

# Multifamily Housing

Partnership Updates – July 20, 2023



# MFH Leadership Introduction



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Administrator

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Production & Preservation  
Division Director

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**Michael Resnik**  
Asset Management Division  
Director

[Michael.Resnik@usda.gov](mailto:Michael.Resnik@usda.gov)

# Rural Development MFH Updates

- USDA Leadership Updates
  - Xochitl Torres Small, Deputy Secretary of Agriculture
  - Roger Glendenning, Acting Under Secretary for Rural Development
  - Yvonne Hsu, Chief of Staff, Rural Housing Service, Rural Development
- MFH Updates

# MFH Field Operations Division – Regional Directors



**Eric Siebens**

Midwest Regional Director  
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**Donna O'Brien**

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**Byron Waters**

Southern Regional Director  
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**Becki Meyer**

Western Regional Director  
Becki.Meyer@usda.gov

# Field Operations Division

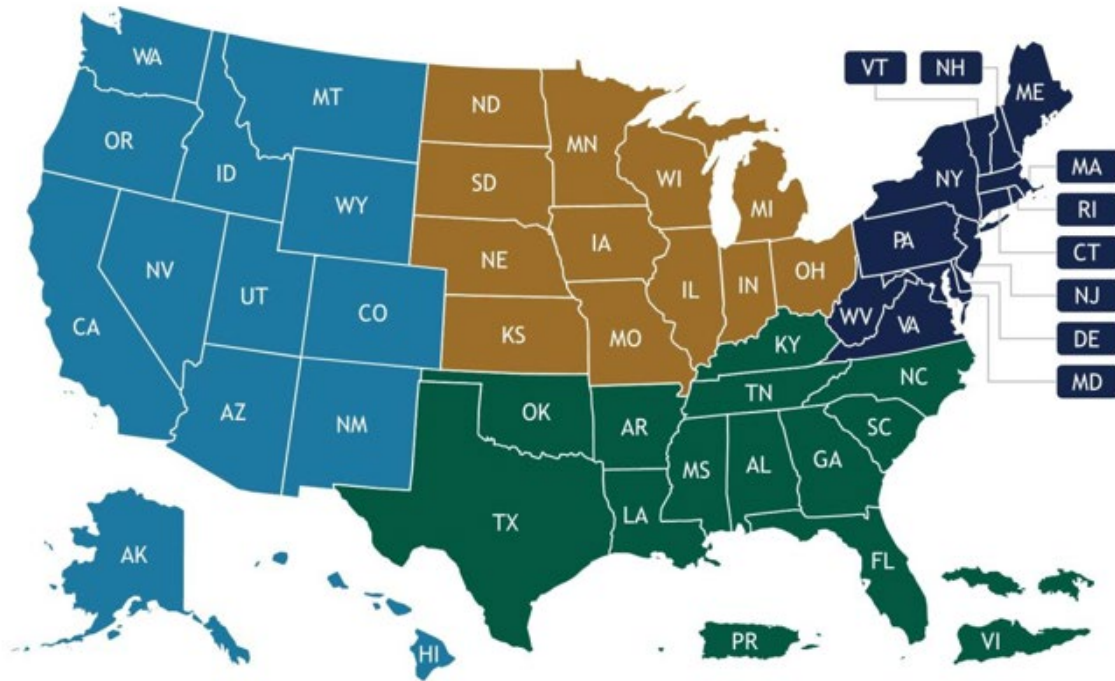
- **Property Assignment Rebalancing**
  - Midwest Region (IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI) – March
  - South Region (AL, AR, FL, GA, KY, LA, MS, NC, OK, PR, SC, TN, TX, VI) – July
  - Northeast Region (CT, DE, MA, MD, ME, NH, NJ, NY, PA, RI, VA, VT, WV) – August
  
- **Benefits**
  - More predictability and consistency
  - Better customer service
  - Relationship building and connection

# Field Operations Division

- Budgets
  - [MFH Proposed Budget Training for Stakeholders](#)



# Field Operations Division



The four regions and the contact information for each region follows:

**Western Region**  
[MFHFODWest@usda.gov](mailto:MFHFODWest@usda.gov)  
AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY

**Midwest Region**  
[MFHFODMidwest@usda.gov](mailto:MFHFODMidwest@usda.gov)  
IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI

**Southern Region**  
[MFHFODSouth@usda.gov](mailto:MFHFODSouth@usda.gov)  
AL, AR, FL, GA, KY, LA, MS, NC, OK, PR, SC, TN, TX, VI

**Northeast Region**  
[MFHFODNortheast@usda.gov](mailto:MFHFODNortheast@usda.gov)  
CT, DE, MA, MD, ME, NH, NJ, NY, PA, RI, VA, VT, WV

