



## US Senate Democrats Convene Rural Summit

Washington, DC: Recognizing the unique and challenging problems that face Rural America, Senate Majority Leader Harry Reid welcomed a hundred representatives of rural communities from across the country to a Rural Summit held in the Nation's Capitol on April 28th. In opening remarks to the gathering, Senator Reid, himself a lifetime resident of rural Searchlight, Nevada, pointed out that rural America is home to almost one fifth of our nation's population and 80% of our land area. Reid went on to point out that rural America faces poverty rates that are 21% higher than that of

metro areas, that we earn an average of 27% less than our urban counterparts and that all but six of the 250 poorest counties in the U.S. are rural.

The Summit's keynote was provided by another product of rural America, former President Bill Clinton. Clinton, whose current work with the Clinton Foundation provides a unique perspective on rural issues here and abroad. The Former President argued that our Nation's desperate need to develop renewable energy sources provides rural communities with new opportunities in the areas of biomass, wind and solar energy - all areas

where we lag well behind other developed and not-so-developed countries.

Led by Arkansas Senator Blanch Lincoln, a series of Senate panels discussed topics ranging from broadband access to rural infrastructure needs to health care to education to rural law enforcement.

One item not on the agenda for the Summit was rural housing. When that was pointed out, Senator Lincoln agreed that the issue is important as it is important that we address the perception that rural housing is inexpensive and readily available.

### Weatherization Plan Available Online

The Weatherization Assistance Program Plan for the period beginning April 1, 2010 is now available on the DHCR website at [www.nysdhcr.gov/Publications/WeatherizationPlan10/Weath\\_StatePlan\\_2010.pdf](http://www.nysdhcr.gov/Publications/WeatherizationPlan10/Weath_StatePlan_2010.pdf). The plan serves as a guide for allocation of more than \$67.8 million in federal residential energy conservation funding. These funds will provide assistance to more than 8,600 households across the State.

This plan is a good resource for those interested in using Weatherization Assistance in conjunction with their housing rehabilitation activities (as is encouraged by DHCR), or in accessing weatherization services for their clients.

### Save A Tree

With the 40th anniversary of the founding of Earth Day just passed, we are reminded to make every effort to reduce waste. If you are reading this newsletter in hard copy, and would prefer to read it online, please send an email request to [kate@ruralhousing.org](mailto:kate@ruralhousing.org), and we will be happy to transfer your name to our email mailing list.

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**RD**

**Rural Delivery**

Rural Delivery is published by the  
New York State Rural Housing Coalition, Inc.

The Coalition is a non-profit statewide membership organization dedicated to strengthening and revitalizing rural New York by assisting housing and community development providers.

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## Bits and Pieces...

### Schumer Requests HEARTH Support

Senator Charles Schumer recently released a "Dear Colleague" letter requesting \$2.4 billion in funding to fully implement the Homelessness and Emergency Assistance and Rapid Transition to Housing (HEARTH) Act. This legislation makes changes to the McKinney-Vento Act that will improve the work of Continuums of Care and participating agencies. Senator Schumer is joined in this bipartisan effort by Senators Jack Reed and Olympia Snowe.

### GREEN Act Passes Committee

The House Committee on Financial Services reported out HR 2336, the GREEN Act (Green Resources for Energy Efficient Neighborhoods), on April 22nd. The bill would provide incentives to make housing financed by HUD and the US Department of Agriculture (USDA) more energy efficient. In particular, the bill would establish a four-year, 50,000-unit demonstration program to highlight the cost-effectiveness of funding energy-efficiency improvements in HUD and USDA multifamily housing. The bill would also encourage the Federal Housing Administration to insure at least 50,000 energy efficient mortgages by December 31, 2012, and would amend Freddie Mac's and Fannie Mae's housing goals to provide additional credit for energy-efficient and location-efficient mortgages. HR 2336 is similar to legislation that passed the House of Representatives in 2009 as part of climate legislation.

