



New York State Rural Housing Coalition, Inc.

November, 2004

New York State Low Income Housing Tax Credit Program NOFA Issued

The New York State Division of Housing and Community Renewal (DHCR) is pleased to announce the availability of \$2,000,000 in state tax credit under the New York State Low Income Housing Tax Credit Program (State Tax Credit) which is authorized under Article 2-A of the Public Housing Law.

DHCR reserves the right to allocate all, a portion of, or none of the available State Tax Credit funds based upon the competitiveness of the applications received and the applicant's ability to meet DHCR criteria for funding. DHCR will not consider applications for projects which have previously received funding from DHCR or Housing Trust Fund Corporation programs. Applications for State Tax Credit must be submitted to: NYS Division of Housing and Community Renewal, Attn: Nina Moore, NYS Low Income Housing Tax Credit Program Manager, Hampton Plaza, 38-40 State Street, Albany, New York 12207.

Note: STATE TAX CREDIT APPLICATIONS WILL NOT BE ACCEPTED AT OTHER LOCATIONS.

Applications for State Tax Credit will be accepted continuously until further notice. Persons/firms that construct and/or rehabilitate rental housing that is reserved for households earning up to 90% of area median income may apply for State Tax Credit. The State Tax

Credit amount is based upon the actual cost of acquisition, rehabilitation and/or construction of rental properties for low-income households.

Persons interested in applying for an allocation of State Tax Credit should review DHCR's Low-Income Housing Credit Qualified Allocation Plan (QAP) dated April 17, 2001 and the NYS Low Income Housing Tax Credit Regulations, 9 NYCRR Part 2040.14 (the Regulations) dated April 19, 2001.

The QAP contains program definitions, the State Tax Credit allocation process, threshold selection criteria and project compliance monitoring requirements. The Regulations contain definitions, scoring selection criteria and underwriting criteria.

Applications are evaluated for completeness, program eligibility, competitiveness, feasibility and the extent to which the application meets the threshold criteria contained in DHCR's QAP and the selection criteria contained in the Regulations.

An application fee of \$100 is due at the time of application. Not-for-profit applicants (or their wholly-owned subsidiaries) which will be the sole general partner of the partnership/project owner or the sole managing member of the limited liability company/project owner may request a deferral of payment until allocation.

Application packages are currently

available at any of the DHCR Regional Offices listed below and at DHCR's website: www.dhcr.state.ny.us. Applicants are responsible for obtaining the proper application to be considered for funding.

For an application package, contact the appropriate Regional Office Director:

Debra Devine, Hampton Plaza, 38-40 State Street, Albany, New York 12207, (518) 486-5012.

Thomas H. Van Nortwick, Statler Towers, 107 Delaware Avenue, Suite 600, Buffalo, New York 14202, (716) 842-2244.

Vernita King, 800 South Wilbur Avenue, Syracuse, New York 13204, (315) 473-6930.

Deborah Boatright, 25 Beaver Street, 7th Floor, New York, New York 10004, (212) 480-7644.

Advocates Conference Planned For Cooperstown

NYS Rural Advocates will hold their annual membership meeting to elect board members, fill expiring or vacant seats and continue efforts on legislative housing policy and their legislative agenda, in Cooperstown, NY at the Otesaga Hotel on November 16-November 17, 2004. All members are welcome to attend. For more information contact Nancy Berkowitz, 518-352-7787 or email nbek@frontiernet.net.

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Rural Delivery is published by the New York State Rural Housing Coalition, Inc. a nonprofit membership organization. The Coalition is a statewide membership organization dedicated to strengthening and revitalizing rural New York by assisting housing and community development providers. Rural Delivery has a distribution of 235 copies per issue.

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For more information contact the Coalition at:
879 Madison Avenue, Albany, New York 12208
Tel: 518/458-8696 * Fax: 518/458-8896

E-mail: rhc@ruralhousing.org
Web Site: www.ruralhousing.org



Bits and Pieces...