## MINC Help Services

Point of Contact	Servicing Office (SO)	Field Operations Division (FOD)	RD Help Desk (RD-HD)
<b>Main Phone Line:</b>	1-866-600-7984	1-800-292-8293	1-800-457-3642
<b>Email(s):</b>	<a href="mailto:RD.SO.MFH@usda.gov">RD.SO.MFH@usda.gov</a>	<a href="mailto:MFHFODMidwest@usda.gov">MFHFODMidwest@usda.gov</a> <a href="mailto:MFHFODNortheast@usda.gov">MFHFODNortheast@usda.gov</a> <a href="mailto:MFHFODSouth@usda.gov">MFHFODSouth@usda.gov</a> <a href="mailto:MFHFODWest@usda.gov">MFHFODWest@usda.gov</a>	<a href="mailto:RD.HD@usda.gov">RD.HD@usda.gov</a>
<b>Type of Services Provided:</b>	<b>Account Inquiry Help</b>	<b>Program Guidance</b>	<b>Technical Support</b>
<b>Can Assist With:</b>	<ul style="list-style-type: none"> <li>• Payments or Tenant Certification Transmission Issues</li> <li>• Rental Assistance Checks</li> <li>• Navigating through MINC</li> <li>• Late Fees and Overages Waivers</li> <li>• PAD/EFT</li> <li>• Account Status or Delinquencies</li> <li>• Accessing/Releasing Project Worksheets (PWS)</li> <li>• Correcting Social Security Numbers</li> </ul>	<ul style="list-style-type: none"> <li>• MFH Program Questions               <ul style="list-style-type: none"> <li>• Project Budgets (3560-7)</li> <li>• Annual Reports (3560-7 &amp; 3560-10)</li> <li>• Rental Assistance Obligations</li> <li>• Policy and Regulatory Guidance</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Technical Issues Related to <u>eAuthentication Set-up/Access</u></li> <li>• Tech support for the MINC forms (<i>when user is unable to access the form, type within the form, or error messages received when submitting</i>)</li> </ul>
<b>Tenant Certifications:</b>	SO Specialists can help with submitting Tenant Certification forms within the system.	FOD Regional Specialists can advise on required documentation needed for Tenant Certification submissions.	



# Asset Management Division Updates

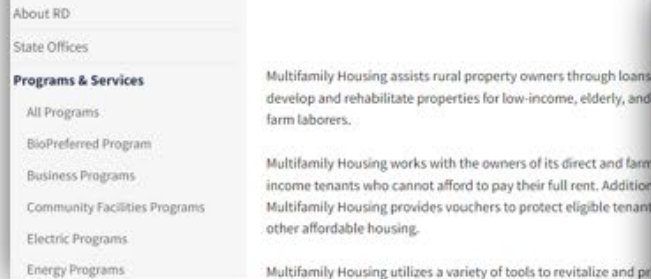
- Unnumbered Letters:
  - UL on digital signatures published 5/25/2023  
<https://www.rd.usda.gov/resources/directives/unnumbered-letters>
  - UL on Insurance claim proceeds when a preferred contractor is selected by the insurance company – eliminating bid requirements (expected to be published within the week)
  
- Proposed rules in progress:
  - Voucher Program
  - Smoke Alarms in Federally Assisted Housing
  - Insurance changes (coverage requirements and deductible limits)
  - Citizenship Implementation (related to Section 521 Rental Assistance)
  
- Final rules in progress:
  - 30-day Notice & Required Disclosures for Notification of Nonpayment of Rent
  - MFH Reserve Account Administration (Surplus cash notes & 3<sup>rd</sup> party debt)

# Asset Management Division Updates, continued

- Handbook updates related to last year's RA & technical corrections
- External website – New “Tools & Resources” section under MFH Programs page <https://www.rd.usda.gov/programs-services/multi-family-housing-programs>
  - Blueprint for Renters Bill of Rights – three different documents being developed: Adverse Actions, Tenant Grievance FAQs, and Tenant Rights and Responsibilities
- HOTMA changes
  - Annual Income and Adjusted Annual Income changes (24 CFR 5.609 & 5.611)
    - Changes in Elderly deduction and Dependent deduction
  - Form updates
  - MFIS/MINC updates
- Income Limits published 7/13/2023
- FY24 Management Fees

# Asset Management Division Updates, continued

Tools and Resources available on the MFH Website: <https://www.rd.usda.gov/multifamily>



Multifamily Housing assists rural property owners through loans develop and rehabilitate properties for low-income, elderly, and farm laborers.