### CDBG Economic Development NOFA

The New York State Housing Trust Fund Corporation's Office of Community Renewal has announced the availability of approximately \$14 million in Community Development Block Grant funding for the 2010 Open Round Economic Development Programs. To review the NOFA, visit: [http://nysdhcr.gov/Funding/NYS\\_CDBG/2010/2010NOFAEconomicDevelopment.pdf](http://nysdhcr.gov/Funding/NYS_CDBG/2010/2010NOFAEconomicDevelopment.pdf).

Federal and U.S. military employees can support the Rural Housing Coalition through the annual Combined Federal Campaign (CFC). If you are a federal government or military employee and would like to donate through the CFC, please enter CFC code #9614 on your pledge card during the next fund drive.

## HUD Issues NSP Guidance On Impact Of New Definitions For ‘Foreclosed’ And ‘Abandoned’

In an effort to increase use of Neighborhood Stabilization Program (NSP) funds, HUD recently published two notices changing the definitions of ‘foreclosed’ and ‘abandoned’ for both NSP1 and NSP2. On April 21st, additional guidance was posted on HUD’s NSP-HELP web page.

The new definition of ‘foreclosed’ allows NSP grantees to use short sale procedures to buy property directly from an owner. A ‘short sale’ means a lender agrees to accept the proceeds of a property sale even if the amount recovered is less than what the borrower owes on a mortgage. In such cases, the guidance warns grantees that they are responsible for ensuring that NSP’s tenant protection requirements are met. Under NSP, tenants must be provided with 90 days’ notice prior to eviction, and tenants must be allowed to occupy the property until the end of the lease term, except the lease can be terminated on 90 days’ notice if the unit is sold to a purchaser who will occupy the property.

The earlier notices stated that NSP grantees could apply the new definitions retroactively to the date of the Substantial Amendment and Action Plan to their Consolidated Plan, which enabled them to be grantees, generally before December 1, 2008. The guidance clarifies that any acquisition, redevelopment, or disposition already undertaken must have met all NSP requirements at the time of purchase, such as conducting environmental reviews, addressing

lead-based paint, and securing appraisals. This means, for example, that grantees that acquired a property using a short sale in 2009 may now use NSP funds to reimburse themselves. It could also mean that vacant residential properties grantees bought that were not foreclosed or abandoned may now count toward the 25% very low income set aside.

The statute creating NSP1, the Housing and Economic Recovery Act of 2008, requires properties to be purchased at a discount from their current market appraised value and generally meet appraisal values of the Uniform Relocation Assistance and Real Property Acquisition Policies Act. The new guidance makes clear that if a property meets both a definition of ‘foreclosed’ as well as ‘abandoned,’ HUD considers it ‘foreclosed,’ and both the discount and appraisal requirements are triggered. On the other hand, properties exclusively ‘abandoned’ or vacant are not subject to the appraisal and discount requirements. For example, the new definitions classify a home on which the owner is more than 90 days delinquent on tax payments to be either foreclosed or abandoned. HUD clarifies that because appraisal and discount requirements are more rigorous for ‘foreclosed’ properties, that standard applies.

The guidance document is found at: <http://hudnsphelp.info/media/resources/ImpactOfNewDefinitions.pdf>.

## Home Sales Rise

Home sales rose more than expected in March, reversing three months of declines, as government incentives drew in buyers and kicked off what’s expected to be a strong spring selling season.

The National Association of Realtors says sales of previously occupied homes rose 6.8 percent to a seasonally adjusted annual rate of 5.35 million last month, the highest level since December. February’s sales figures were revised downward slightly to 5.01 million.

Sales had been expected to rise about 5.2 percent to 5.28 million, according to economists surveyed by Thomson Reuters.

The results show the housing market may be stabilizing after a devastating bust. But the true test will be whether the market can stand on its own after the April 30th expiration of the federal tax credits.

For more information, visit [washingtonpost.com](http://washingtonpost.com): <http://link.email.washingtonpost.com/r/KYNZS9/9VZXH/FDZ6ER/ENK-KCU/PBFDN/KI/t>.

## Housing Preservation Grant NOFA Issued

USDA Rural Development issued the NOFA for the Rural Housing Preservation Grant Program on April 28th. The maximum grant award under this NOFA is \$100,000. Applications are due on June 28th. The HPG program is a grant program which provides grant funds to assist very low- and low-income homeowners in repairing and rehabilitating their homes in rural areas. The program may also be used for rental or cooperative rehab work.

