the Web: http://portal.hud.gov/hudportal/HUD?src=/hudprograms/eohudap

## Section 3 Program

Fosters local economic development, job opportunities, and self-sufficiency.

**Nature of Program:** Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), as amended, requires that when new jobs or contracts are created as a result of the usage of certain HUD funds (including Public and Indian Housing funds), priority consideration is given, to the greatest extent feasible, to low- and very low-income persons residing in the community in which the funds are spent and to businesses that provide economic opportunities for these persons. All direct recipients of HUD funds that are covered by Section 3 must document actions taken to comply with the regulatory requirements and submit reports annually. Pursuant to the regulation, HUD not only reviews this information for compliance, but also conducts periodic compliance reviews of recipients and contractors. Additionally, HUD investigates complaints filed by Section 3 residents and business concerns alleging noncompliance. Agencies that are found to be in noncompliance may be subject to sanctions including debarment, suspension, or limited denial of participation in HUD programs.

**Applicant Eligibility:** Direct recipients of HUD financial assistance, such as public housing agencies, nonprofit organizations, and state and local governments.

**Information Sources:** Administering office; Office of Programs, Economic Opportunity Division.
On the Web: www.hud.gov/section3

# Government National Mortgage Association (Ginnie Mae)

## Ginnie Mae I Mortgage-Backed Securities

Expands affordable housing in America by linking global capital markets to the nation's housing market.

**Disaster Relief:** Ginnie Mae encourages all single-family, manufactured housing, and multifamily Ginnie Mae issuers offering forbearance to provide forbearance to mortgagors in areas receiving a Presidential disaster declaration. In certain instances, Ginnie Mae will assist issuers in their efforts to offer forbearance to mortgagors with pass-through payments.

**Nature of Program:** Ginnie Mae guarantees investors (security holders) the timely payment of principal and interest on securities issued by private lenders that are backed by pools of Federal Housing Administration (FHA), Veterans Affairs (VA), Rural Housing Service (RHS), and Public and Indian Housing (PIH) mortgage loans. The full faith and credit guarantee of the U.S. Government that Ginnie Mae places on mortgage-backed securities lowers the cost of, and maintains the supply of, mortgage financing for government-backed loans.

In the Ginnie Mae I program, all mortgages in a pool are fixed-rate, single-family mortgages with the same interest rate. The mortgage interest rates must all be the same, and the same lender must issue the securities. With the exception of Ginnie Mae I pools that are used as collateral for state or local bond financing programs (BFP) for which Ginnie Mae provides special consideration, Ginnie Mae I securities have a servicing and guarantee fee that totals 50 basis points, and the minimum pool size is $1 million.

To issue a Ginnie Mae I security, an approved lender applies for a commitment from Ginnie Mae for the guaranty of securities. The lender originates or acquires mortgage loans and assembles them into a pool of mortgages. The Ginnie Mae I program permits lenders to issue securities backed by pools of single family, multifamily, and manufactured housing loans where the interest rate is the same for each loan in the pool. The lender decides to whom to sell the security and then submits the documents to Ginnie Mae's pool processing agent. The agent prepares and delivers the Ginnie Mae guaranteed security to the investors designated by the lender. The lender is responsible for selling the securities and servicing the underlying mortgages. Issuers of Ginnie Mae I securities are also responsible for paying security holders on the 15th day of each month.

**Applicant Eligibility:** A firm must be approved as an issuer based on capital requirements, staffing, experience criteria, and infrastructure. The firm must also be an FHA-approved lender in good standing.

**Information Sources:** Administering office; Office of Mortgage-Backed Securities.
On the Web: [www.ginniemae.gov](http://www.ginniemae.gov)

## Ginnie Mae II Mortgage-Backed Securities

Expands affordable housing in America by linking global capital markets to the nation's housing markets. The Ginnie Mae II program complements the Ginnie Mae I program.

**Disaster Relief:** Ginnie Mae encourages all single-family, manufactured housing, and multifamily Ginnie Mae issuers offering forbearance to provide forbearance to mortgagors in areas receiving a Presidential disaster declaration. In certain instances, Ginnie Mae will assist issuers in their efforts to offer forbearance to mortgagors with pass-through payments.

**Nature of Program:** Ginnie Mae guarantees investors (security holders) the timely payment of principal and interest on securities issued by private lenders that are backed by pools of Federal Housing Administration (FHA), Veterans Affairs (VA), Rural Housing Service (RHS), and Public and Indian Housing (PIH) mortgage loans. The full faith and credit guarantee of the U.S. Government that Ginnie Mae places on mortgage-backed securities (MBS) lowers the cost of, and maintains the supply of, mortgage financing for government-backed loans.