Fellowships Available

The Alston/Bannerman Fellowship Program offers a sabbatical program to sustain long-time activists of color. Awards of \$15,000 are made to organizers for sabbaticals of three months or more. See www.alstonbannerman.org/ for more info. The application deadline is December 1st.

Environmental Grants

The Sam's Club Foundation offers 'Be A Good Neighbor Environmental Grants' for non-profit organizations in communities with Sam's Club stores. Grants of up to \$500 will be made to support environmental projects. For more information, see the Community Involvement Coordinator at the Sam's Club location nearest you, or visit www.samsclub.com/eclub/main_foundation.jsp?stg=STGO.

Subscribe To E-Notification of Grant Opportunities

'Funding Alert' is a free service of the federal Office of Partnerships and Grants Development. To start your own online subscription to 'Funding Alert', simply register with DC.Gov and subscribe at DCDocs <http://dc.gov/registration/dcdocs.asp>. For archives visit <http://opgd.dc.gov>, then Information, Grant Funding Alerts.

Writing Effective Press Releases

How do you get the media to print your news? Use a press release. But it must be well written and delivered at the right time and place. The Schenectady County Community Business Center will offer a seminar led by a professional who will teach the "tricks of the trade" on Saturday, November 13th, beginning at 9:00 AM. The seminar location will be at SCCBC, 920 Albany Street, Schenectady, NY 12307. Phone (518) 382-3069 or visit www.sccbc.org for more information.

Webcast To Link Work Plans To Financial Goals

LISC will offer a webcast on November 4th from 2:00 to 3:30 PM on strategies for making financial goals a key component of the planning process, and tools for integrating financial goals into work plans. The presenters will be Wayne Vaughn, Karen Hunt and Curtis Johnson. For more information, visit www.lisc.org/resources/experts_index.shtml.

New Coalition Board Seated

At the October Rural Housing Coalition Annual Meeting in Binghamton, six new Board Members were elected to the the RHC governing body. The new Board Members are:

Deborah DeLong, of Going Places Consulting in Wappingers Falls, an at-large representative;

Stacey Crawford, Executive Director of Better Housing of Tompkins County in Ithaca, representing the Chemung/Delaware Region;

Judy Eisgruber, Executive Director of the Albany County Rural Housing Alliance in Voorheesville, representing the Hudson Valley Region;

Fred Hanss, Executive Director of the St. Lawrence County Housing Council in Canton, representing the Thousand Islands Region;

and Max Sammons, Cortland Community Action in Cortland, representing the Chemung/Delaware Region.

A seat representing the Adirondacks Region remains open.

Peg O'Leary has been elected the new Board Chair.

The new board members replace the following outgoing board representatives:

Jennifer Gould, who resigned to take a new position in England;

John Wright, who has retired from the field;

Carol Lazore, who's term expired;

Gail Padalino, who's term expired;

Alan Hipps, who's term expired; and

Lorraine Charbonneau-Wynne, who is now the Executive Director of the Albany Center for Economic Success.

We want to welcome the new Board members to their positions, and express to the retiring/departing members our gratitude for their service and support of the Coalition.

State Budget Update

The impact of the state budget on local housing agencies continues to be a major concern. The veto of the rural preservation company funding by Governor Pataki has left many agencies in a quandary regarding the status of funding for core operations. The veto left the program funding at 50% of its level last year. The severe reduction has left a number of agencies in dire straits, as they struggle to implement recent program awards without the administrative funding that they have historically relied upon.

By now, each RPC should have received a letter from DHCR dated October 15th, detailing that second payment checks for this fiscal year would be issued shortly. At the recent Rural Housing Coalition Conference, Commissioner Judith A. Calogero announced that Rural Preservation companies would receive their Preservation Program payment, which normally would be due on January 1, 2005, as soon as possible. Based on the funds available, all companies in good standing will receive \$16,531 providing a total payment of \$33,360 for the 2004/05 program year. This figure was calculated using the RPC Program 04/05 Appropriation of \$2,355,000 and deducting the July payment of \$16,829.

