

# HUD Housing & FHA Monthly Review



## POLICY DEVELOPMENTS

### SINGLE FAMILY HOUSING

#### **Mortgagee Letter 15-01 - Reduction of FHA Annual Mortgage Insurance Premium (MIP) Rates**

On January 9<sup>th</sup> the Office of Single Family Housing issued mortgagee letter 2015-01 which implements the 50 basis point (0.50%) reduction in FHA's annual MIP rates for most FHA Title II forward mortgages and provides opportunity for cancellation of existing case numbers in order to utilize the MIP rates contained in the ML.

- Link to ML:

<http://portal.hud.gov/hudportal/documents/huddoc?id=15-01ml.pdf>

#### **Mortgagee Letter 15-02 - HECM: Non-Borrowing Spouse Ineligible for Deferral Period at Origination**

On January 9<sup>th</sup>, the Office of Single Family Housing published a Mortgagee Letter that provided policy applicable to "ineligible" Non-Borrowing Spouses that will not be eligible for the Due and Payable Deferral Period which was announced in Mortgagee Letter 2014-07. The requirements contained in this Mortgagee Letter may be implemented for all HECM case numbers assigned on or after January 5, 2015, and must be implemented for all HECM case numbers assigned on or after (60 days from publication date).

- Link to ML:

<http://portal.hud.gov/hudportal/documents/huddoc?id=15-02ml.pdf>

#### **Feedback Wanted: New Sections of SF Housing Policy Handbook Posted**

**Please provide feedback by February 22, 2015.**

- On January 21, the Office of Single Family Housing posted the draft Doing Business with FHA -Other Participants section of the handbook which provides guidance on FHA's eligibility

#### **PRESIDENT OBAMA'S REMARKS:**

<http://www.whitehouse.gov/the-press-office/2015/01/08/remarks-president-housing-phoenix-az>

#### **- Video:**

[https://www.youtube.com/watch?v=a\\_10ljanJUc](https://www.youtube.com/watch?v=a_10ljanJUc)

#### **HUD PRESS RELEASE: FHA TO REDUCE ANNUAL INSURANCE PREMIUMS:**

[http://portal.hud.gov/hudportal/HUD?src=/press/press\\_releases/media\\_advisories/2015/HUDNo\\_15-001](http://portal.hud.gov/hudportal/HUD?src=/press/press_releases/media_advisories/2015/HUDNo_15-001)

#### **FHA MORTGAGE INSURANCE FACT SHEET:**

<http://www.whitehouse.gov/the-press-office/2015/01/07/fact-sheet-making-homeownership-more-accessible-and-sustainable>

#### **MORTGAGEE LETTER:**

<http://portal.hud.gov/hudportal/documents/huddoc?id=15-01ml.pdf>



#### **FOLLOW US ON TWITTER!**

- @FHA\_Commish
- @HUD\_FHA
- @HUDHousing

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## IN THE DISCUSSION

- Dan McCue, Harvard, *What Effect Will Lower FHA Mortgage Insurance Premiums Have on First-Time Homebuyers?*  
<http://housingperspectives.blogspot.com/2015/01/what-effect-will-lower-fha-mortgage.html>
- Urban Institute, *Four Impacts of the Federal Housing Administration's premium cut*  
[http://blog.metrotrends.org/2015/01/effects-federal-housing-administrations-premiumcut/?utm\\_source=iContact&utm\\_medium=email&utm\\_campaign=Housing%20Finance%20Policy%20Center&utm\\_content=HFPC+newsletter+1%2F21%2F2015](http://blog.metrotrends.org/2015/01/effects-federal-housing-administrations-premiumcut/?utm_source=iContact&utm_medium=email&utm_campaign=Housing%20Finance%20Policy%20Center&utm_content=HFPC+newsletter+1%2F21%2F2015)
- National Association of Realtors, Ken Fears: BLOG, *FHA Lowers Pricing to Reflect Less Risk*  
<http://economistsoutlook.blogs.realtor.org/2015/01/08/fha-lowers-pricing-to-reflect-less-risk/#sf6825601>

## MULTIFAMILY HOUSING

### **RAD FHA Lenders FAQ**

On January 2<sup>nd</sup> Multifamily Housing posted a RAD FHA Lenders FAQ for reference.

- Link to FAQ:

[http://portal.hud.gov/hudportal/documents/huddoc?id=RAD\\_FHA\\_FAQs.pdf](http://portal.hud.gov/hudportal/documents/huddoc?id=RAD_FHA_FAQs.pdf)

### **Memo - Occupancy Protections for HUD-Assisted Households in Properties with Low-Income Housing Tax Credits.**

On January 12<sup>th</sup>, Ben Metcalf, Deputy Assistant Secretary for MF Housing Programs issued a memorandum providing guidance with regard to Occupancy Protections for HUD-Assisted Households in

requirements, approval processes, and how to conduct business under FHA's single family programs as approved 203(k) Consultants, Inspectors, DE Underwriters, Real Estate Brokers, and Non-Profits. This topic section will be incorporated into the Doing Business with FHA section of the Handbook previously posted for feedback.

- Also, on January 21, the Office of Single Family Housing posted the draft Quality Control, Oversight and Compliance- Other Participants section which provides guidance on quality control, monitoring, and what enforcement actions FHA may take if its requirements are violated for approved 203(k) Consultants, Inspectors, DE Underwriters, Real Estate Brokers, and Non-Profits. This section topic will be incorporated into the Quality Control, Oversight and Compliance section of the handbook previously posted for feedback.

