

PHI



ENIX

2024

**The Ever-Evolving Federal
Homeownership Policy
Landscape**



Panelists

Christine Mechtly

Deputy Administrator, Single Family Housing | U.S. Department of Agriculture

Sarah Edelman

Deputy Assistant Secretary for Single Family Housing | U.S. Department of Housing and Urban Development

Mark McArdle

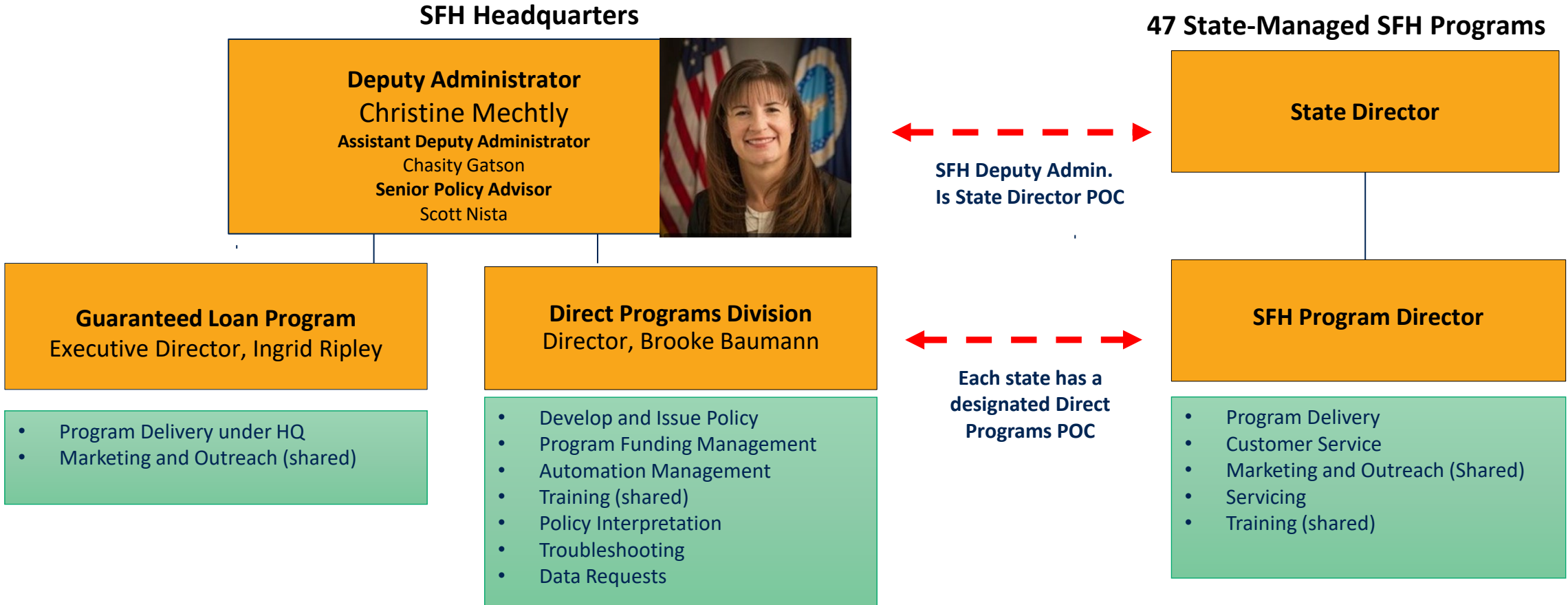
Assistant Director, Mortgage Markets | Consumer Financial Protection Bureau

Discussion Leader

Rhonda Kimble

Homeownership Director | Iowa Finance Authority

Single Family Housing Structure and Responsibilities Overview



Single Family Housing Budget

-----Proposed-----

SFH Program	FY24 Funding	FY25 (Presidents)	FY25 Senate	FY25 House
502 Direct	\$880 Million	\$1.25 Billion	\$1 Billion	\$950 million
502 Guaranteed	\$25 Billion	\$30 Billion	\$25 Billion	\$25 Billion
504 Repair Grants	\$25 Million	\$30 Million	\$30 Million	\$12 Million
504 Repair Loans	\$25 Million	\$28 Million	\$25 Million	\$25 Million
502 Native CDFI Re-lending Demo	\$5 Million	\$7.5 Million	\$7.5 Million	\$5 Million
523 Self Help Technical Assistance	\$25 Million	\$32 Million	\$25 Million	\$20 Million
533 Housing Preservation Grants	\$10 Million	\$16 Million	\$10 Million	\$8 Million
523 Site Development Loans	\$5 Million	\$5 Million	\$5 Million	\$5 Million
524 Site Development Loans	\$5 Million	\$5 Million	\$5 Million	\$5 Million
NP Credit Sales	\$10 Million	\$10 Million	\$10 Million	\$10 Million

Who Do We Serve?