Multifamily Housing works with the owners of its direct and farm income tenants who cannot afford to pay their full rent. Additionally Multifamily Housing provides vouchers to protect eligible tenants other affordable housing.

Multifamily Housing utilizes a variety of tools to revitalize and po

## Tools and Resources

Multifamily Housing has produced a series of resources for our stakeholders, owners, managers, and tenants. These resource links include MFH tools, announcements, and stakeholder training opportunities. We encourage you to contact us if you have any questions or if you desire further information or assistance.

**MFH Proposed Budget training for Stakeholders**

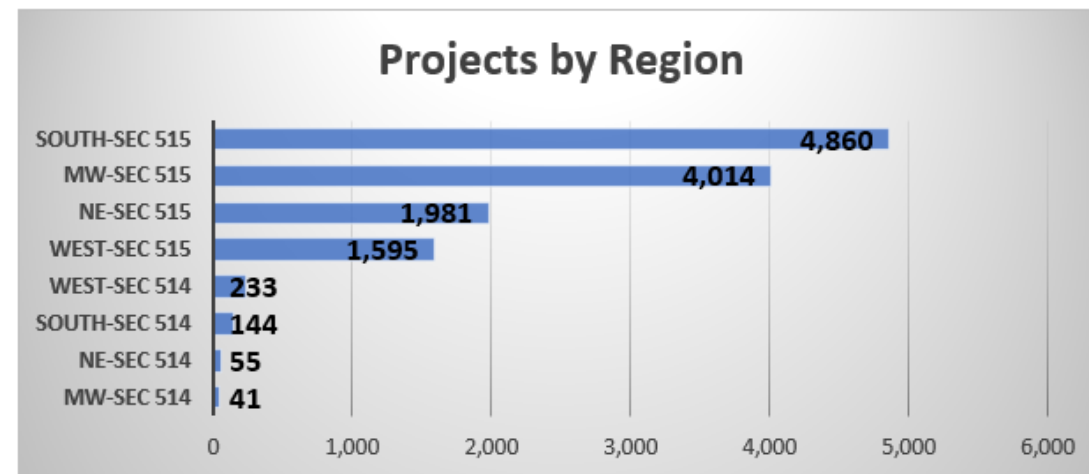
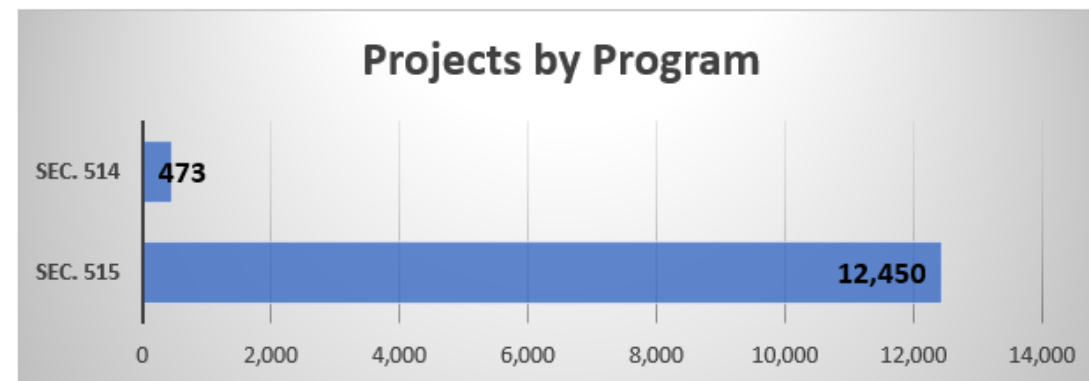
**FY23 MFH Income Limits effective 7/13/2023**

# Portfolio Overview by Project

Data as of July 12, 2023

Program	Type	Projects	Average Age	Total Units	RA Units	HUD Sec 8 units
Sec. 515		12,450	35	389,601	296,121	21,231
Sec. 514	Off farm	322	22	16,512	12,253	0
Sec. 514	On farm	149	18	251	0	0
Sec. 514		2	36	125	88	0
<b>TOTAL</b>		<b>12,923</b>		<b>406,489</b>	<b>308,462</b>	<b>21,231</b>