To review the NOFA, please visit: <http://edocket.access.gpo.gov/2010/pdf/2010-9648.pdf>.

Don’t miss the RPC Peer to Peer training in your area!  
May 4th in Salamanca, May 5th in Auburn, May 11th in Troy, and May 18th in Canton. Call Kate Mackey at (518) 458-8696, ext. 10 to register.

## Save The Date!

The Rural Housing Coalition will sponsor a one-day training on June 23rd in Syracuse on navigating the site approval process for development of affordable housing. This workshop should be very helpful for anyone considering undertaking a new housing project in an NIMBY-oriented community. Look for registration information on this workshop in your mail later in May.

## Housing Trust Fund Campaign Seeks Support

The National Housing Trust Fund campaign continues to urge Congress to fund the NHTF as a way to help communities build and preserve housing for people with the lowest incomes, as well as to create needed jobs. As the next step in the campaign to capitalize the fund, the NHTF campaign is calling for organizations across the country to join the national sign-on letter urging Congress to provide this badly needed funding at the soonest possible opportunity. Since the beginning of April, over 1,350 organizations across the country have signed on. You can add your name to the sign-on letter at the National Low Income Housing Coalition's website at [www.nlihc.org/sign/](http://www.nlihc.org/sign/).

## FHA Reform Act, Cont'

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from other mortgagees and requiring a Government Accountability Office study on FHA and Ginnie Mae. The bill also creates a new Deputy Assistant Secretary at FHA for Risk Management and Regulatory Affairs.

Congresswoman Waters drafted the legislation after conducting three hearings on FHA in the last six months.

HR 5072 has the support of a diverse group of organizations including the National Urban League, the National Council of La Raza, the National Community Reinvestment Coalition, the Mortgage Bankers Association, the National Association of Realtors and the National Association of Home Builders.

## HUD Releases Draft Definitions For HEARTH

Last May, President Obama re-authorized the McKinney-Vento program by signing the HEARTH Act. In late April, the United States Department of Housing and Urban Development (HUD) released the first in a series of draft rules for implementing the Act. The newly released rules, posted in the Federal Register, are focused on HUD's revised definition of homelessness.

Draft regulations regarding the Continuum of Care programs - Shelter Plus Care, the Supportive Housing Program and SRO Mod Rehab, the Emergency Solutions Grant (formerly Emergency Shelter Grant) and the rural set-aside - are expected to be released for comment over the next few months.

The regulations clarify and expand the definition of homelessness, including criteria regarding youth, people living with disabilities and survivors of domestic violence. Also of note, the HEARTH Act expands - from 30 to 90 days - the amount of time that someone could spend in an institutional setting while still qualifying as homeless, and it extends the definition to include people facing eviction 14 days before they are evicted. There are also very clear guidelines on the required documentation for homelessness.

The Federal Register notice can be accessed online at:

<http://frwebgate6.access.gpo.gov/cgi-bin/TEXTgate.cgi?WAISdocID=297142519167+2+1+0&WAISaction=retrieve>.

*Save the dates! Oct. 15th-19th for the annual conference*

## Coalition Membership

At the April meeting of the Board of Directors, the Membership Committee made a recommendation to update the membership dues structure of the Coalition in anticipation of renewal notices being sent to the membership, and the implementation of a membership campaign. A new student membership of \$25 has been established, and the regular annual membership fee has been adjusted to \$350. Individual membership rates remain the same at \$75. If you know of anyone who is interested, or should be interested, in joining the Coalition, please contact Kate Mackey at the Coalition office at (518) 458-8696, ext. 10.

## HOME Environmental Submission Requirements

HUD regulations require HOME Subrecipients/LPAs to submit each site-specific Statutory Checklist to DHCR's Environmental Assessment Unit (EAU) for review and approval. Checklists must be executed by qualified environmental professionals.