504 Repair Programs:



Single female, age 72,
income: ~\$17,800/yr.

40.4% of assistance to people of color

502 Direct Loan:



Single female w/2 Dependents, age 37,
income: ~\$44,600/yr.
92% first-time homebuyers

48.5% of assistance to people of color

502 Guaranteed Loan:



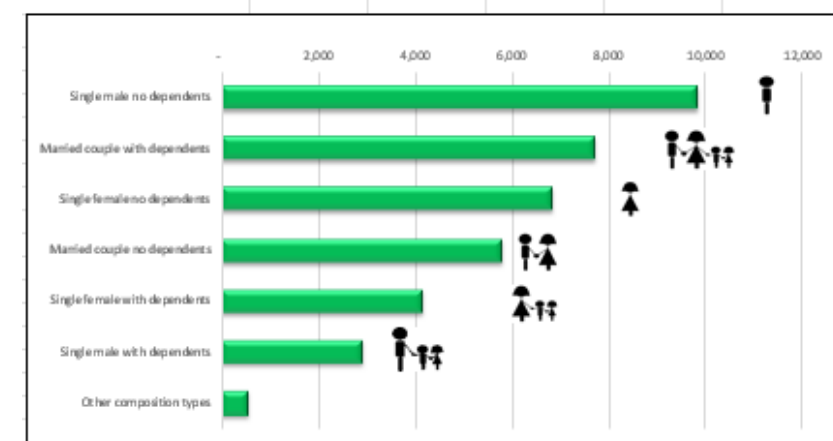
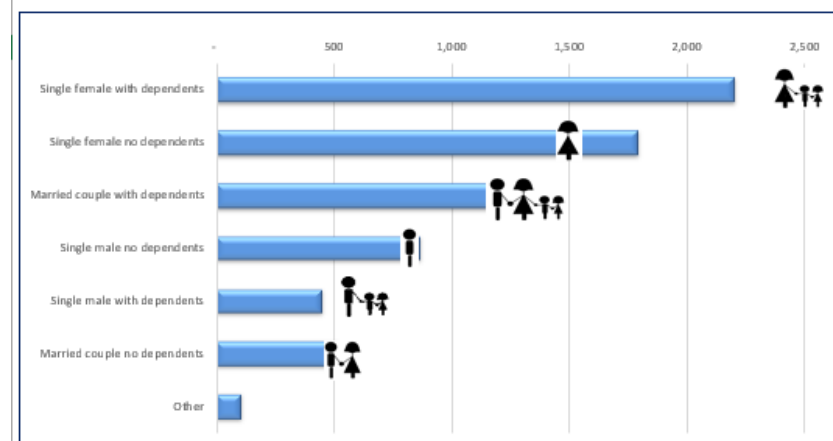
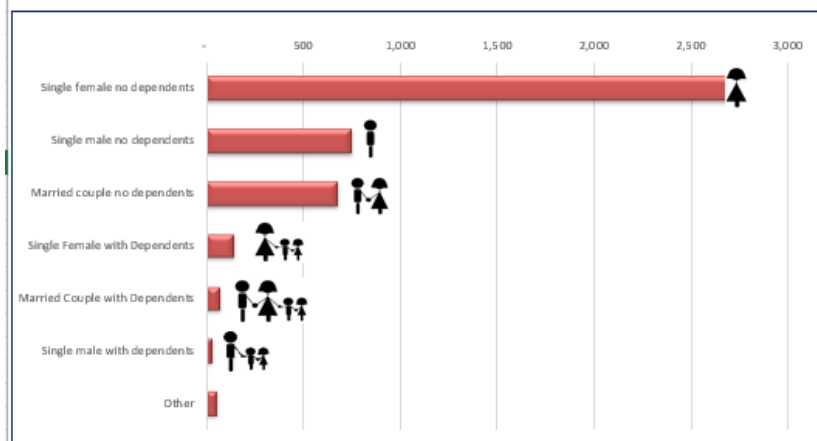
Single male, age 31
income: \$75,600/yr.
88% first-time homebuyers

