

USDA, RURAL DEVELOPMENT



What is USDA, Rural Development

Our Agency is comprised of three divisions, all identified to promote community and economic development:

- RURAL HOUSING
- RURAL BUSINESS
- RURAL INFRASTRUCTURE



What is USDA, Rural Development

☐ Today, we will be focusing on the Rural Housing portion:

- Single Family Ownership Direct Loans – To purchase, build, improve, repair or rehabilitate rural home as the applicant's permanent residence.



What is USDA, Rural Development

- Single Family Home Ownership Direct Repair Loans and Grants – To repair/replace roof, winterizing, purchase or repair of heating system, structural repair, water/sewage connect fees, and similar uses.
- Single Family Home Ownership Guaranteed Loans – To purchase new or existing homes.
- Mutual Self-Help Home Ownership Loans – To construct a new home, in part by the applicant under supervision.



What is USDA, Rural Development

- Mutual Self-Help Housing Grants – Technical assistance to qualify and supervise small groups of families to build each other's homes.
- Rural Rental Housing Direct Loans and Loan Guarantees – New construction or substantial rehabilitation of rental housing.



What is USDA, Rural Development

- Housing Preservation Grants – Operation of a program which finances repair and rehabilitation activities for single family and small rental properties. Applicant must be a public body or non-profit organization.
- Farm Labor Housing – New Construction or substantial rehabilitation of rental housing for farm workers.



TENANT ELIGIBILITY

- ☐ To be admitted into multi-family housing, applicants must meet basic requirements:
- Have income that does not exceed the limits established by HUD.
 - Meet the program definition of an eligible household.



APPLICATION REQUIREMENTS

- ☐ The purpose of the tenant application process is to collect enough information regarding the household status to determine applicant eligibility for the specific property.



APPLICATION REQUIREMENTS

- ☐ This information should also be comprehensive enough for the borrower/management agent to make a determination about waiting list placement.



APPLICATION WAITING LIST

- ☐ When an applicant submits an application form, the borrower/management agent must place the applicant on the waiting list.
- ☐ All applications, whether complete, eligible, or ineligible, will be place on the list.



APPLICATION WAITING LIST

- ☐ The waiting list will document the final disposition of **all** applications (rejected, withdrawn, or placed in a unit).
- ☐ The date and time a complete application was submitted will be recorded on the waiting list and will establish priority for selection from the waiting list.



APPLICATION WAITING LIST

- ☐ If an applicant submits an incomplete application, they must be notified within 10 days of the items that are needed for the application to be considered complete and that priority will not be established until the additional items are received.



APPLICATION WAITING LIST

- ☐ The race and the ethnicity of each applicant must be recorded on the waiting list.



APPLICATION WAITING LIST

- ☐ Electronic waiting lists must have a mechanism for maintaining the date and time of each applicant's placement on or selection from the waiting list and a way to document changes made to the list.



APPLICATION WAITING LIST

- Print a record of the appearance of the waiting list as often as necessary (at least monthly) to show each applicant's placement on and selection from the list.



SELECTION OF APPLICATIONS

- ☐ Once an applicant has submitted a complete application and signed a form authorizing the borrower to verify employment, the date and time must be recorded on the waiting list to establish priority for selection.



SELECTION OF APPLICATIONS

- ☐ Selection from the waiting list will be made according to date and time in the following order:
- Very low-income applicants;
 - Low-income applicants; and
 - Moderate-income applicants.



SELECTION OF APPLICATIONS

- ☐ Within 10 calendar days of receipt of a complete application, the borrower / management agent must notify the applicant in writing that he/she has been selected for immediate occupancy, placed on a waiting list, or rejected.



UNIT ASSIGNMENT

- ☐ Once a unit becomes available, the borrower/management agent must decide who is entitled to that unit based on a variety of factors.



UNIT ASSIGNMENT

- ☐ Eligible tenants residing in the property who are either under- or over-housed receive priority over new applicants if relocating them into the newly vacant unit would bring the household into compliance with the occupancy policy for the property.



UNIT ASSIGNMENT

- ☐ If there are no such over- or under-housed existing tenants, the borrower/management agent must select a new applicant from the waiting list to fill the newly vacant unit.
- ☐ The borrower/management agent must use the project's occupancy policy to look at applicants on the waiting list who are eligible based on the unit size.



UNIT ASSIGNMENT

- ☐ The order in which applicant households are entitled to housing depends on two factors:
 - The income level of the household; and
 - The priorities for which the household may qualify.



PRIORITIES FOR UNITS

- ☐ While the basic standard is to house all very low-income applicants prior to low- and then moderate-income applicants, there are situations where this process may be bypassed.



PRIORITIES FOR UNITS

- If the unit is a handicapped accessible unit, then an eligible household that needs the features of that unit will receive priority over all other applicants, regardless of income.



PRIORITIES FOR UNITS

- Borrowers with projects receiving low-income housing tax credits (LIHTCs), may leave a housing unit vacant if they are required to rent the available unit to a LIHTC-eligible applicant, and none of the applicants on the waiting list meet the applicable LIHTC eligibility requirements.



PRIORITIES FOR UNITS

- Letter of Priority Entitlement (LOPE), Handbook Letter 201. A letter issued by the Agency providing a tenant with priority entitlement to rental units in other Agency-financed housing projects for 120 days from the date of the LOPE.



PRIORITIES FOR UNITS

- ✓ Persons displaced by Agency action, or displaced persons in a Federally-declared disaster area have priority over all other applicants of the individual applicant's income group.



RENTAL ASSISTANCE

☐ Five Priorities for Assigning RA:

1. First priority is *always* to eligible **very low-income existing tenants** paying the highest percentage of their adjusted annual income in shelter costs.



RENTAL ASSISTANCE

2. Second priority is to **very low-income** applicants on the waiting list, considering the applicant's unit size and type needed.
3. Third priority is to eligible **low-income** tenants paying the highest percentage of their adjusted annual income in shelter costs.



RENTAL ASSISTANCE

4. Fourth priority is to eligible low-income applicants on the waiting list.
5. Final priority is to households that are residing in a rental unit for which they do not qualify on the basis of an **occupancy waiver** or other special approval situations.



OCCUPANCY RULES

- ☐ With the exception of elderly or disabled, a Tenant must move or pay an increased rent if household income increases to the above-moderate income level.
- ☐ Tenants must move out of the project within 30 days of being notified by the borrower that they are no longer eligible for occupancy unless the conditions cited in 7 CFR 3560.158 (c) exist.



OCCUPANCY RULES

- ☐ Tenants must notify borrower / management agent regarding changes in income, citizenship, or number of persons living in the unit.
- ☐ Tenants must notify borrower / management agent in a situation of extended tenant absences.
- ☐ Tenants must agree to income certification.



OCCUPANCY RULES

- ☐ Tenants must make restitution when a household receives benefits to which it is not entitled.
- ☐ Tenants must be made aware that the submission of false information could result in the initiation of legal action by the Agency.



OCCUPANCY RULES

- Ineligible tenants must move to the next available appropriately-sized unit, if the unit becomes overcrowded, underused, or should the tenant no longer meet eligibility requirements.



OCCUPANCY RULES

- ☐ The use, or possession, manufacture, sale, or distribution of an illegal controlled substance is strictly prohibited from RD-financed complexes.
- ☐ Tenants must allow periodic inspections by the borrower/management agent, and other circumstances under which management may enter the premises while a tenant is renting.



QUESTIONS?


