Programs for For-Profit Developers

There are numerous ways that For-profit businesses, large and small, can benefit from government real estate programs.

For the small business man or woman, there are programs featuring low or no down payment and low-cost financing for single-family rent houses, duplexes, triplexes and fourplexes.

For the mid-size business person, there are opportunities to participate in programs to buy or build smaller apartment complexes. Under some programs (particularly through Community Development Block Grants, which allow communities great flexibility in designing programs and expending funds) there may be outright grants. More often, there is low-interest financing.

Larger developers, or small developers who are ready to move to bigger projects, can build subdivisions, or build or buy multifamily housing complexes as sole owners. In many
cases, for-profit developers can participate in consortiums that include non-profit organizations and/or local government agencies. Using this structure, the consortium can access a wide variety of funding resources on each project, such as Low-Income Housing Tax Credits, bond money, HOME grant funds, and both public and private low-cost loans.
Program: Farm Labor Housing Loans and Grants (10.405)

Agency: USDA, Rural Housing Service

Objective: To provide decent, safe and sanitary low-rent housing and related facilities for domestic farm laborers.

Types of Assistance: Project Grants; Guaranteed/Insured Loans.

Annual Funding: Loans in 2003 were $55,862,000, with grants funded $4,382,000. Estimations show 2004 loans to be $42,574,000 and grants to be $17,901,000. For 2005, loans are estimated at $41,999,000, with grants at $17,000,000.

The range of financial assistance shows initial grants from $135,000 to $2,300,000, with an average of $1,104,120. Initial loans to individuals range from $20,000 to $200,000, with an average of $34,500. Initial loans to organizations range from $165,000 to $670,000, with an average of $292,753.
Uses: Construction, repair, or purchase of year-round or seasonal housing for farm employees, as well as kitchen facilities, laundry facilities, daycare centers, etc.

Applicant Eligibility: Loans are available to farmers, family farm partnership, family farm corporation, or an association of farmers. Loans and grants are available to States, Puerto Rico, the U.S. Virgin Islands, political subdivisions of States, broad-based public or private nonprofit organizations, federally recognized Indian Tribes and non-profit corporations of farm workers. Grants are available to eligible applicants only when there is a pressing need and when it is doubtful that such facilities could be provided unless grant assistance is available.

Beneficiary Eligibility: A domestic farm laborer is any person who receives a substantial portion of his/her income as a laborer on a farm in the United States and is either (1) a citizen of the United States, or (2) has been legally admitted for permanent residency
**Program: Rural Renting Housing Loans (10.415)**

**Agency:** Rural Housing Service (RHS), Department of Agriculture

**Objective:** To provide economically designed and constructed rental and cooperative housing and related facilities suited for rural residents.

**Types of Assistance:** Direct Loans.

**Annual Funding:** Loan limit per application is $1 million. The total limit per state (reserve and set-aside funds are not included in this cap) is $2.5 million. The new construction funds for 2003 were $115,857,000, with an estimated $115,857,000 for 2004. However, it is estimated that 2005 will only receive $60,000 (for repair/rehab only).

**Uses:** Loans can be used to construct, or to purchase and substantially rehabilitate rental or cooperative housing or to develop manufactured housing projects; consist of multi-units with two or more family units and any appropriately related facilities; provide approved recreational and service
facilities appropriate for use in connection with the housing and to buy and improve the land on which the buildings are to be located. Loans may not be made for nursing, special care, or institutional-type homes.

**Applicant Eligibility:** Applicants may be individuals, cooperatives, nonprofit organizations, State or local public agencies, profit corporations, trusts, partnerships, limited partnerships, and be unable to finance the housing either with their own resources or with credit obtained from private sources. However, applicants must be able to assume the obligations of the loan, furnish adequate security, and have sufficient income for repayment. They must also have the ability and intention of maintaining and operating the housing for purposes for which the loan is made. Loans may be made in communities up to 10,000 people in MSA areas and some communities up to 20,000 population in non-MSA areas. Applicants in towns of 10,000 to 20,000 should check with their local Rural Development; office to determine if the agency can serve them. Assistance is available to eligible applicants in States, Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana's, and the Trust Territory of the Pacific Islands.
Beneficiary Eligibility: Occupants must be very low-, low- or moderate-income families’ households, elderly, handicapped, or disabled persons.