25.6% of assistance to people of color

Household Composition	Loan/Grant Obligations	Average Dependents	Average Income	Average Age	% of Total
Single female no dependents	2,707	0.0	\$17,816	72	61.96%
Single male no dependents	749	0.0	\$24,969	69	17.14%
Married couple no dependents	679	0.0	\$17,893	71	15.54%
Single Female with Dependents	141	1.7	\$23,397	57	3.23%
Married Couple with Dependents	66	2.5	\$28,705	57	1.51%
Single male with dependents	27	1.7	\$23,321	61	0.62%
Other	54	0.0	\$17,626	67	1.24%
Total	4,369	0.1	\$19,398	70	

Household Composition	Loan Obligations	Average Dependents	Average Income	Average Age	% of Total
Single female with dependents	2,204	2.0	\$44,619	37	30.93%
Single female no dependents	1,793	0.0	\$40,390	49	25.16%
Married couple with dependent	1,193	2.5	\$56,555	37	16.74%
Single male no dependents	865	0.0	\$45,060	38	12.14%
Single male with dependents	450	2.0	\$52,496	35	6.31%
Married couple no dependents	516	0.0	\$47,116	53	7.24%
Other	105	1.1	\$52,496	37	1.47%
Total	7,126	1.2	\$46,401	41	

Household Composition	Loan Obligation	Average Dependent	Average Income	Average Age	% of Total
Single male no dependents	9,835	0.0	\$75,641	31	26.05%
Married couple with dependents	7,710	2.2	\$89,426	34	20.42%
Single female no dependent	6,830	0.0	\$73,154	35	18.09%
Married couple no dependent	5,798	0.0	\$85,016	35	15.36%
Single female with dependents	4,141	1.8	\$72,903	36	10.97%
Single male with dependents	2,901	1.7	\$79,276	33	7.68%
Other composition types	541	0.5	\$75,427	35	1.43%
Total	37,756	0.8	\$79,422	34	



Data based on Fiscal Year 2023 Loan and grant obligations updated through 9-30-23

USDA Home Purchase Programs

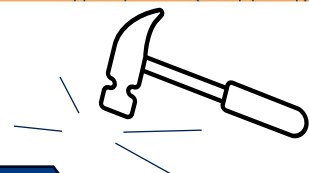
Section 502 Guaranteed Loan Program

- Approved lenders originate and service loans
- 100% financing 90% Loan Guarantee
- 1% Upfront fee & annual fee 35bps
- Upfront fee & closing cost can be included
- Loan amount based on repayment ability
- 30-year term
- Purchase and Refinance
- Income limits apply – 115% of area median

Section 502 Direct Loan

- USDA originate and service
- Intermediaries and application packagers also originate
- 100% financing
- 33-year term
- Loan payment may be subsidized
- Income limits apply ~80% of area median
- Area loan limits apply

Rural areas only – generally population <= 20,000



Home Repair Programs

Program	Description	Applicable Income Limits	Lending Limits
Section 504 Home Repair Loans and Grants Limited Funding	<ul style="list-style-type: none"> New and subsequent repair loans Used to improve and/or modernize homes Grants for elderly to remove health and safety hazards 	Very low	<ul style="list-style-type: none"> Loans up to \$40K Grants up to \$10K
Section 533 Housing Preservation Limited Funding	<ul style="list-style-type: none"> Grants to sponsoring organizations who establish grants/low-interest loan programs for homeowners to repair or rehabilitate their home. 	Very low	<ul style="list-style-type: none"> NOFA process (May)
Section 502 Direct Loans Limited Funding	<ul style="list-style-type: none"> New and subsequent repair loans Used to improve or modernize homes 	Low	<ul style="list-style-type: none"> Up to \$7,500 w/o appraisal \$7,500+ may need new appraisal.
Section 502 Guaranteed Loans - Single Close Rehab and Repair Program	<ul style="list-style-type: none"> New and subsequent repair loans Finance up to 100%; "as improved" valuation Single loan closing prior to repair completion Training is available! <LINK HERE> 	Moderate	<ul style="list-style-type: none"> Up to \$35,000 non-structural 35,000+ for structural repairs

- ELIGIBLE:**
- ✓ Make a dwelling accessible for persons with disabilities
 - ✓ Repair/install a well or septic system
 - ✓ Construct additions/make structural alterations/reconstruct existing dwelling
 - ✓ Add a garage (attached/detached)
 - ✓ Modernize kitchen/bath, etc.