In the Ginnie Mae II program, one or multiple lenders may pool mortgages in the same pool, which in turn allows for larger and more geographically dispersed pools. The Ginnie Mae II program also allows securities to be issued with smaller numbers of mortgage loans than the Ginnie Mae I program, and allows ARM loans to be pooled. A wider range of mortgage interest rates is permitted in a Ginnie Mae II MBS pool (lenders are permitted servicing and guarantee fees ranging from 25 to 75 basis points). With the exception of Ginnie Mae II pools that are used as collateral for state or local bond financing programs (BFP), for which Ginnie Mae provides special consideration, the minimum pool size is $25,000 for multi-lender pools and $1 million for single-lender pools.

To issue a Ginnie Mae II security, an approved lender applies for a commitment from Ginnie Mae for the guaranty of securities. The lender originates or acquires mortgage loans and assembles them into a pool of mortgages. The Ginnie Mae II program permits lenders to issue securities backed by pools of single family or manufactured housing loans where the interest rates can vary within a fixed range. The lender decides to whom to sell the security and then submits the documents to Ginnie Mae's pool processing agent. The agent prepares and delivers the securities to the investors designated by the lender. The lender is responsible for selling the securities and servicing the underlying mortgages. Issuers of Ginnie Mae II securities are responsible for paying security holders each month.

**Applicant Eligibility:** A firm must be approved as an issuer based on capital requirements, staffing, experience criteria, and infrastructure. The firm must also be an FHA-approved lender in good standing.

**Information Sources:** Administering office; Office of Mortgage-Backed Securities.
On the Web: [www.ginniemae.gov](www.ginniemae.gov)

## Ginnie Mae Multiclass Securities Program

In 1970, Ginnie Mae made history when it pooled government mortgage loans together and created the first mortgage-backed security (MBS). Ginnie Mae and the capital markets have evolved since 1970, and now play a pivotal role in improving the affordability of housing for all Americans by increasing the availability of investment capital to the housing sector. In 1994, Ginnie Mae broadened its investor base for MBSs with the introduction of an innovative and more efficient vehicle, the Real Estate Mortgage Investment Conduit (commonly known in the industry as a REMIC). The mortgage market has matured to include a variety of REMIC securities, each with a broad array of features and each with a different risk-return profile. In July 2004, Ginnie Mae complemented its REMIC product line with the launch of its stripped mortgage-backed securities (SMBS) Trust vehicle. The SMBS Trust product adds another investment type to sophisticated investors in Ginnie Mae MBSs seeking better market liquidity and management of MBS prepayment risk. Callable securities, another one of Ginnie Mae's Multiclass Securities products, give investors the option to redeem previously issued securities, allowing greater hedging flexibility.

**Disaster Relief:** Ginnie Mae encourages all single-family, manufactured housing, and multifamily Ginnie Mae issuers offering forbearance to provide forbearance to mortgagors in areas receiving a Presidential disaster declaration. In certain instances, Ginnie Mae will assist issuers in their efforts to offer forbearance to mortgagors with pass-through payments.

**Nature of Program:** The Ginnie Mae Multiclass Securities program is a vehicle that increases the liquidity of Ginnie Mae MBSs and attracts new sources of capital for federally insured or guaranteed loans. A REMIC is a type of pay-through bond characterized by a multiclass or multi-tranched serialized structure. REMICs are partitioned into several tranches of bonds of serialized priority by which the bonds are redeemed. Ginnie Mae REMICs are collateralized by Ginnie Mae MBSs, which are in turn backed by FHA, VA, RHS, and PIH mortgage loans.

Ginnie Mae REMICs direct principal and interest payments from the underlying MBSs to classes (tranches) with different principal balances, interest rates, average lives, prepayment characteristics, and final maturities. This enables investors with different investment horizons, risk-reward preferences, and asset-liability management requirements to purchase mortgage securities that are tailored to their needs.

While REMICs add the flexibility for dealers to tailor cash flows to investors with duration concerns, the SMBS Trust product allows sophisticated investors to reduce (or increase) prepayment risks by isolating and combining various interest only (IO) and principal only (PO) cash flow components. Callable securities are structured through a Grantor Trust vehicle and consist of the following classes: Class A is the callable class that receives the pass-through cash flow, and Class B is the call class that can call Class A securities and exchange them for the underlying collateral at any time after the lockout period.