While companies do not need to submit a voucher in order to receive payment, regional representatives must complete all SHARS entries to release the payment. Absent any further legislative action (such as a legislative override of the Governor's veto), this disbursement will represent the total amount due to rural preservation companies for the 2004/2005 program year.

RPC's that are facing serious budget issues as a result of the state budget are encouraged to contact Blair Sebastian at (518) 458-8696 to identify strategies to bridge the financial crisis.

Tech For Community Development Report Issued

The Catalyzing CTCs for Community Change project was developed in response to a report prepared for the Ford Foundation titled, "Community Technology Centers as Catalysts for Community Change" by Randal Pinkett of BCT Partners, Lisa Servon of New School University, and Stephen Davies and Andrew Wiley-Schwartz of Project for Public Spaces. The report (<http://www.bctpartners.com/papers.htm>) outlined essential recommendations that would help bridge gaps between the fields of community technology and community development and increase the capacity of community technology centers to become a force for positive social change at the community level. The degree to which a CTC becomes an integral part of its community is a measure of its success as a community institution and center participants should have a real role in directing and sustaining center operations.

CTCNet, a Consulting Team from BCT Partners (www.bctpartners.com), New School University, and the Project for Public Spaces (www.pps.org), with the guidance of the Ford Foundation and a National Advisory Board will work with 7 (3 in New York) participating sites around the country to:

- Define a broader relationship with the communities they serve. Centers will build a strategic plan, identify partnerships, test some activities, and begin to build capacity in order to implement major changes.

- Focus on offering a richer array of activities for participants as well as on establishing partnerships with other national and neighborhood organizations.

- Build CTCNet's capacity to support CTCs nationwide in their community building efforts and groom leaders as voices for National Policy Reform.

Foreclosure Training Slated

A training will be held for housing counselors regarding the foreclosure process in New York State on November 17, 2004 from 1:00 to 4:30 p.m. in the Arbor Hill section of Albany (location to be determined). Kirsten Keefe of the Greater Upstate Law Project in partnership with the Affordable Housing Partnership in Albany will cover topics including how the legal foreclosure process works in New York State including a timeline of events, how to advise clients who receive foreclosure summons, how to advise clients who are in default on conventional as well as FHA loans and how to advise clients who are facing a foreclosure sale or eviction. The training is free. Participants are invited to join an informal brown bag lunch at 12:15 to get to know your colleagues. If you plan to attend, or would like more information, contact Kirsten Keefe at kkeefe@wnylc.com.

Campaign For Affordable Housing Formed

A national partnership between corporate leaders, business groups, housing sponsors and the media, *The Campaign for Affordable Housing* will represent the interests of all sectors of the housing community. It will not push any specific policy proposals, only the message that affordable housing is an asset to our communities and that citizens who understand its value must take action to make it a reality. The Campaign will become a resource center and clearinghouse for affordable housing advocates; support locally sponsored grassroots efforts; create a more receptive climate; provide materials and advice; conduct research; conduct a national advertising campaign about affordable housing, and its benefits. For more information, visit www.tcah.org.

Financial Manuals Available

Did you miss the Financial Literacy Consumer Smart training offered at the Coalition's Annual Conference this year? You can still receive the NYS Attorney General's Office's handouts and workbooks which offer the information needed to teach a variety of financial well-being topics such as preventing identity and credit card theft, consumer tips on used and new car buying and how to avoid being "scammed", tenant and landlord rights, internet fraud, banking and credit, and how to build good reporting. The information is presented in a format suitable for both students, young adults or anyone who needs basic financial literacy. The workbooks are free and available by contacting the Coalition office at (518)458-8696 ext. 15.