- RESTRICTIONS:**
- X Installation of new inground pool, hot tub or sauna
 - X Repair to a new/existing manufactured home/condo
 - X Convert a non-dwelling structure to dwelling (barns, schoolhouse, etc.)
 - X Luxury items (exterior fireplaces/ext. kitchens)

2024 PHENIX Program Updates



Increased Demand Direct Programs



Streamlining Direct Programs (Winter)



Guaranteed Training for Customers and Stakeholders



Community Land Trust (CLT) Pilot



Manufactured Housing



Guaranteed Servicing Options for non-performing loans



RD-Direct Pro



Interagency Collaboration



Guaranteed PITI Ratio Calculation



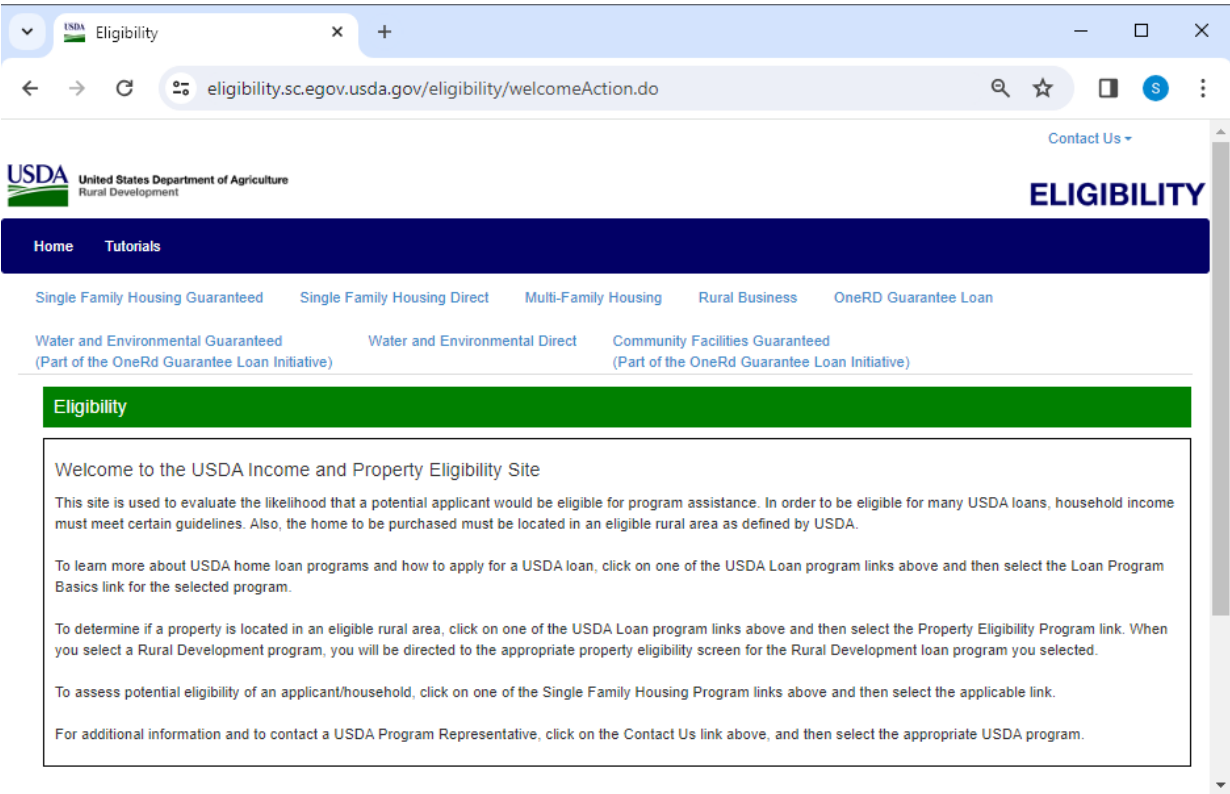
Direct Native CDFI re-lending Demonstration