Ginnie Mae is a government-owned, publicly managed corporation that has never failed to fulfill its responsibility as guarantor of its securities. Ginnie Mae's obligations are backed by the full faith and credit of the United States Government. Nevertheless, investors considering an investment in a Ginnie Mae REMIC should read the related offering circular and offering circular supplement, and consult their investment advisors to ensure that they fully understand the risks, particularly the prepayment and market risks associated with an investment in a REMIC security.

**Applicant Eligibility:** A dealer must meet the following six requirements to participate in the Ginnie Mae Multiclass Securities program:

> Apply and be approved; Demonstrate to Ginnie Mae's satisfaction its capacity to accumulate the eligible assets needed for a proposed structured securities issuance; Meet the minimum capital requirement of $250 million in shareholders' equity or partnership capital, evidenced by the dealer's most recent audited financial statements, which must have been issued within the preceding 12 months; Demonstrate good standing with, and have been responsible for, at least one structured transaction with Fannie Mae or Freddie Mac, or demonstrate to Ginnie Mae's satisfaction the capability to consummate a structured transaction; Represent the structural integrity of the proposed issuance under all cash flow scenarios and demonstrate to Ginnie Mae's satisfaction its ability to indemnify Ginnie Mae for a breach of this

representation; and Comply, and obtain compliance from the participants that it selects, with Ginnie Mae's participation requirements and policies regarding participation by minority- and women-owned businesses.

**Information Sources:** Administering office; Office of Capital Markets.
On the Web: [www.ginniemae.gov](http://www.ginniemae.gov)

## Ginnie Mae Platinum Securities Program

Increases the marketability of Ginnie Mae Mortgage-Backed Securities (MBSs) by providing investors with an efficient mechanism for managing their Ginnie Mae securities.

**Disaster Relief:** Ginnie Mae encourages all single-family, manufactured housing, and multifamily Ginnie Mae issuers offering forbearance to provide forbearance to mortgagors in areas receiving a Presidential disaster declaration. In certain instances, Ginnie Mae will assist issuers in their efforts to offer forbearance to mortgagors with pass-through payments.

**Nature of Program:** Ginnie Mae Platinum Securities allow investors to combine Ginnie Mae MBS pools with uniform mortgage interest rates and original terms to maturity into a single security, backed by the full faith and credit of the United States Government. Investors then receive a single payment from the combined securities every month, rather than separate payments from each individual security. Because it lowers administrative costs and improves liquidity, particularly for small pools, this feature serves to make the Ginnie Mae Platinum Security attractive. Ginnie Mae Platinum Securities can be used in structured finance transactions, repurchase transactions, and general trading.

**Applicant Eligibility:** The depositor, who is an accredited investor, as defined in Rules 501(a)(1), 501(a)(3), or 501(a)(7) under the Securities Act of 1933, and is the owner, or is acting for the owner of Ginnie Mae MBSs, and executes the Deposit Agreement requesting the issuance of Ginnie Mae Platinum Securities.

**Information Sources:** Administering office; Office of Capital Markets.
On the Web: [www.ginniemae.gov](http://www.ginniemae.gov)

# Office of Sustainable Communities

## Sustainable Communities Initiative

Provides grants to improve regional and local planning efforts that integrate housing and transportation decisions, and increase the capacity to improve land use and zoning to support market investments that support sustainable communities.

**Nature of Program:** The Sustainable Communities Initiative consists of two grant programs: Sustainable Communities Regional Planning Grants and Community Challenge Planning Grants. The Initiative also has a research and evaluation program.

Sustainable Communities Regional Planning Grants support metropolitan and multijurisdictional planning efforts that integrate housing, land use, economic and workforce development, transportation, and infrastructure investments. The Regional Planning Grant Program places a priority on investing in partnerships that direct long-term regional development and reinvestment, demonstrate a commitment to addressing issues of regional significance, utilize data to set and monitor progress toward performance goals, and engage stakeholders and citizens in meaningful decision-making roles.

Community Challenge Planning Grants foster reform and reduce barriers to achieve affordable, economically vital, and sustainable communities. Such efforts may include amending or replacing local master plans, zoning codes, and building codes, either on a jurisdiction-wide basis or in a specific neighborhood, district, corridor, or sector to promote mixed-use development, affordable housing, the reuse of older buildings and structures for new purposes, and similar activities with the goal of promoting sustainability at the local or neighborhood level.
Research and Evaluation funding is also available, in coordination with the Department of Transportation, to evaluate both grant programs and support sustainable communities planning.