More Information: [www.rurdev.usda.gov](http://www.rurdev.usda.gov); Refer to the NOFA which lists Offices to contact or consult your local telephone directory for Rural Development county or district office number. If no listing, get in touch with appropriate Rural Development State office at [http://www.rurdev.usda.gov/recd_map.html](http://www.rurdev.usda.gov/recd_map.html).
Program: Rural Rental Assistance Payments (10.427)

Agency: Rural Housing Service (RHS), Department of Agriculture

Objective: To reduce the tenant contribution paid by low-income families occupying eligible Rural Rental Housing (RRH), Rural Cooperative Housing (RCH), and Farm Labor Housing (LH) projects financed by the Rural Housing Service (RHS) through its Sections 515, 514 and 516 loans and grants.

Types of Assistance: Direct Payments for Specified Use.

Annual Funding: Annual Funding of direct payments of funds in 2003 report were $721,148,000. Estimations show 2004 funding to be $574,689,000 and $586,100,000 in 2005.

Uses: Rental assistance may be used to reduce the rents paid by low-income senior citizens or families and domestic farm laborers and families whose rents exceed 30 percent of an adjusted annual income which does not exceed the limit established for the State as indicated in 7 CFR Exhibit C to
Part 1944, Subpart A (RD Instruction 1944-A, Exhibit C). Tenants who may be eligible must occupy units in eligible RRH, RCH and LH projects financed by RHS.

**Applicant Eligibility:** To be eligible to participate in the rental assistance program, borrowers must have an eligible project. All projects must convert to Interest Credit Plan II before they are eligible, except direct RRH and insured RRH loans approved prior to August 1, 1968, and LH loans and grants. For a borrower to have an eligible project, the loan must be an RRH insured or direct loan made to a broad-based nonprofit organization, or State or local agency or; an RRH insured loan made to an individual or organization who has or will agree to operate the housing on a limited profit basis as defined in 7 CFR 1944.215(l) or; an RCH insured or direct loan or; an LH loan, or an LH loan and grant combination made to a broad-based nonprofit organization or nonprofit organization of farm workers or a State or local public agency. New construction and/or rehabilitation projects, utilizing the Section 8 program from HUD will not be considered eligible projects, although it may be used for eligible families in existing projects utilizing Section 8 for part of the units.
Beneficiary Eligibility: Any very low and low-income family, handicapped or senior citizen that is unable to pay the approved rental rate for an eligible RHS rental assistance unit within 30 percent of their adjusted monthly income and whose adjusted income does not exceed the limit established for the State as indicated in Exhibit C to Part 1944, Subpart A (7 CFR).

More Information: [www.rurdev.usda.gov](http://www.rurdev.usda.gov); Consult your local telephone directory for Rural Development district office number. If no listing, contact the appropriate Rural Development State. Headquarters Office: Director, Multi-family Housing Portfolio Management Division, Rural Housing Service, Department of Agriculture, Washington, DC 20250. Telephone: (202) 720-1600. Use the same number for FTS.
Program: Rural Housing Preservation Grants (10.433)

Agency: Rural Housing Service (RHS), Department of Agriculture

Objective: To assist very low- and low-income rural residents individual homeowners, rental property owners (single/multi-unit) or by providing the consumer cooperative housing projects (co-ops) the necessary assistance to repair or rehabilitate their dwellings. These objectives will be accomplished through the establishment of repair/rehabilitation, projects run by eligible applicants. This program is intended to make use of and leverage any other available housing programs which provide resources to very low and low-income rural residents to bring their dwellings up to development standards.

Types of Assistance: Project Grants.

Annual Funding: For fiscal year 2001, approximately 114 grants were obligated providing assistance for 1,414 units. Grants funded in 2003 were $10,093,000. And estimation of
funds to be allocated in 2004 is $8,882,000 and $10,000,000 in 2005.