- Link to SF Drafting Table:

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/housing/sfh/SFH\\_policy\\_drafts](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/SFH_policy_drafts)

### **Mortgagee Letter 15-03- HECM: Mortgagee Optional Elections for Surviving Non-Borrowing Spouses**

On January 29, the Office of Single Family Housing published a Mortgagee Letter that established options for Mortgagees for Eligible Non-Borrowing Spouses when the HECM is in due and payable status resulting from the death of the last surviving mortgagor. This policy will apply to HECMs with case numbers issued prior to August 4, 2014.- Link to ML:

<http://portal.hud.gov/hudportal/documents/huddoc?id=15-03ml.pdf>

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Properties with Low-Income Housing Tax Credits. The memo provides guidance on tenancy protections for households when owners participate in both a HUD-assisted program (eg. Project-Based Section 8, Section 236, Section 202) and Low-Income Housing Tax Credits (LIHTC).

- Link to Memo:

<http://portal.hud.gov/hudportal/documents/hudoc?id=occuprotectiohshudassthsg.pdf>

**Proposed Rule - Streamlining Management and Occupancy Reviews for Section 8 Housing Assistance Programs**

On January 14, Multifamily Housing published a Proposed Rule on Streamlining Management and Occupancy Reviews for Section 8 Housing Assistance Programs and Amending Vacancy Payments for Section 8 and Section 162 Housing Assistance Programs in the Federal Register, and a Notice on Section 8 Housing Assistance Programs Proposed Management and Occupancy Review Schedule. The Proposed Rule would amend existing project-based Section 8 regulations related to Management and Occupancy Reviews (MORs) and Vacancy Payments for some programs.

- Link to Fed. Register:

<http://www.gpo.gov/fdsys/pkg/FR-2015-01-14/pdf/2015-00353.pdf>

**Comments Wanted – RAD: Updated Application Review and Commitments To Enter Into Housing Assistance Payment Contracts (CHAPs) Issuance Process for First Component RAD Transactions**

On January 29<sup>th</sup>, as a result of increased authority granted to HUD in the Consolidated and Further Continuing Appropriations Act, (Pub. L. 113– 235, approved December 16, 2014) (FY2015 Appropriations Act) to convert public housing and moderate rehabilitation (Mod Rehab) program assistance under the first component of RAD for a total of 185,000 units, HUD will review all applications on the waitlist and begin issuing

CHAPs in accordance with this notice to maximize the effectiveness of the proposed conversion of assistance. HUD welcomes comment on the update of the review process provided in this notice.

- Link to Fed. Register:

<http://www.gpo.gov/fdsys/pkg/FR-2015-01-29/pdf/2015-01640.pdf>

**Memo – Guidance for processing PACE assessments in California**

On January 29, Multifamily Housing published a memo providing Administrative Guidance for Multifamily Property Assessed Clean Energy (PACE) in California. The memo recognizes the potential benefits of PACE for the multifamily portfolio and includes clarifying information regarding the processes under which HUD insured and assisted properties located in California may receive support for energy and water efficiency improvements by entering into PACE agreements.

- Link to Memo: agreements.

- Link to Memo:

[http://portal.hud.gov/hudportal/documents/hudoc?id=MF\\_PACE\\_CA\\_Memo.pdf](http://portal.hud.gov/hudportal/documents/hudoc?id=MF_PACE_CA_Memo.pdf)

## HEALTHCARE PROGRAMS

**Proposed Rule - Fees and the Financing of the Purchase and Installation of Fire Safety Equipment**

On January 14, a Proposed Rule on Updating Regulations governing HUD Fees and the Financing of the Purchase and Installation of Fire Safety Equipment in FHA-Insured Healthcare Facilities was published to the Federal Register. The public comment period will run until March 16, 2015. Through this rule, HUD proposes to update HUD fees for multifamily housing and residential healthcare facilities and to update and streamline the Section 232 program regulations that govern the financing of the purchase and installation of fire safety

equipment in the insured healthcare facilities, which have not been substantially updated in over 20 years.

- Link to Fed. Register: <http://www.gpo.gov/fdsys/pkg/FR-2015-01-14/pdf/2015-00373.pdf>

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## HOUSING COUNSELING

***Latest Edition of "The Bridge" Newsletter:***

[http://portal.hud.gov/hudportal/documents/huddoc?id=OHC\\_BRIDGE013015.pdf](http://portal.hud.gov/hudportal/documents/huddoc?id=OHC_BRIDGE013015.pdf)

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## MANUFACTURED HOUSING

### ***Notice: Federal Advisory Committee Meeting Notification***

On January 13th this notice was published which sets forth the schedule and proposed agenda for a teleconference meeting of the MHCC, General Subcommittee which is scheduled for February 11th, 2015. The teleconference meeting is open to the public. The agenda provides an opportunity for citizens to comment on the business before the MHCC.

- Link: <http://www.gpo.gov/fdsys/pkg/FR-2015-01-13/pdf/2015-00364.pdf>

### ***Memo: HUD Temporarily Delays Enforcement***

On January 20, 2015, Pamela Beck Danner, Administrator of the OMHP, issued a memorandum entitled "RV Exemption under Manufactured Housing Act-Part II" in which HUD extends the enforcement deadline of the October 1, 2014 "RV Exemption under Manufactured Housing Act". This memorandum states: "HUD has considered the December 2, 2014, vote of the MHCC and will delay the enforcement of the October 1, 2014, Memorandum until the publication of a final rule concerning the RV exemption."

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