Empowerment Grants Available

The Presbyterian Committee on the Self-Development of People (SDOP) focuses its efforts on the empowerment of economically poor, oppressed, and disadvantaged people seeking to change the structures that perpetuate poverty, oppression, and injustice. SDOP supports local groups in the United States or other countries who are oppressed by poverty and social systems, want to take charge of their own lives, have organized or are organizing to do something about their own conditions, and have decided that what they are going to do will produce long-term changes in their lives or communities. Supported projects must be presented, owned and controlled by the groups of people who will directly benefit from them and must address long-term correction of conditions that keep people bound by poverty and oppression. Applications are accepted continually. Visit www.pcusa.org/sdop/ for more information.

Free Grant Training

Date: Tuesday, November 16, 2004
Time: Choose one (1) session
9:30 a.m. to 12:30 p.m. or 2:00 p.m. to 5:00 PM at Mt. Olive Development Corporation, 701 East Delavan Avenue Buffalo, New York 14215.

Workshop Presenter: Susan Kemp, Assistant Commissioner, NYS Office of Children and Family Services, Division of Development and Prevention Services, Office of Program Support

This free workshop will help grant seekers understand the importance of having a strategic plan to organize their funding search efforts. First, participants will learn how to develop a master plan that focuses on their upcoming funding needs based upon their individual organization and the program(s) they operate. As a result of developing the plan they will be able to find the best potential funding source(s) for their organization. The second half of the presentation will teach grant seekers how to locate local, State, Federal and private grant information resources on the Internet.

Registration Form	
Name	_____
E-Mail	_____
Agency	_____
Title	_____
Address	_____

City	_____
State	_____ Zip _____
Telephone	(____) _____
Please return this registration form by November 12 th to: Mt. Olive Development Corporation, 701 East Delavan Avenue, Buffalo, New York 14215 or call (716) 895-1049.	

Excellence Awards Announced

Six organizations that help transform the lives of people living in poverty received MetLife Foundation Awards for Excellence in Affordable Housing at a ceremony during The Enterprise Foundation's 23rd annual Network Conference. This year's winners include the largest permanent housing facility for adults living with HIV/AIDS in Westchester County, N.Y., and a unique transitional housing program for veterans in Austin, Texas. In partnership with MetLife Foundation, The Enterprise Foundation launched these awards for excellence in affordable housing in 1996 to recognize and share the important work being done by community-based organizations across the country.

The following organizations were recognized: Association for Community Housing Solutions' Del Mar Apartments in San Diego; Harbor Interfaith Services' Accelerated Learning and Living (ALL) Program in San Pedro, CA; Greyston Foundation's Issan House in Yonkers, NY; homeWORD's Fireweed Court in Missoula, MT.; Downtown Emergency Service Center's Lyon Building in Seattle Community Partnership for the Homeless' Veteran's Re-Entry Program in Austin, TX.

The New York State Rural Housing Coalition is happy to be able to provide help wanted advertising opportunities for our members and non-profit community development agencies. Ad copy must be provided in Microsoft Word format, and may be transmitted by email to rhc@ruralhousing.org. Ad copy must comply with federal and state equal opportunity requirements to be published, and must be received by the 25th of the month to ensure placement in the succeeding issue of *Rural Delivery*. Ads provided in this fashion will also be posted in the Career Opportunities page of the Coalition's website, unless a request is specifically made not to place the advertisement on-line.

Career Opportunities

Gleaning Program Director

Responsibilities include managing and providing leadership for a cooperative gleaning program, a multifaceted anti-poverty emergency food and nutrition program. Responsible for developing positive working relationship with a diverse, multi-cultural community on a local, state and national level and a willingness to work as a member of a team. Requirements: Bachelor's degree preferred and related work experience in human services helpful but not essential. Salary: 30's with benefits. Please send letter with resume and references to ComLinks, 343 West Main St., Malone, NY 12953 or e-mail to adminsups@capital.net. EOE