Uses: Organizations may use less than 20 percent of the Housing Preservation Grant funds for program administration purposes, such as to hire the personnel to carry out a project of housing rehabilitation to meet the needs of very low and low-income persons in rural areas; to pay necessary and reasonable office and administrative expenses; and to pay reasonable fees for training of organization personnel. Eighty percent or more of funds must be used for loans, grants or other assistance on individual homes, homeowners, rental properties or co-ops to pay any part of the cost for repair or rehabilitation of structures; funds may not be used to hire personnel to perform construction or to pay any debts, expenses or costs other than previously outlined and approved in the project application.

Applicant Eligibility: Must be a State or political subdivision, public nonprofit corporation, Indian tribal corporations, authorized to receive and administer housing preservation grants, private nonprofit corporation, or a consortium of such
eligible entities. Applicants must provide assistance under this program to persons residing in open country and communities with a population of 10,000 that are rural in character and places with a population of up to 25,000 under certain conditions. Applicants in towns with population of 10,000 to 25,000 should check with local Rural Development office to determine if the Agency can serve them. Assistance is authorized for eligible applicants in the United States, Puerto Rico, Virgin Islands, and the territories and possessions of the United States.

**Beneficiary Eligibility:** Very low and low-income rural individuals and families who are homeowners and need resources to bring their housing up to code standards, rental property owners, or co-ops.

**Program: Interest Assistance Program (10.437)**

**Agency:** Rural Housing Service (RHS), Department of Agriculture

**Objective:** To provide a 4 percent subsidy to farmers and ranchers, who do not qualify for standard commercial credit. Guaranteed loans are serviced by a lender who has entered into a Lenders Agreement with the agency.

**Types of Assistance:** Guaranteed/Insured Loans.

**Annual Funding:** The range of financial assistance is from $1 to $731,000, with the average being $158,000. During the year of 2003, subsidized guaranteed loans allocated were $422,302,000. It is estimated that 2004 will be $271,219,000 and 2005 will be $266,253,000.

**Uses:** The Interest Assistance Program can be provided for Operating Loans (OL). Under the interest assistance program, FSA will subsidize 4 percent of the interest rate on loans to qualifying borrowers. Operating Loans (OL) may be used: (1) to finance livestock or farm equipment; (2) to pay
annual operating expenses or family living expenses; or (3) to refinance debts under certain conditions. Lines of Credit (LOC) are operating loans for annual operating loan purposes. Funds may be advanced and repaid (revolve) throughout the year. The total loan limit for a guaranteed loan cannot exceed $731,000.

**Applicant Eligibility:** Individuals, partnerships, or joint operations, legal resident aliens, corporations and cooperatives that meet the eligibility requirements for a guaranteed loan and are able to project the required cash flow margins with the aid of interest assistance.

**Beneficiary Eligibility:** This program aids both the borrower and lender by providing 4 percent of the interest costs and receiving up to a 90 percent guarantee on the loan.

**More Information:** [http://www.fsa.usda.gov](http://www.fsa.usda.gov); Farm Service Agency State Offices can inform applicants of county office locations where applicants may apply for assistance. FSA State Office locations are listed in Appendix IV of the Catalog. FSA has more than 2,500 county offices serving every rural county in the United States.
Program: Section 538 Rural Rental Housing Guaranteed Loans (10.438)

Agency: Rural Housing Service (RHS), Department of Agriculture

Objective: This program has been designed to increase the supply of affordable multifamily housing through partnerships between RHS and major lending sources, as well as State and local housing finance agencies and bond insurers. The program provides effective new forms of Federal credit enhancement for the development of affordable multifamily housing by lenders.

Types of Assistance: Guaranteed/Insured Loans.

Annual Funding: Annual funding for loans in Fiscal Year 2003 was $101,751,499. It is estimated that funding for 2004 will be $99,410,000 and $100,000,000 in 2005.

Uses: The guarantee will encourage the construction of new rural rental housing and appropriate related facilities. Housing as a general rule will consist of multi-units with two
or more family units. The guarantee may not be made for nursing, special care or industrial type housing.

**Applicant Eligibility:** The applicant in this program is the lender that will use the guarantee as a credit enhancement and therefore be more likely to make the loan. The lender must be approved by Fannie Mae, Freddie Mac, HUD or be a State Housing Finance Agency. The projects must be located in rural areas as defined by the Agency.

**Beneficiary Eligibility:** Occupants must be very-low, low- or moderate-income households, elderly, handicapped, or disabled persons with income not in excess of 115 percent of the Median Income.