Guaranteed Delegated Authority

Eligibility Website

<https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>

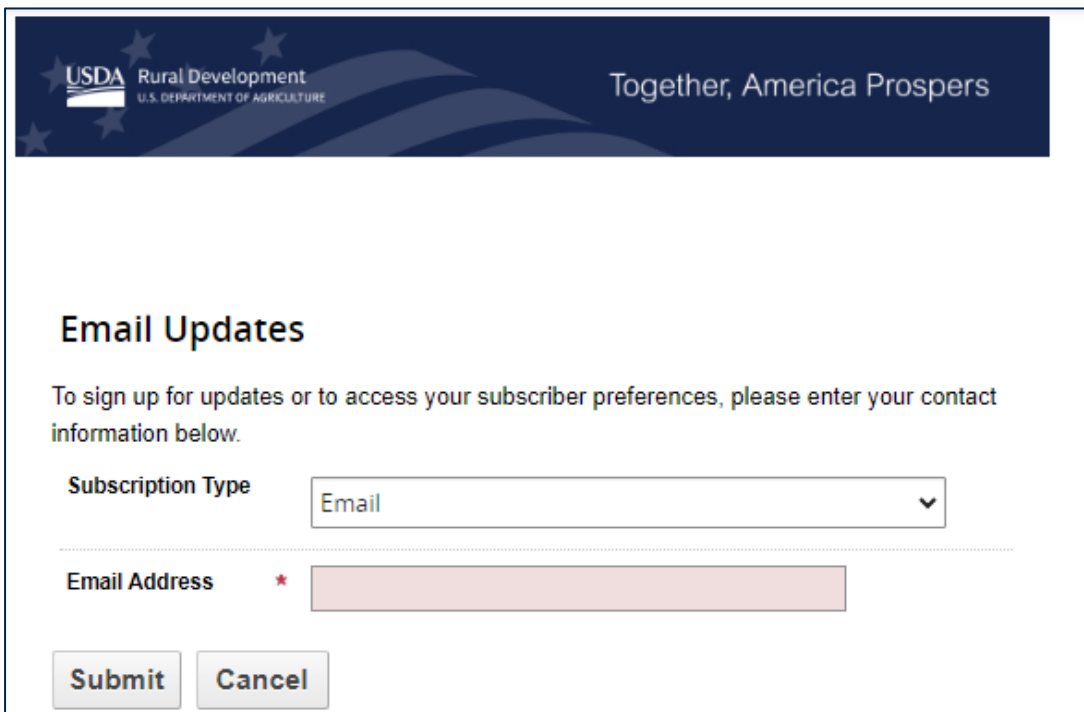


We encourage you to visit our eligibility website. On this site you can review:

- Eligible Rural Areas
- Income Limits
- Links to Program info
- SFH Direct Self Assessment Tool

GovDelivery – sign up for SFH updates

https://public.govdelivery.com/accounts/USDARD/subscriber/new?qsp=USDARD_25



The screenshot shows the top of a web page with a dark blue header. On the left is the USDA Rural Development logo (U.S. DEPARTMENT OF AGRICULTURE) and on the right is the slogan "Together, America Prospers". Below the header is the title "Email Updates" and a short instruction: "To sign up for updates or to access your subscriber preferences, please enter your contact information below." The form contains a "Subscription Type" dropdown menu with "Email" selected, an "Email Address" input field with a red asterisk indicating it is required, and two buttons at the bottom: "Submit" and "Cancel".

Through **GovDelivery** you can stay updated on our Single Family Programs.

GovDelivery is used to communicate with our stakeholders on a variety of SFH topics including:

- Policy Updates
- Packager Newsletters
- Training Opportunities
- Funding information

Useful Links

[Single Family Housing Programs | Rural Development \(usda.gov\)](https://www.usda.gov/rural-development/single-family-housing-programs)

Access general SFH program information, including Fact Sheets.

[Direct Loan Application Packagers | Rural Development \(usda.gov\)](https://www.usda.gov/rural-development/direct-loan-application-packagers)