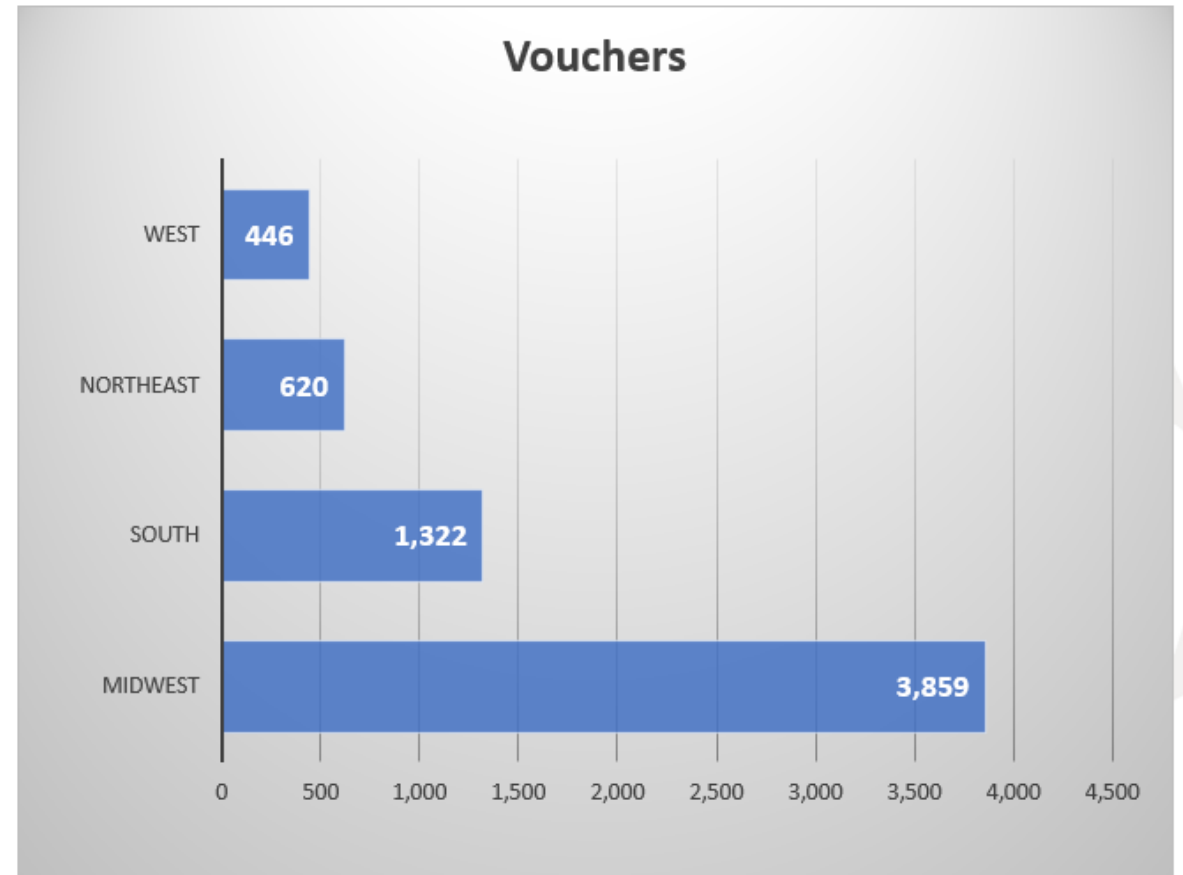
Program	Rental Code	Projects	Average Age	Total Units	RA Units	HUD Sec 8 units
Sec. 515	Family	7,754	35.8	248,370	183,679	14,302
Sec. 515	Elderly	4,414	34.6	130,416	104,427	6,082
Sec. 515	Other	282	34.0	10,815	8,015	847
Sec. 514	Family	460	20.7	16,844	12,309	0
Sec. 514	Other	13	20.5	44	32	0
<b>TOTAL</b>		<b>12,923</b>	<b>29</b>	<b>406,489</b>	<b>308,462</b>	<b>21,231</b>



# Voucher Count by Region

Data as of June 30, 2023

Region	Count of Vouchers
MIDWEST	3,859
SOUTH	1,322
NORTHEAST	620
WEST	446
<b>TOTAL</b>	<b>6,247</b>