**More Information:** [www.rurdev.usda.gov](http://www.rurdev.usda.gov); Consult your local telephone directory for Rural Development field office number. If no listing, get in touch with appropriate Rural Development State office. Headquarters Office: Director, Multi-Family Housing Processing Division, Rural Housing, Department of Agriculture, Washington, DC 20250; Telephone (202) 720-1604. Use the same number for FTS.
Program: Housing Application Packaging Grants (10.442)

Agency: Rural Housing Service (RHS), Department of Agriculture

Objective: To package single family housing applications for very low- and low-income rural residents in colonias and designated counties who wish to buy, build, or repair houses for their own use and to package applications for organizations wishing to develop rental units for lower income families.

Types of Assistance: Project Grants.

Annual Funding: Grant funding for 2003 was $77,500. Estimated funding for 2004 and 2005 are $33,750 and $75,000 respectively.

Uses: Grants reimburse eligible organizations for part or all of the costs of conducting, administering, and coordinating an effective housing application packaging program in colonias and designated counties. Eligible organizations aid
very low- and low-income individuals and families in obtaining benefit from Federal, State, and local housing programs. The following are restrictions under the housing application packaging grants: (1) These funds are available only in the areas defined in Exhibit D of RD Instruction 1944-B; (2) the packager may not charge fees or accept compensation or gratuities directly or indirectly from the very low- and low-income families being assisted under this program; (3) the packager may not represent or be associated with anyone else, other than the applicant, who may benefit in any way in the proposed transaction; (4) if the packager is compensated for this service from other sources, then the packager is not eligible for compensation from this source except as permitted by RHS; (5) grantees who are funded to do self-help housing effort; and (6) the authorized representatives must have no pecuniary interest in the award of the architectural or construction contracts, the purchase of equipment, or the purchase of the land for the housing site.

**Applicant Eligibility:** An eligible grantee is an organization which is defined as any of the following entities which are legally authorized to work in designated counties and/or
colonias and are: (1) A State, State agency, or unit of general local government; or (2) a private nonprofit organization or corporation that is owned and controlled by private persons or interests, is organized and operated for purposes other than making gains or profits for the corporation, and is legally precluded from distributing any gains or profits to its member.

**Beneficiary Eligibility:** The targeted groups are very low- and low-income families without adequate housing in the colonias and designated counties.

**More Information:** [www.rurdev.usda.gov](http://www.rurdev.usda.gov); Consult your local telephone directory under United States Department of Agriculture for RD field office number. If no listing, contact appropriate Rural Development State Office listed in the Appendix IV of the Catalog or on the internet at [http://www.rurdev.usda.gov/recd_map.html](http://www.rurdev.usda.gov/recd_map.html).
Program: Business and Industry Loans (10.768)

Agency: Rural Business-Cooperative Service, Department of Agriculture

Objective: To assist public, private, or cooperative organizations (profit or nonprofit), Indian tribes or individuals in rural areas to obtain quality loans for the purpose of improving, developing or financing business, industry, and employment and improving the economic and environmental climate in rural communities including pollution abatement and control.

Types of Assistance: Direct Loans; Guaranteed/Insured Loans.