**Applicant Eligibility:** For Regional Planning Grants: multijurisdictional and multisector partnership consisting of a consortium of government entities and non-profit partners. For Community Challenge Planning Grants: State and local governments, including U.S. territories, tribal governments, transit agencies, port authorities, metropolitan planning organizations (MPOs), other political subdivisions of State or local governments, and multi-State or multijurisdictional groupings.

**Information Source:** Administering office; Office of Sustainable Housing and Communities.
On the Web:
http://portal.hud.gov/hudportal/HUD?src=/program_offices/sustainable_housing_communities

# Other Resources

## Neighborhood Reinvestment Corporation (NeighborWorks America)

Provides financial support, technical assistance, and training for community-based revitalization efforts

**Nature of Program:** The Neighborhood Reinvestment Corporation (NRC) seeks to promote reinvestment in urban, suburban and rural communities by local financial institutions working cooperatively with residents and local government. It funds 235 organizations, monitors their progress, and provides grants and consulting services.

**Information Sources:** Neighborhood Reinvestment Corporation, dba NeighborWorks America, 1325 G St., NW, Suite 800, Washington, DC 20005-3100.
On the Web: www.nw.org/network/home.asp

## U.S. Interagency Council on Homelessness

The U.S. Interagency Council on Homelessness is an independent establishment in the Executive Branch that promotes and coordinates Executive Branch activities to assist homeless persons. The Council consists of 20 agencies, and the positions of chairperson and vice chairperson rotate among the agencies on an annual basis.

The Council has various duties, including (1) review of all federal activities and programs to assist the homeless; (2) development of a comprehensive approach to end homelessness; (3) taking actions to reduce duplication among such programs and activities; and (4) preparing an annual report on homeless programs and activities.

**Location:** U.S. Interagency Council on Homelessness, Federal Center SW, 409 Third Street, SW, Suite 310, Washington, DC 20024. Telephone: (202) 708-4663.

**Information Sources:** Office of U.S. Interagency Council on Homelessness.
On the Web: www.ich.gov

HUD Disaster Recovery Resources – Alabama Field Office

| Index | Page |
|---|---|

| Index | Page |
|---|---|
| Loss Mitigation | 17 |
| Manufactured Home Loan Insurance (Title I) | 20 |
| Mortgage Insurance for Disaster Victims (203(h)) | 15 |
| Mortgage Insurance for Housing for the Elderly (Section 231) | 24 |
| Multifamily Rental Housing for Moderate-Income Families (Section 221(d)(3) and (4)) | 24 |
| Multifamily Mortgage Risk-Sharing Programs (Sections 542(b) and (c) | 26 |
| Neighborhood Reinvestment Corporation (NeighborWorks America) | 43 |
| New Construction or Substantial Rehabilitation of Nursing Homes, Intermediate Care Facilities, Board and Care Homes, and Assisted Living Facilities; Purchase or Refinancing of Existing Facilities | 27 |
| Office of Sustainable Communities | 42 |
| One- to Four-Family Home Mortgage Insurance (203(b)) | 14 |
| Other Resources | 43 |
| Project-Based Voucher Program | 30 |
| Property Improvement Loan Insurance (Title I) | 20 |
| Public and Indian Housing | 28 |
| Public and Indian Housing Assistance | 28 |
| Public and Indian Housing Disaster Assistance | 28 |
| Public Housing Capital Fund | 31 |
| Public Housing Homeownership (Section 32) | 32 |
| Rehabilitation Loan Insurance (203(k)) | 15 |
| Revitalization of Severely Distressed Public Housing (HOPE VI) | 33 |
| Rural Housing Stability Program | 11 |
| Section 3 Program | 38 |
| Section 8 Moderate Rehabilitation Single Room Occupancy (SRO) Program | 10 |
| Self-Help Homeownership Opportunity Program (SHOP) | 12 |
| Shelter Plus Care | 7 |
| Single Family Property Disposition Program (Section 204(g)) – Real Estate Owned Properties | 17 |
| Supplemental Loans for Multifamily Projects (Section 241) | 25 |
| Supportive Housing for the Elderly (Section 202) | 23 |
| Supportive Housing for Persons with Disabilities (Section 811) | 25 |
| Supportive Housing Program | 9 |
| Surplus Property for Use to Assist the Homeless (Title V) | 9 |
| Sustainable Communities Initiative | 42 |
| Unemployment Special Forbearance Program | 18 |
| U.S. Interagency Council on Homelessness | 43 |