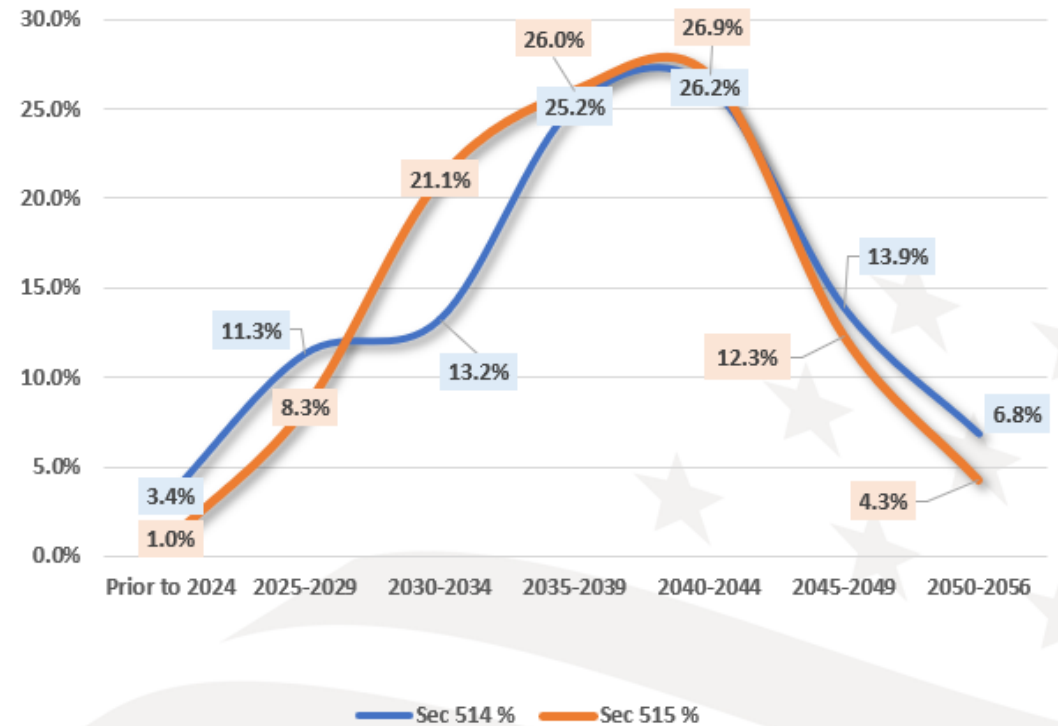
# Maturing Mortgages

Data as of June 30, 2023 (this dataset is updated quarterly)

## Section 514 and 515

Estimated Program Exit Year Range	Sec 514	Sec 515	TOTAL	Sec 514 %	Sec 515 %
Prior to 2024	16	128	144	3.4%	1.0%
2025-2029	53	1039	1,092	11.3%	8.3%
2030-2034	62	2627	2,689	13.2%	21.1%
2035-2039	118	3241	3,359	25.2%	26.0%
2040-2044	123	3347	3,470	26.2%	26.9%
2045-2049	65	1535	1,600	13.9%	12.3%
2050-2056	32	534	566	6.8%	4.3%
<b>TOTAL</b>	<b>469</b>	<b>12,451</b>	<b>12,920</b>		

Program Exit by Year Range



# Simple Transfers

- The simple transfer pilot program was published in the Federal Register on 12/9/2022.
  - The pilot program offers 3 options. Option 1 with expedited ownership change required; Option 2 is a simple transfer with rehabilitation and Option 3 is a simple transfer with future rehabilitation/recapitalization plan for nonprofits.
  - Simple transfers include restrictions on new debt, equity payouts, and other limitations that are not included for standard transfers.
  - Owners should contact their assigned Field Operations Division Servicing Specialist if interested to discuss their goals and timelines.
  
- Simple Transfer Pilot update:
  - Concept Calls held = 46
  - Applications Mailed = 24
  - Complete Applications received = 4
  - Submitted for Closing = 4
  - Closed = 2