Effective immediately, all project sites must be cleared by EAU before they can be set up in IDIS. The checklist, along with all supporting documents, must be submitted as one single .pdf file per specific site to [EAU@nysdhcr.gov](mailto:EAU@nysdhcr.gov) at least two weeks prior to submitting the set-up form for that site to the HOME Program mailbox. This fillable Word form is available online at [www.dhcr.state.ny.us/General/EnvironmentalReview/](http://www.dhcr.state.ny.us/General/EnvironmentalReview/).

DHCR is aware that rural areas may have difficulty finding local qualified environmental personnel to do the assessment and sign off on the required checklist. It is suggested that you call the EAU at (518)

## CoC Registration Notice Issued

HUD has issued notification to those planning to apply for Continuum of Care funding of the need to register in advance of the release of the upcoming NOFA. The CoC competition uses a registration/application system outside of **Grants.gov** known as *e-snaps*. Notification of release of the CoC NOFA will take place via HUD's listserv ([www.hud.gov/subscribe/maillinglist.cfm](http://www.hud.gov/subscribe/maillinglist.cfm)).

To review the HUD notice covering this registration process along with DUNS number requirements, visit: [www.hudhre.info/documents/2010CoCNOFA\\_Registration.pdf](http://www.hudhre.info/documents/2010CoCNOFA_Registration.pdf).

474-6677 for referral to local environmental firms.

EAU staff will review each submission for compliance, and if there are no problems with the submission, clearance will probably be achieved within a few days. Once you have received a clearance notice from EAU, you may submit your set-up form to the HOME Program by forwarding the message you have received from EAU and attaching the HOME set-up form. However, DHCR anticipates some backup occurring initially, which is why they have suggested the two week leeway.

It is also suggested that you contact John Leahy of the Environmental Analysis Unit at (518) 474-6677 or [Jleahy@nysdhcr.gov](mailto:Jleahy@nysdhcr.gov) for assistance before submitting your first review. Should you have multiple sites, please submit only one form initially to assure that if there are issues, they are resolved prior to multiple submissions."

## Senate Committee Approves Budget Resolution

During the week of April 19th, the Senate Budget Committee passed a Fiscal Year 2011 budget resolution. The resolution must be agreed to by both the House and Senate and does not have the effect of law, but instead sets out the targets and assumptions that will guide Congress as it passes the annual appropriations and other budget bills. The resolution recommends fully funding the Section 8 tenant-based and project-based programs, increasing funding for Section 202 and Section 811 housing - which the Administration proposed decreasing - and creating a reserve fund for the National Housing Trust Fund. The House Budget Committee has not yet announced plans to hold its mark-up of a budget resolution.

*Sadly, we have no Career Opportunities to list this month. A sign of the lagging economy?*

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](mailto: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.

## HUD Considers Introduction of Small Area Fair Market Rents

Under reforms being considered at HUD, Fair Market Rents (FMRs) may, beginning in 2012, be changed so that they are set at the Zip Code level in metropolitan areas, and updated annually using data from the American Community Survey. Public housing agencies may have the opportunity to pilot the new policy in 2011.

FMRs are the rent limits used in the Housing Choice Voucher program. One of the most frequent criticisms of the program is that the FMRs in urban and suburban areas are set for broad metropolitan areas. Under the current system, FMRs typically fall just below the middle of the combined rent distribution for a very large number of different local markets. As a result, many higher-rent communities are all but off limits for voucher holders. This restricts the ability of the program to deconcentrate poverty and limits the opportunity of residents to move closer to employment, transit, and other amenities, except where PHAs have made the effort to establish HUD-approved exception payment standard areas. Moreover, there is a significant potential for the program to pay too much in lower rent communities. Not only does this require an unwieldy “rent reasonableness” regime to control rents, but there are concerns that this policy is inflating rents for unsubsidized tenants in

some communities.

In an interim rule (65 FR 58870) that was published in 2000, HUD sought to increase the opportunities in metropolitan areas where voucher holders were concentrated in a few high poverty areas by increasing the FMR for the entire area. This policy has not been ideal, however, and has only increased the potential to over-subsidize in high poverty markets. HUD is now seeking to replace this rule with a more targeted policy.