Annual Funding: The range of financial assistances is from $34,000 to $10 million for direct loans, and $35,000 to $25 million for guaranteed loans. The average size for B&I direct loans are $559,471 and $1,836,853 for B&I guaranteed loans. The annual funds for guaranteed loans in 2003 totaled $906,501,963. It is estimated that fund allocated in 2004 will be $857,000,000 and $800,000,000 in 2005.
Uses: Direct loans may be extended for: (a) modernization, development costs; (b) purchasing and development of land, easements, rights-of-way, buildings, facilities, leases or materials; purchasing equipment, leasehold improvements, machinery and supplies; and (d) pollution control and abatement. Maximum loan size is $10 million and maximum time allowable for final maturity is limited to 30 years for land and buildings, the usable life of machinery and equipment purchased with loan funds, not to exceed 15 years, and 7 years for working capital. Interest rates for direct loans change quarterly and are equal to the prime interest rate in effect on the day the change is announced. Loans may not be made (a) to pay off a creditor in excess of the value of the collateral; (b) for distribution or payment to the owner, partners, shareholders, or beneficiaries of the applicant or members of their families when such persons shall retain any portion of their equity in the business; (c) for projects involving agricultural production; (d) for the transfer of ownership of a business unless the loan will keep the business from closing, or prevent the loss of employment opportunities in the area, or provide expanded job opportunities; (e) for financing community antenna television
services or facilities; (f) for charitable and educational institutions, churches, fraternal organizations, hotels, motels, tourist homes, convention centers, tourist, recreation or amusement facilities, lending and investment institutions and insurance companies; (g) for any legitimate business activity where more than 10 percent of the annual gross income is derived from legalized gambling; and (h) for any project which is likely to result in the transfer of business or employment from one area to another or cause production which exceeds demand. Guaranteed loans may be extended for: (a) modernization, development costs; (b) purchasing and development of land, easements, rights-of-way, buildings, facilities, leases or materials; (c) purchasing equipment, leasehold improvements, machinery and supplies; (d) projects involving agricultural production, when not eligible for Farm Service Agency farmer program assistance and when it is part of an integrated business also involved in the processing of agricultural products and the agricultural production portion of the loan does not exceed the lesser of 50 percent of the total loan or $1 million; and (e) pollution control and abatement. Maximum loan size is $25 million and maximum time allowable for final maturity is limited to 30 years for land and buildings, the usable life of
machinery and equipment purchased with loan funds, not to exceed 15 years, and 7 years for working capital. Interest rates for guaranteed loans are negotiated between the lender and the borrower. For loans of $5 million or less, the maximum percentage of guarantee is 80 percent. For loans over $5 million but not over $10 million, the maximum percentage of guarantee is 70 percent. For loans in excess of $10 million up to $25 million, the maximum percentage of guarantee is 60 percent. Losses on principal advanced, including protective advances, and accrued interest, may be guaranteed by the Agency, but the maximum loss paid by RBS will never exceed the original principal plus accrued interest. Loans may not be made for: (a) distribution or payment to the owner, partners, shareholders, or beneficiaries of the applicant or members of their families when such persons shall retain any portion of their equity in the business; (b) the transfer of ownership of a business unless the loan will keep the business from closing, or prevent the loss of employment opportunities in the area, or provide expanded job opportunities; (c) the guarantee of lease payments; (d) charitable institutions, churches, fraternal organizations, lending and investment institutions and insurance companies; (e) any legitimate business
activity where more than 10 percent of the annual gross income is derived from legalized gambling; (f) the guarantee of loans made by other Federal agencies except those made by Banks for Cooperatives, Federal Land Bank or Production Credit Associations; (g) golf courses; (h) racetracks where individual prizes are awarded in the amount of $500 or more; (i) owner-occupied housing; (j) projects eligible for the Rural Rental Housing and Rural Cooperative Housing loans under sections 515, 521, and 538 of the Housing Act of 1949, as amended; and (k) any project which is likely to result in the transfer of business or employment from one area to another or cause production which exceeds demand. Interested parties should contact the Rural Business-Cooperative Service (RBS) or the nearest Rural Development State Office which administers the programs at the local level.

**Applicant Eligibility:** An applicant may be a cooperative, corporation, partnership, trust, or other legal entity organized and operated on a profit or nonprofit basis; an Indian tribe; a municipality, county, or other political subdivision of a State; or individuals in rural areas. Applicants for direct loans must be located in one of the fifty States, Puerto Rico, Virgin Islands, Guam, American Samoa, or the Commonwealth of
the Northern Mariana Islands, in rural areas other than a city, having a population of fifty thousand or more and its immediately adjacent urbanized and urbanizing area with a population density of more than one hundred persons per square mile, as determined by the Secretary of Agriculture according to the latest decennial census of the United States. In addition to the eligible locations for direct loans, applicants for guaranteed loans may also be located in the Republic of Palau, the Federated States of Micronesia, and the Republic of the Marshall Islands. Preference is given to loans in open country, rural communities and towns with populations of 25,000 or less, and, on applications of equal priority, to veterans. Applicants must be U.S. citizens or reside in the U.S. after being legally admitted for permanent residence and, if corporations, at least 51 percent owned by such individuals.