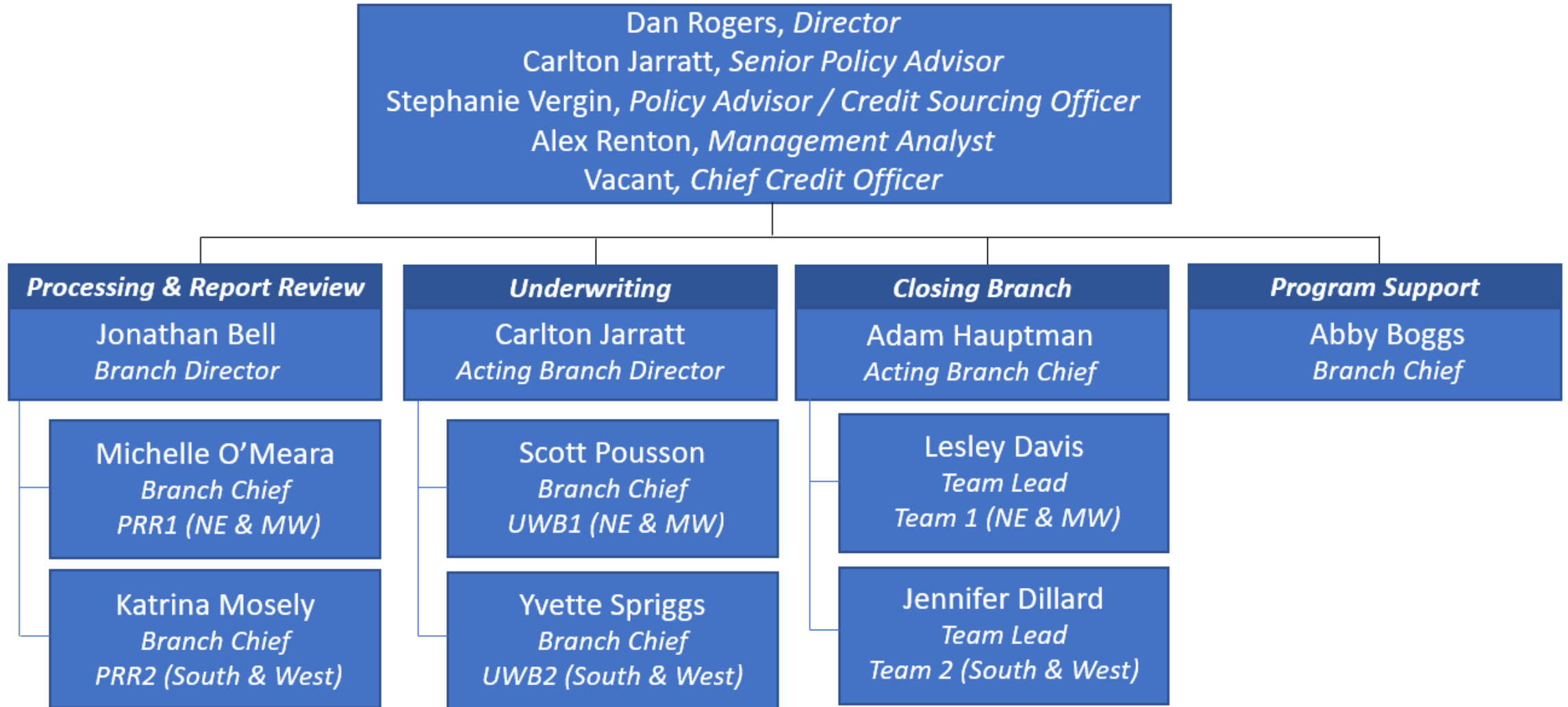
# Program Analyst – MPIPP Status

- The protocol is based on professionally trained inspectors conducting inspections using the Mortgage Banker's Association (MBA) Inspection form 3.0 (already in widespread use throughout the industry) and the associated rating system.

Region	Approved to Date	% Complete	# Remaining	Total
Midwest	297	99.0	3	300
Northeast	194	97.0	6	200
South	473	99.6	2	475
West	93	93.0	7	100
Total	1057	98.3	18	1075



# Production & Preservation (P2) Leadership Team Updates



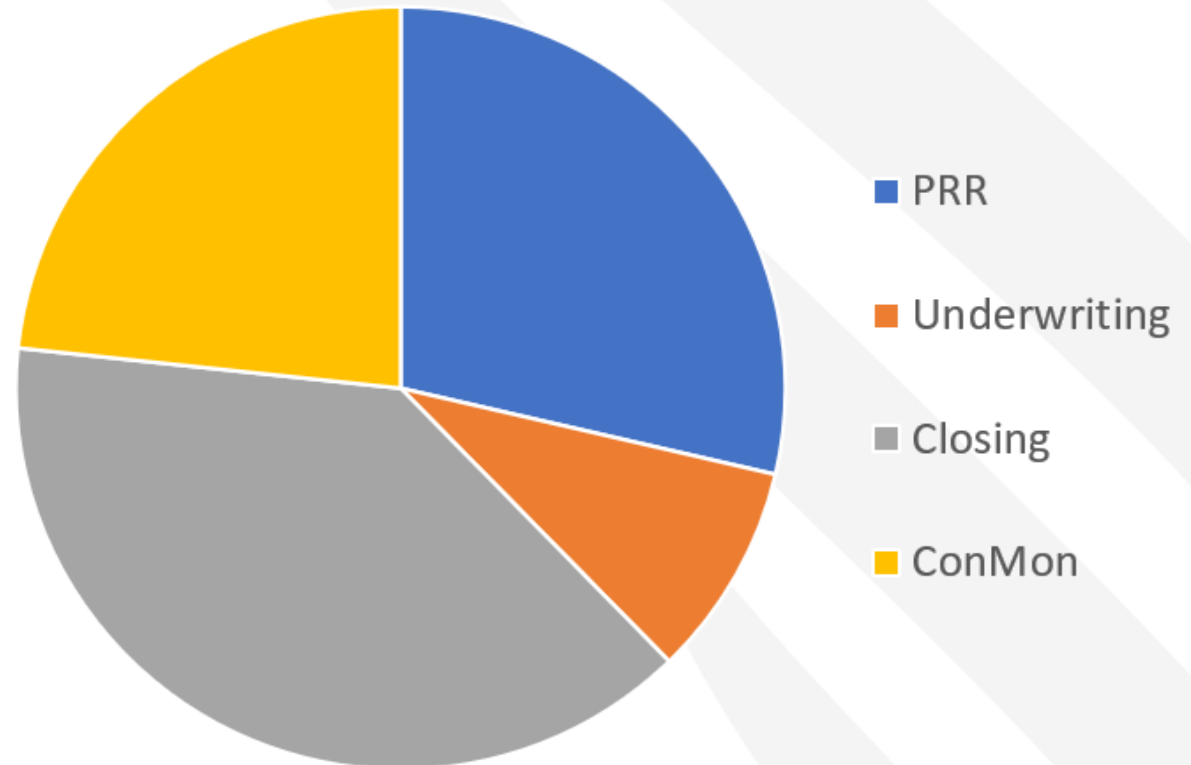
# Production & Preservation (P2) *Pipeline Snapshot*