The likely reforms were described by Kurt Usowski, Deputy Assistant Secretary for Economic Affairs in the Office of Policy Development & Research at HUD, at a recent conference. Mr. Usowski said the department intends to use the small area data in the 2000 Census to establish “rent ratios” between the current metropolitan area FMRs and the rent levels in local areas within metropolitan areas. (HUD intends to eventually use the small area data from the American Community Survey, sometime after the data are released in 2010.) By multiplying these ratios by the metropolitan area FMRs, arrived at using current methods, small area FMRs can be generated. The approach also means HUD will continue to generate FMRs for entire metro areas, which are currently used in many programs beyond the Housing Choice Voucher program.

HUD will continue to use state minimums and to generate county-based FMRs in rural areas. HUD plans to target the new FMRs by Zip Codes because of their broad familiarity to program users and landlords and because Zip Codes generally contain sufficient numbers of renter households to generate valid ratios.

The proposed reform bears significant similarities to reforms the National Low Income Housing Coalition proposed in response to HUD’s call for comments in its release of the proposed FY10 FMRs. Mr. Usowski said that if the reform moves forward it would be described in a notice released “ASAP.” FY10-equivalent hypothetical small area FMRs would be posted on *Huduser.org* when the notice announcing the demonstration is published. The hypothetical small area FMRs would be updated to FY11 equivalents when the proposed FY11 FMRs are published this summer. HUD would then publish a Federal Register notice requesting demonstration program applicants after considering comments received in response to the demonstration program announcement notice.

Communities could voluntarily pilot the program as early as FY11. If the demonstration proved successful, the reforms would be phased in more generally in subsequent years.

### Sustainable Neighborhoods Demonstration Program

Applications for Sustainable Neighborhoods Planning Grants and Sustainable Neighborhoods Implementation Awards may be submitted as of March 19th. Applications will be accepted on a continuous basis until the funds are committed. \$2,000,000 is available to spur the rehabilitation of vacant and/or blighted residential properties and redevelopment of vacant lots. Of that amount, approximately \$500,000 is available for Sustainable Neighborhoods Planning Grants.

Applicants for SNDP will apply for funding using DHCR’s Community Development On-Line (CD On-Line) application, submitted electronically via the internet. The application is available through DHCR’s website: [www.nysdhcr.gov/Forms/](http://www.nysdhcr.gov/Forms/) and through the AHC website, [www.nyhomes.org](http://www.nyhomes.org).

## Are You Looking To Buy, Sell Or Preserve A Rural Rental Housing Project?

For more than thirty years, the USDA Rural Development (formerly the Farmers Home Administration) Section 515 Rural Rental Housing Program has been the “go to” source for the financing of affordable rental housing in rural New York. New York alone contains 469 projects with 13,110 units total. Of those there are 279 elderly projects with 7,921 units and 190 family projects with 5,189 units. Some of that portfolio is in the hands of developers who would like to retire. Many older projects are in need of reinvestment if they are going to continue to provide safe, decent and affordable rental housing. Other RD properties are due for a change in ownership for other reasons.

In order to facilitate the transfer of ownership and preservation of these properties, the New York State Rural Housing Coalition is joining Enterprise Community Partners and New York Rural Development to sponsor the USDA Rural Development Northeast Regional Buyers and Sellers conference on June 30th and July 1st at the Desmond Hotel in Albany. In addition to bringing potential buyers and sellers together, the conference will feature staff from the National Office and six State Offices of USDA Rural Development. Also on the agenda is a host of experts from throughout the region who will discuss the ins and outs of transferring and preserving these properties.

The Conference will run from 8:00 AM to 5:00 PM on June 30th and will be followed by a reception at the hotel from 5:30 to 7:00 PM. On July 1st, the workshop will continue from 8:00 AM to 12:00 PM with a Green Day focusing on steps Rural Rental Housing owners can take to improve the energy efficiency of their buildings and reduce operating costs in the bargain.