**Beneficiary Eligibility:** Beneficiaries include cooperatives, corporations, partnerships, trust or legal entities organized and operated for profit or nonprofit, Federally recognized Indian Tribal Governments and individuals in rural areas of less than 50,000 population.
Program: Mortgage Insurance for Construction or Substantial Rehabilitation of Condominium Projects (14.112)

Agency: HUD

Objective: To enable sponsors to develop condominium projects in which individual units will be sold to home buyers.

Types of Assistance: Guaranteed/Insured Loans.

Annual Funding: Mortgages insured are reported under program 14.135. The maximum amount of the loan is 90 percent of the replacement cost, the sum of the statutory per unit limits, or sum of the unit mortgage amounts, whichever is less. The program has statutory per unit mortgage limits which vary according to the size of the unit, the type of structure, and the location of the project. There are also loan-to-replacement cost and debt service limitations.

Uses: HUD insures lenders against loss on mortgage loans. These loans may be used to finance the construction or rehabilitation of multifamily housing structures by a sponsor
intending to sell individual units as condominiums, which also would be eligible for the benefits of mortgage insurance under Section 234(c).

**Applicant Eligibility:** Private profit-motivated developers, public bodies, and other sponsors who meet FHA requirements for mortgagors.

**Beneficiary Eligibility:** All families are eligible to purchase condominium units. Mortgages for individual units may be insured under Section 234(c). See program 14.133.

**More Information:** [www.hud.gov/offices/hsg/hsgmulti.cfm](http://www.hud.gov/offices/hsg/hsgmulti.cfm);
All projects are processed in local HUD Multifamily Hubs or Program Centers. Persons are encouraged to communicate with the nearest local HUD Office. HUD Multifamily Hubs and Program Centers are listed at
or at the Catalog Address Appendix IV.
Program: Mortgage Insurance - Manufactured Home Parks (14.127)

Agency: HUD

Objective: To make possible the financing of construction or rehabilitation of manufactured home parks.

Types of Assistance: Guaranteed/Insured Loans.

Annual Funding: Insured mortgages are reported under program 14.135. With Section 207 Mortgage Insurance for Manufactured Home Parks, in 2003, financial assistance loan sizes ranged from $1,890,000 to $7,830,000, with an average of $4.5 million. Project sizes ranged from 84 units to 337 units with an average of 175 units.

Uses: The Department's Federal Housing Administration (FHA) insures lenders against loss on mortgage defaults. Insured mortgages may be used to finance the construction or rehabilitation of manufactured home parks consisting of 5 or more spaces. The maximum mortgage limit is $11,250 per space. In areas where cost levels so require, limits may be
increased up to 140 percent on a case-by-case basis. Contractors for new construction and substantial rehabilitation projects must comply with prevailing wage requirements under the Davis-Bacon Act.

**Applicant Eligibility:** Eligible mortgagors include investors, builders, developers and others who meet HUD requirements for mortgagors.

**Beneficiary Eligibility:** Families, individuals, and elderly persons owning manufactured homes and desiring to lease spaces in a manufactured home park.

**More Information:** [www.hud.gov/offices/hsg/hsgmulti.cfm](http://www.hud.gov/offices/hsg/hsgmulti.cfm);
All projects are processed in Local HUD Multifamily Hubs or Program Centers. Persons are encouraged to communicate with the nearest HUD Multifamily Hub or Program Center listed at [http://www.hud.gov/offices/hsg/mfh/mfbroch/hubs_pcs.cfm](http://www.hud.gov/offices/hsg/mfh/mfbroch/hubs_pcs.cfm) or in the Catalog Appendix IV Headquarters Office: Office of Multifamily Development, Department of Housing and Urban Development, 451 7th Street, S. W., Washington, DC 20410. Telephone: (202) 708-1142. Use the same number for FTS.
Program: Mortgage Insurance - Rental Housing (14.134)

Agency: HUD

Objective: To increase the supply of good quality rental housing for middle-income families.

Types of Assistance: Guaranteed/Insured Loans.

Annual Funding: Reported under program 14.135. The maximum amount of the loan is equal to 90 percent of the estimated value.