Branch / Division	Volume
PRR	404
Underwriting	128
Closing / Post Closing	550
Construction Monitoring	329
Grand Total	1,403

## Highest Volume / Transaction Type

- 565 Transfer Applications
- 289 Section 538 Applications
- 239 MPR Transactions
- 197 Direct Loans

### Branch Volume



# Status of Production & Preservation (P2) NOFAs & NOSAs

NOSA / NOFA	Status
Technical Assistance NOFA Funding Round	Applications: Due July 3, 2023 Status: Applications Under Review Award Announcements: September 2023
Section 515 Subsequent Loan Funding Opportunity	Applications Due: April 30, 2023 Status: Applications Under Review Award Announcements: September 2023
538 Guaranteed NOSA Update	Applications Due: Open / Rolling Status: N/A Award Announcements: Rolling
SuperNOSA Funding Round <ul style="list-style-type: none"><li>• Section 515 Preservation</li><li>• Multifamily Preservation &amp; Rehabilitation (MPR)</li><li>• FLH New Construction &amp; Preservation</li><li>• 515 &amp; 514 Subsequent Loans</li></ul>	Anticipated November / December 2023

# MFH Nonprofit Transfer and FLH Technical Assistance

## **MFH Technical Assistance NOFA Published on May 4, 2023**

- \$6.9 million Available for Non-Profit Transfer Technical Assistance
- \$1 million Available for Farm Labor Housing Technical Assistance Grants
- Multifamily Housing Technical Assistance NOFA click [here](#).
- Applications were due on July 3, 2023
- Stakeholder Listening Sessions was held on May 22, 2023
- Funding Announcements by September 30, 2023

## **Reminder of Current TA Availability (all states for NP TA, 11 states for FLH TA)**

- Nonprofit Technical Assistance Providers click [here](#).
- Farm Labor Housing Technical Assistance Providers click [here](#).

# P2 Priority Preservation Initiative: Section 521 Rental Assistance Decoupling

- The Agency continues to seek statutory authority to decouple the 521 Rental Assistance from the 515 Mortgage, allowing the rental assistance to stay with the property if the 515 Mortgage matures or is terminated.
- Critical preservation tool, as more than:
  - 30,000 units will lose RA due to maturing mortgages by 2030
  - An additional 50,000 units will lose RA due to maturing mortgages by 2035
- The Agency continues to respond to the Manager's Notes in the FY23 Appropriations Bill
  - In-Person Listening Sessions:
    - Seattle, Washington (NCSHA Credit Connect) June 15, 2023
    - Washington, D.C. (CARH Conference) June 27, 2023
  - Virtual Listening Sessions
    - July 19 & July 25
  - Congressional Report on industry feedback due to Congress Fall 2023

# P2 Priority Preservation Initiative: Section 521 Rental Assistance Decoupling

## ➤ Stakeholder Listening Sessions on Decoupling as a Preservation Tool for the Multifamily Housing Portfolio

- Virtual session #1: July 19, 2023  
2:00 to 3:30 PM ET  
MFH Decoupling Stakeholder Listening Session  
[Link to Register](#)
- Virtual session #2: July 25, 2023  
2:00 to 3:30 PM ET  
[Link to Register](#)

### USDA Rural Development Announces Stakeholder Listening Sessions on Decoupling as a Preservation Tool for the Multifamily Housing Portfolio

In accordance with the FY23 Consolidated Appropriations Act, USDA is directed to conduct a series of stakeholder meetings and provide a report to Congress on how decoupling of Section 521 Rental Assistance (RA) from Section 515 Rural Rental Housing mortgages would be implemented. A critical component of the Department's report is the valued feedback from our industry partners. USDA Rural Development seeks stakeholder input on the implementation of "decoupling" as a tool to facilitate the rehabilitation and preservation of the Multifamily Housing (MFH) portfolio at the time of mortgage maturity.