The registration fee for the conference is \$50 and will include two breakfasts and a luncheon. Registrations should be sent to the NYS Rural Housing Coalition at 79 N. Pearl St. Albany, NY 12207. The Desmond is holding a block of rooms for attendees of the Conference at the rate of \$110 a night. To reserve a room, call the hotel at (518) 869-8100 and reference group ID# 1104K6. For sponsorship opportunities or other information, contact

### Webinar To Explore Family Rapid Re-Housing

On Wednesday, May 5th at 3:00 PM, representatives from Cincinnati, OH will discuss their community’s rapid re-housing system on a webinar entitled “Targeting, Outcomes, and Evaluation in a Family Rapid Re-Housing System: Strategies from Cincinnati, OH.” Speakers will include Michelle Budzek, President of The Partnership Center, Ltd., and Darlene Robinson, Shelter Director at Bethany House Services, Inc.

Cincinnati has successfully centered Continuum of Care stakeholders around a few well-defined goals and specific strategies to achieve these goals. The speakers’ presentations will cover how the community developed its system goals and outcomes, as well as how the community’s approach to stakeholder engagement has helped to achieve a high level of stakeholder support for and participation in the approach to ending homelessness. Finally, the

speakers will discuss how the community’s approach to targeting, accountability, and evaluation has helped track more than 3,800 homeless families and children, 74 percent of whom have never returned to Cincinnati’s shelter system.

This training is sponsored by the National Alliance to End Homelessness.

To register for the webinar, visit: <https://www2.gotomeeting.com/register/998327810>.

### DHCR Releases 2009 Preservation Program Annual Report

DHCR recently released the 2009 annual report of program activity under the Rural and Neighborhood Preservation Programs. The report summarizes the various activities undertaken by preservation companies across the state, and provides a snapshot of the economic impact of

these programs on local communities.

Most RPCs report total economic activity well over \$1,000,000, with a high in one case of \$41 million. Reflecting the state of the economy, some RPCs actually saw a drop in total activity, although others saw

significant increases during the same period. The report notes that RPCs completed 139 new construction projects during the year, and 196 more projects were in development. The report can be found online at [www.nysdhcr.gov/Publications/NRPPAnnualReport/](http://www.nysdhcr.gov/Publications/NRPPAnnualReport/).

## Committee Approves FHA Reform Act

The House Financial Services Committee approved legislation to ensure that the Federal Housing Administration (FHA) remains viable and continues its mission of insuring mortgage loans.

Congresswoman Maxine Waters, Chairwoman of the Housing and Community Opportunity Subcommittee, drafted the FHA Reform Act of 2010 (HR 5072) in response to recent events that caused FHA's reserves to fall below the two percent level required in law. The Act will empower FHA to improve its financial position by allowing the agency to adjust its premium structure for new borrowers, while still providing affordable mortgage insurance to the individuals FHA is intended to serve including low-income and minority borrowers and individuals in traditionally underserved areas.

FHA has filled a vital role in the nation's economy, helping 37 million Americans attain homeownership since 1934 and providing crucial insurance at a time when the private market has pulled back from the mortgage market.

"The economic crisis that started a couple of years ago and declining home prices have caused FHA's capital reserves to deteriorate in recent months, but under the leadership of Secretary Shaun Donovan and FHA Commissioner David Stevens, FHA has taken unprecedented administrative and regulatory steps to improve risk management and root out bad actors participating in the program," Congresswoman Waters said. "This legislation makes essential reforms to strengthen FHA's finances."

HR 5072 also provides FHA with enhanced authority to terminate

lenders' approval to originate or underwrite loans backed by FHA insurance when FHA finds evidence of fraud or noncompliance. Such enhanced authority is needed, particularly in light of the recent cases of Lend America and Taylor Bean and Whitaker, who perpetuated fraud schemes spanning many years.

In addition, Congresswoman Waters' legislation requires FHA to improve its internal reporting systems to better manage risk and to provide transparent data to the public and to Congress. This includes improving monitoring of early defaults and claims, tracking mortgage information by loan servicer, providing FHA with the ability to contract out for additional credit risk analysis, requiring mortgagees to report to FHA when they stop buying loans

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*Visit our website at [www.ruralhousing.org](http://www.ruralhousing.org)*