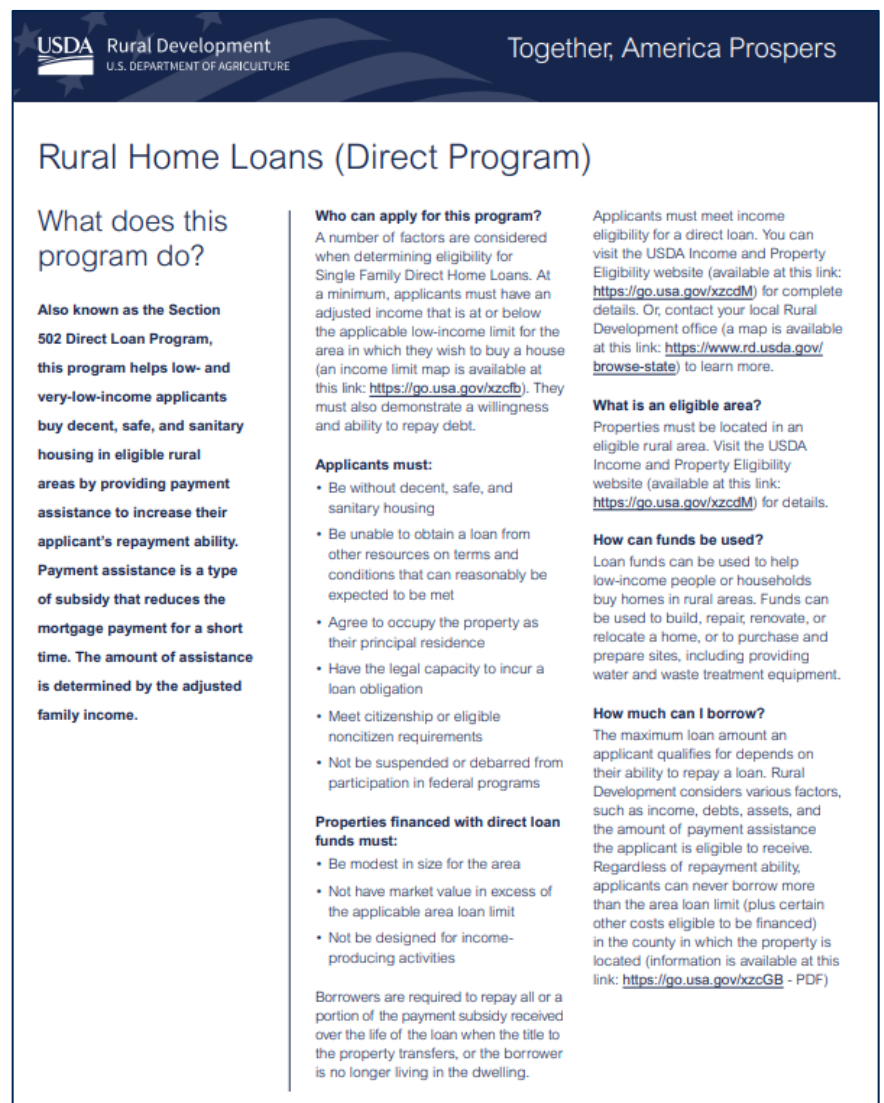
Information on 502 Direct Loan Packaging – including how to become approved packager, updates, trainings, etc.

[SFH Guaranteed Lender | Rural Development \(usda.gov\)](https://www.usda.gov/rural-development/sfh-guaranteed-lender)

GRH lender website - contact info and general program info.

[USDA LINC Training & Resource Library | Rural Development](https://www.usda.gov/rural-development/usda-linc-training-resource-library)

‘Go-to’ Repository for all GRH trainings, resources, and links to important sites.



USDA Rural Development
U.S. DEPARTMENT OF AGRICULTURE

Together, America Prospers

Rural Home Loans (Direct Program)

What does this program do?

Also known as the Section 502 Direct Loan Program, this program helps low- and very-low-income applicants buy decent, safe, and sanitary housing in eligible rural areas by providing payment assistance to increase their applicant's repayment ability. Payment assistance is a type of subsidy that reduces the mortgage payment for a short time. The amount of assistance is determined by the adjusted family income.

Who can apply for this program?
A number of factors are considered when determining eligibility for Single Family Direct Home Loans. At a minimum, applicants must have an adjusted income that is at or below the applicable low-income limit for the area in which they wish to buy a house (an income limit map is available at this link: <https://go.usa.gov/xzcfb>). They must also demonstrate a willingness and ability to repay debt.

Applicants must:

- Be without decent, safe, and sanitary housing
- Be unable to obtain a loan from other resources on terms and conditions that can reasonably be expected to be met
- Agree to occupy the property as their principal residence
- Have the legal capacity to incur a loan obligation
- Meet citizenship or eligible noncitizen requirements
- Not be suspended or debarred from participation in federal programs

Properties financed with direct loan funds must:

- Be modest in size for the area
- Not have market value in excess of the applicable area loan limit
- Not be designed for income-producing activities

Borrowers are required to repay all or a portion of the payment subsidy received over the life of the loan when the title to the property transfers, or the borrower is no longer living in the dwelling.