By statute, when a Section 515 mortgage matures or is terminated, the property is no longer eligible to receive Section 521 rental assistance, adversely impacting residents and creating an elevated risk of loss of affordable units in the Section 515 portfolio. Between 2023 and 2033, approximately 137,000 affordable housing units will be lost due to maturing Section 515 mortgages, with a potential to lose approximately 333,000 units by the year 2050.

For owners willing to continue providing affordable housing upon mortgage maturity, the agency is currently limited to debt modifications and deferrals to keep the Section 515 mortgages in place, which enables the continued availability of RA. However, maintaining the Section 515 mortgage with currently available preservation tools may adversely impact the property by discouraging critical investments from other local, state, and federal sources or create a lack of equity for further recapitalization.

Decoupling is an important tool to preserve the affordability of the maturing Section 515 portfolio. It will allow for the continuation of the project-based RA to MFH tenants, who had an average annual household income of approximately \$13,000 in Fiscal Year 2022, while also encouraging new third-party investment and recapitalization of the aging MFH portfolio.

#### Register for a Stakeholder Listening Session

Feedback from MFH stakeholders and industry partners is critical as the Agency prepares its report to Congress on ways to implement decoupling. To obtain feedback from a wide range of partners, Rural Development is conducting two in-person sessions and two virtual sessions in June and July.

#### In-Person Stakeholder Sessions

The in-person sessions will be held at conferences conducted by the National Council of State Housing Agencies (June 15) and the Council for Affordable and Rural Housing (June 27). For more information about registering for either of these conferences, please contact the conference sponsors:

[2023 Housing Credit Connect — NCSHA](#)  
[2023 Annual Meeting & Legislative Conference | CAR](#)

#### Virtual Stakeholder Sessions

Rural Development is hosting two virtual sessions open to all stakeholders. Sessions will be held on July 19<sup>th</sup> and July 25<sup>th</sup>. Interested participants should pre-register. A confirmation notice will be emailed to registrants.

# P2 Program and Policy Updates / Reminders

## BABA Applicability: March 29, 2023 GovDelivery Announcement:

- The [Build America, Buy America Act](#), enacted as part of the Infrastructure Investment and Jobs Act (IIJA) focuses on maximizing the federal government's use of services, goods, products, and materials produced and offered in the United States.
- All non-Federal organizations receiving RD financial assistance for infrastructure projects are now required to exclusively use iron, steel, manufactured products and construction materials manufactured in the United States.
- In accordance with BABAA, USDA has determined that de minimis, small grants, and minor components will be waived from the requirements of BABAA, Under such waivers, small grants below the Simplified Acquisition Threshold, which is currently set at \$250,000, shall not be subject to BABAA.
- USDA Rural Development (RD) published a [Build America, Buy America \(BABAA\) Customer Guide](#) to help organizations receiving RD financial assistance comply with BABAA and its requirements for their projects. This guide will help stakeholders determine if their project is subject to BABAA and explain how to document compliance.
- For more information, go to [Build America, Buy America Act | Rural Development \(usda.gov\)](#) or email general BABAA inquiries to [SM.RD.BABAA.Inquiry@usda.gov](mailto:SM.RD.BABAA.Inquiry@usda.gov)
- Multifamily Housing questions and/or comments may be directed to [MFH.ProgramSupport@usda.gov](mailto:MFH.ProgramSupport@usda.gov).

# Helpful Links, Information, and Contact

- For additional program information, please visit the MFH Programs homepage at:

[Multifamily Housing Programs | Rural Development \(usda.gov\)](#)

- For questions, comments, and feedback please contact Dan Rogers, Director of Production & Preservation or Stephanie Vergin, Production & Preservation Policy Advisor, at:

[Daniel.Rogers2@USDA.gov](mailto:Daniel.Rogers2@USDA.gov)  
[Stephanie.Vergin@usda.gov](mailto:Stephanie.Vergin@usda.gov)



# GovDelivery

## What is GovDelivery?

GovDelivery is a marketing platform and communications cloud custom-built for government. It allows USDA Rural Development Multifamily Housing to easily provide program updates to our partners across the country via email.

We will be using **GovDelivery** for all general Multifamily Housing updates.

To ensure you are receiving these updates, please sign-up for GovDelivery at <https://public.govdelivery.com/accounts/USDARD/subscriber/new?email=&commit=Sign+Up>





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