Uses: Section 207 insures lenders against the loss on mortgage defaults. Section 207 mortgage insurance, although still authorized, is no longer used for new construction and substantial rehabilitation. It is however, the primary vehicle for the Section 223(f) refinancing program. Multifamily new construction and substantial rehabilitation projects are currently insured under Section 221(d) (3) and Section 221(d) (4) programs. Insured mortgages may be used to finance the construction or rehabilitation of rental
detached, semidetached, row, walk-up, or elevator type structures with 5 or more units.

**Applicant Eligibility:** Eligible mortgagors include investors, builders, developers, and others who meet HUD requirements for mortgagors.

**Beneficiary Eligibility:** All families eligible to occupy dwellings in a structure whose mortgage is insured under the program, subject to normal tenant selection.

**More Information:** [www.hud.gov/offices/hsg/hsgmulti.cfm](http://www.hud.gov/offices/hsg/hsgmulti.cfm);
Persons are encouraged to communicate with Multifamily Hub or Program Center with jurisdiction for the proposed property. HUD Multifamily Hubs and Programs Centers are listed at [http://www.hud.gov/offices/hsg/mfh/mfbroch/hubs_pcs.cfm](http://www.hud.gov/offices/hsg/mfh/mfbroch/hubs_pcs.cfm) or at the Catalog Address Appendix IV.
Program: Mortgage Insurance - Rental and Cooperative Housing for Moderate Income Families and Elderly, Market Interest Rate (14.135)

Agency: HUD

Objective: To provide good quality rental or cooperative housing for moderate income families, the elderly, and handicapped. Single Room Occupancy (SRO) may also be insured under this section (see program 14.184).

Types of Assistance: Guaranteed/Insured Loans.

Annual Funding: In FY 03, loan sizes ranged from $675,000 to $45,000,000 with an average of $12.1 million. Project sizes ranged from 36 to 717 units with an average of 180 units. Mortgages insured in fiscal year 2003 amounted to $3,029,903,000. It is estimated that 2004 will be $5,203,000,000 and 2005 will be $6,953,000,000.

Uses: Section 221(d) (3) and Section 221(d) (4) insures lenders against loss on mortgage defaults for market rate rental projects. Insured mortgages may be used to finance
construction or rehabilitation of detached, semidetached, row, walkup, or elevator-type rental or cooperative housing containing 5 or more units.

**Applicant Eligibility:** Public, profit-motivated sponsors, limited distribution, nonprofit cooperative, builder-seller, investor-sponsor, and general mortgagors.

**Beneficiary Eligibility:** All families are eligible to occupy dwellings in a structure whose mortgage is insured under the program, subject to normal tenant selection. There are no income limits. Projects may be designed specifically for the elderly and handicapped.

**More Information:** [www.hud.gov/offices/hsg/hsgmulti.cfm](http://www.hud.gov/offices/hsg/hsgmulti.cfm); Persons are encouraged to contact the Multifamily Hub or Program Center with jurisdiction for the proposed project. HUD Multifamily Hubs or Program Centers are listed at [http://www.hud.gov/offices/hsg/mfh/mfbroch/hubs_pcs.cfm](http://www.hud.gov/offices/hsg/mfh/mfbroch/hubs_pcs.cfm).
Program: Mortgage Insurance - Rental Housing for the Elderly (14.138)

Agency: HUD

Objective: To provide good quality rental housing for the elderly.

Types of Assistance: Guaranteed/Insured Loans.

Annual Funding: Reported under program 14.135. For nonprofit and public mortgagors, the maximum amount of the loan is equal to 100 percent of the estimated replacement cost. For all other mortgagors, the maximum amount of the loan is up to 90 percent of the replacement cost.

Uses: Section 231 insures lenders against loss on mortgages. Section 231 was designed to increase the supply of rental housing specifically for the use and occupancy of elderly persons and/or persons with disabilities. Insured mortgages may be used to finance construction or rehabilitation of detached, semidetached, walk-up, or
elevator type rental housing designed for occupancy by elderly or handicapped individuals and consisting of 8 or more rental units.

**Applicant Eligibility:** Eligible mortgagors include private profit-motivated developers, and nonprofit sponsors.

**Beneficiary Eligibility:** All elderly or handicapped persons are eligible to occupy apartments in a project whose mortgage is insured under the program.