Microenterprise Program Project Manager

Responsibilities include marketing, administering training and technical assistance to program participants, loan underwriting, ensuring program compliance requirements, and work closely under the direction of the CFO and CEO. Requirements: well developed written and oral communication skills, strong management and supervisory skills. Business, Finance, computer and educational experience helpful. Bachelor's degree preferred or related field experience. Salary commensurate with experience. Please send letter with resume and references to ComLinks, 343 West Main St., Malone, NY 12953 or e-mail to adminsups@capital.net. EOE

NonProfit Management Consultant: Resource Development and Marketing

National intermediary providing training, funding and technical assistance to NY/Puerto Rico-based nonprofit corporations engaged in affordable housing and neighborhood preservation seeks salaried, full-time consultant with minimum of 10 years experience blending senior nonprofit management experience with skill emphasis and track record in fund-raising and development. As principal liaison to 4-6 nonprofit corporations, the Lead Management Consultant (LMC) will provide or broker various kinds of training, grants,

technical assistance and strategic planning services aimed at increased capacity and organizational impact, while also serving as lead resource development consultant training and equipping local staff and lay boards throughout the district (numbering roughly 30) on resource development and marketing campaigns and strategies. Position is based either in Ithaca or New York City. 30% travel. Please forward cover letter, resume and salary requirements to susanm@nonprofitjobs.org. EOE

Administrative Assistant for Microenterprise Program

Responsibilities include performing data collection, electronic reporting, establish and maintain databases, client follow-up in accordance with grant funding. Requirements: must be a self-starter, detail-oriented, with strong or-

ganizational and computer skills. Work experience in related areas required. Salary commensurate with experience. Please send letter with resume and references to ComLinks, 343 West Main St., Malone, NY 12953 or e-mail to adminsups@capital.net. EOE

New Funding Source Available For Rural Economic Development

The U.S. Department of Agriculture recently announced the creation of a new rural development program that will provide a long term funding mechanism for loans and grants to rural America.

“President Bush is committed to increasing economic opportunity and improving the quality of life in rural communities,” Agriculture Secretary Ann M. Veneman said. “This new source of capital for rural economic development will bring new jobs to rural America. This assistance will be available to some of the most isolated and rural areas of the country.”

Rural Development’s Rural Economic Development Loan and Grant Program (REDLG) manages these projects. New regulations will enable USDA to guarantee up to \$3 billion bonds or notes of not-for-profit lenders for up to 20 years, if the proceeds

are used for electric and telecommunications loans. The lender, whose notes the Government will guarantee, will be required to pay an annual fee of 30 basis points over the term of the unpaid debt. Most of the 30 basis points will be deposited into the REDLG program.

The program was authorized by Section 6101 of the 2002 Farm Bill. Like other Rural Development programs, local leaders will make the decisions on what projects are needed in their communities. The REDLG program provides zero-interest loans and grants for all types of community and economic development projects. Past projects have included fire trucks, libraries, health facilities and industrial parks.

From the beginning of this program in 1989, USDA Rural Development has

invested approximately \$250 million in over 1,000 projects across the country, leveraging an additional \$1.4 billion in private sector funds and creating an estimated 28,000 jobs. During the Bush Administration, approximately \$90 million has been invested creating or saving almost 15,000 jobs.

USDA Rural Development’s mission is to deliver programs in a way that will support increasing economic opportunity and improve the quality of life of rural residents. Rural Development provides equity and technical assistance to finance and foster growth in homeownership, business development and critical community and technology infrastructure. Further information on rural programs is available at a local USDA Rural Development office or by visiting USDA’s web site at www.rurdev.usda.gov.

Visit Our Website At WWW.ruralhousing.org

University Heights Community Development Association Brings Nonprofit Business Ventures Training to Buffalo

In these tough economic times—with government support for nonprofits declining sharply and with grants and contributions harder to get—your organization is probably looking for ways to diversify its funding base. One way may be to develop a business venture.