Applicants must meet income eligibility for a direct loan. You can visit the USDA Income and Property Eligibility website (available at this link: <https://go.usa.gov/xzcdm>) for complete details. Or, contact your local Rural Development office (a map is available at this link: <https://www.rd.usda.gov/browse-state>) to learn more.

What is an eligible area?
Properties must be located in an eligible rural area. Visit the USDA Income and Property Eligibility website (available at this link: <https://go.usa.gov/xzcdm>) for details.

How can funds be used?
Loan funds can be used to help low-income people or households buy homes in rural areas. Funds can be used to build, repair, renovate, or relocate a home, or to purchase and prepare sites, including providing water and waste treatment equipment.

How much can I borrow?
The maximum loan amount an applicant qualifies for depends on their ability to repay a loan. Rural Development considers various factors, such as income, debts, assets, and the amount of payment assistance the applicant is eligible to receive. Regardless of repayment ability, applicants can never borrow more than the area loan limit (plus certain other costs eligible to be financed) in the county in which the property is located (information is available at this link: <https://go.usa.gov/xzcgB> - PDF)

Sample fact sheet

PHI



ENIX

2024

Thank you.

Resources



FHA Resource Center

	Option	Point of Contact	Hours Available	Comments
1	Website	www.hud.gov/answers	24/7/365	Website includes option to email questions.
2	Email	answers@hud.gov	24/7/365	
3	Telephone	<p>(800) CALL-FHA (225-5342)</p> <p>The FHA Resource Center is prepared to accept calls from persons who are deaf or hard of hearing, as well as individuals with speech or communication impairments. Information on how to make an accessible phone call is available at: https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs.</p>	<p>8:00 AM to 8:00 PM Eastern Monday -Friday (including all non-Federal holidays)</p>	<p>Voicemail is available after hours or during extended wait periods.</p> <p>FHA FAQs are available after hours.</p>

FHA INFO emails: Frequent email notifications of new policies and training opportunities for anyone who signs up. Subscribe at: https://www.hud.gov/program_offices/housing/sfh/FHA_INFO_subscribe



Disaster Resources

(https://www.hud.gov/program_offices/housing/sfh/momaterial)



- **Disaster Relief Cards** - This card provides important disaster recovery information. (https://www.hud.gov/sites/dfiles/SFH/documents/MO_DisasterRelief_English.pdf)
- **203(k) Program Consumer Fact Sheet** - This fact sheet is designed to help increase awareness and understanding of the features and benefits of the program. ([https://www.hud.gov/sites/dfiles/SFH/documents/FS_203\(k\)_Consumer.pdf](https://www.hud.gov/sites/dfiles/SFH/documents/FS_203(k)_Consumer.pdf))
- **Disaster Loss Mitigation Fact Sheet** - This fact sheet provides servicers with information on FHA requirements for disaster loss mitigation for borrowers. (https://www.hud.gov/sites/dfiles/SFH/documents/MO_Disaster_Loss_Mitigation_FS.pdf)
- **Flood or Hazard Insurance Proceeds Fact Sheet** - This fact sheet provides information to assist FHA mortgage servicers with the steps necessary to file flood and hazard insurance claims. (https://www.hud.gov/sites/dfiles/SFH/documents/MO_FldHzrdInsServ_FS.pdf)
- **Federal Emergency Management Agency (FEMA) Disaster Declarations** (<https://www.fema.gov/disaster/declarations>)



OFFICE OF SINGLE FAMILY HOUSING



PHI



ENIX

2024

Mark McArdle
Assistant Director, Mortgage Markets
Consumer Financial Protection Bureau



CFPB Resource Links

[Buying a house | Consumer Financial Protection Bureau \(consumerfinance.gov\)](#)

[Dealing with Disasters and Emergencies](#)

[Blog: Climate risk should be considered in housing decisions](#)

[Consumer advisory: Take action when home insurance is cancelled or costs surge](#)



Panelists

Christine Mechtly

Deputy Administrator, Single Family Housing | U.S. Department of Agriculture

Sarah Edelman

Deputy Assistant Secretary for Single Family Housing | U.S. Department of Housing and Urban Development

Mark McArdle

Assistant Director, Mortgage Markets | Consumer Financial Protection Bureau

Discussion Leader

Rhonda Kimble

Homeownership Director | Iowa Finance Authority