Your nonprofit can start a business and earn unrestricted income, making it less dependent on grants and donations. And it can do this legally and without sacrificing its tax-exempt status.

Since 1972, The Grantsmanship Center (TGCI) has trained tens of thousands of nonprofit and government personnel in grantsmanship, fundraising and enterprise development. In TGCI's New Business Ventures for Nonprofits Workshop, you will learn the basics of practical enterprise development for your own organization. You and your staff are invited to attend this intensive three-day workshop, hosted by University Heights Community Development Association on November 15-17, 2004. Since you're located nearby, it's an opportunity to take this exciting training program without incurring significant travel costs.

What is TGCI's New Business Ventures for Nonprofits Workshop? Combining personalized instruction with practical exercises, New Business Ventures for Nonprofits is a hands-on workshop that shows you how to plan, finance and develop a nonprofit enterprise. Topics include:

- How to turn your organization's

strengths into business opportunities

- Financing options to start a venture
- How to develop realistic income expectations
- Tax implications and safeguarding your nonprofit status
- How to do feasibility testing and business planning.

The program is designed to help you sort through the issues involved in developing a new business, demystify the process, and let you decide if enterprise development is in fact appropriate for your agency. The trainer for this workshop is Andy Horsnell, a well-known expert on nonprofit enterprise who has produced over 20 income-generating programs as well as numerous practical publications, including *The Social Entrepreneurship Toolbox*.

Who should attend? Executive directors, interested board members and staff with fundraising or program-development responsibilities will find this training especially valuable. Because enterprise development draws on the talents of many individuals within an organization, you may find it beneficial to attend in teams.

TGCI trainers always give each participant personalized attention, so enrollment is limited to 30. The tuition for this workshop is \$575. To register for the November 15-17 workshop contact TGCI at (800) 421-9512. Or you may enroll online at www.tgci.com.

NIMBY Report Issued

The National Low Income Housing Coalition has issued the 2004 NIMBY Report. *The NIMBY Report* supports inclusive communities by sharing news of the NIMBY syndrome and efforts to overcome it. Published for nearly 10

years by the American Friends Service Committee, it is now published by the National Low Income Housing Coalition.

For more information, visit www.nlihc.org/nimby/index.htm.

Bringing Equity to Smaller Historic Tax Credit Projects

The National Trust for Historic Preservation's for-profit subsidiary, the National Trust Community Investment Corporation (NTCIC) recently entered into a partnership with Tax Credit Capital, LLC of New Orleans to form the National Trust Small Deal Fund (SDF). SDF provides a unique service within the historic tax credit industry by investing in very small historic tax credit projects generating tax credit equity ranging from \$200,000 to as much as \$650,000 (about \$1.2 million to \$3.5 million in total development costs). Such projects are typically overlooked by conventional equity syndicators because the developer's added transaction costs are a high percentage of the investment opportunity generated by the historic tax credit. SDF is able to invest in these smaller deals by standardizing its investment terms and documents, minimizing investor risks, reducing its due diligence requirements and keeping its closing costs very low. The National Trust Small Deal Fund uses a delayed equity pay-in model wherein the first major equity payment is deferred until final (Part 3) project approval is granted by the National Park Service.

The National Trust Small Deal Fund is capitalized by Chevron Texaco. To date, SDF has committed or closed on 30 projects totaling approximately \$11 million in tax credit equity.

SDF operates in all 50 states. All types of properties, including hotels, offices, restaurants, entertainment uses, cultural and nonprofit facilities, retail and mixed-use projects, are eligible.

For more information on the National Small Deal Fund, contact Joseph Pettiford, National Trust Senior Program Associate at joseph_pettiford@nthp.org or (202) 588-6359.

Non-Profit Collaborative Creates Real Estate Brokerage

A new realtor is specializing in bringing renters into the home buying mainstream while strengthening Capital area neighborhoods. *Community Realty* specializes in buyer representation and is working closely with community revitalization programs such as municipal grant and homebuyer education programs.

"First-time homebuyers pose unique challenges and opportunities," says Eric Dahl, the firm's principal broker. "Our office will leverage existing homebuyer resources and expertise to increase the number of renters able to purchase their first home." By partnering with not-for-profit organizations in Albany, Schen-

ectady and Troy, *Community Realty* hopes to make a difference in the region's cities, areas that have lagged behind the rest of the real estate market. "We're out to increase the number of able home buyers in the market place while promoting owner-occupied investment in neighborhoods that need it," says Dahl. "This is a socially-minded enterprise that bridges the gap between community based organizations and the real estate community." The people behind *Community Realty* are all too familiar with the difficult work of preparing first-time buyers. Before obtaining his broker's license, Dahl worked eleven years for *Better Neighborhoods,*

Inc., a charitable organization in Schenectady that works with low-income homebuyers and renovates abandoned homes.

The new brokerage is a project of seven not-for-profit agencies in the Capital District, including the Capital District Community Loan Fund, the Albany Community Land Trust, *Better Neighborhoods, Inc.*, *TAP, Inc.*, the *Community Land Trust of Schenectady*, the *Charitable Leadership Foundation*, and the *TRIP NeighborWorks Homeownership Center*.

For more information, contact Eric Dahl, Broker, *Community Realty*, at (518) 434-1840.

USDA Reduces Delinquency Rates

Agriculture Secretary Ann M. Veneman recently announced that USDA Rural Development has lowered its direct loan housing program gross delinquency rate by 32.9 percent and new loan delinquency rate by 35.6 percent over the past five years. The single-family direct loan housing program serves low-income Americans living in communities with populations under 25,000 in the continental United States, Puerto Rico, Hawaii, Guam and America Samoa. The effort by USDA Rural Development to implement new technologies that streamline and increase operation efficiency is part of the Bush Administration's initiative to improve the government's overall management performance.

"The Bush Administration is committed to utilizing technological and human resources to ensure that we are effective and efficient stewards of taxpayers' dollars," said Veneman. "The better we manage the program, the more people benefit."

"Rural Development credits its delinquency management success with effective use of new software tools and a strong focus on increasing successful

homeownership by addressing their customers' unique needs," said Acting Undersecretary for Rural Development Gilbert Gonzalez. "At the end of 1st Quarter 2004, the USDA Rural Development portfolio had a 9.86 percent rate of delinquencies net of foreclosure." The portfolio outperformed the delinquency rate for subprime mortgage loans as tabulated by the Mortgage Bankers Association's National Delinquency Survey. The Survey reported 1st Quarter 2004 subprime delinquency at a rate of 11.19 percent. Gonzalez cites real-time processing, work queuing and the collections options associated with new software applications as reasons USDA Rural Development has dramatically improved delinquency rates among its client base. In 1998, the portfolio's gross delinquency rate was 20.08 percent, while the gross delinquency rate at the end of 1st Quarter 2004 was 12.93 percent. For new loans, the delinquency rate declined from 5.05 percent to 1.93 percent.

Through the use of updated technology, USDA Rural Development is able to start calling on accounts as early as the first day past-due. When delin-

quent borrowers are contacted, staff is able to leverage loss mitigation tools, including payment drafting options that sync payment drafting with paydays or accept drafts from third parties to secure payment. Parameters within the system allow managers to set days-past-due tolerances for populating collection queues, and can be used to prioritize the queue by factors such as amount owed, geographic area or aging. In the case of hardship, like loss of a job or health issues, collectors counsel clients about workout options available. The immediate system updating also removes clients from delinquency queues as soon as the payment is logged. USDA therefore, is not calling on clients that have become current, and instead are able to focus on delinquent accounts.

National Rural Housing Conference
Sponsored by the
Housing Assistance Council
December 9, 10, 11, 2004
Hyatt Regency Hotel
Washington, DC
Register online at:
www.ruralhome.org