**More Information:** [www.hud.gov/offices/hsg/hsgmulti.cfm](http://www.hud.gov/offices/hsg/hsgmulti.cfm); Persons are encouraged to communicate with the Multifamily Hub or Program Center with jurisdiction for the proposed property. HUD Multifamily Hubs or Program Centers are listed at [http://www.hud.gov/offices/hsg/mfh/mfbroch/hubs_pcs.cfm](http://www.hud.gov/offices/hsg/mfh/mfbroch/hubs_pcs.cfm) and in the Catalog Address Appendix IV.
Program: Mortgage Insurance - Rental Housing in Urban Renewal Areas (14.139)

Agency: HUD

Objective: To provide good quality rental housing in urban renewal areas, code enforcement areas, and other areas designated for overall revitalization.

Types of Assistance: Guaranteed/Insured Loans.

Annual Funding: Reported under program 14.135. In Fiscal Year 2003, loan sizes ranged from $1,365,500 to 45,495,200, with an average of $17.9 million. Project sizes ranged from 48 units to 340 units with an average of 138 units.

Uses: Section 220 insures lenders against loss on mortgage defaults. Insured mortgages may be used to finance proposed construction or rehabilitation of detached, semi-detached, row, walk-up, or elevator type rental housing or to finance the purchase of properties which have been rehabilitated by a local public agency. Property must consist
of two or more units and must be located in specified areas listed.

**Applicant Eligibility:** Eligible mortgagors include private profit motivated entities, public bodies, and others who meet HUD requirements for mortgagors.

**Beneficiary Eligibility:** All families eligible to occupy a dwelling in a structure whose mortgage is insured under the program, subject to normal tenant selection.

**More Information:**

[http://www.hud.gov/offices/hsg/hsgmulti.cfm](http://www.hud.gov/offices/hsg/hsgmulti.cfm);

Persons are encouraged to communicate with the nearest local HUD Multifamily Field Office listed at [http://www.hud.gov/offices/hsg/mfh/mfbroch/hubs_pcs.cfm](http://www.hud.gov/offices/hsg/mfh/mfbroch/hubs_pcs.cfm) or contact the nearest HUD Field Office listed in the Catalog Address Appendix IV.
Program: Rent Supplements - Rental Housing for Lower Income Families (14.149)

Agency: HUD

Objective: To make good quality rental housing available to low income families at a cost they can afford.

Types of Assistance: Direct Payments for Specified Use.

Annual Funding: The outlay funding for fiscal year 2003 is not separately identifiable. Estimations also show fiscal years 2004 and 2005 to be not separately identifiable each year also.

Uses: HUD makes payments to owners of approved HUD-insured and non-insured multifamily rental housing projects to supplement the partial rental payments of eligible tenants. Rental projects were required to be part of an approved workable program for community improvement or be approved by local government officials. Assistance covers the difference between the tenant's payment and the basic market rental, but may not exceed 70 percent of the market
rental. The tenant's payment is between 25 and 30 percent of monthly adjusted income or 30 percent of market rental, whichever is greater. This program is inactive. No new projects are being approved; however, tenants may apply for admission to existing projects.

**Applicant Eligibility:** Eligible sponsors included nonprofit, cooperative, builder-seller, investor-sponsor, and limited-distribution mortgagors.

**Beneficiary Eligibility:** Families must be within the income limits prescribed for admission to Section 8 housing in order to qualify for benefits under this program. Families may continue in occupancy if 30 percent of monthly income exceeds the market rent.

**More Information:** [www.hud.gov/progdesc/multindx.cfm](http://www.hud.gov/progdesc/multindx.cfm);
Contact the appropriate HUD Field Office listed in Appendix IV. Headquarters Office: For Management Information, Director, Office of Multifamily Housing Management, Department of Housing and Urban Development, Washington, DC 20410. Telephone: (202) 708-3730.
Program: Supplemental Loan Insurance - Multifamily Rental Housing (14.151)

Agency: HUD

Objective: To finance repairs, additions and improvements to multifamily projects, group practice facilities, hospitals, or nursing homes already insured by HUD or held by HUD. Major movable equipment for insured nursing homes, group practice facilities or hospitals may be covered by a mortgage under this program.

Types of Assistance: Guaranteed/Insured Loans.

Annual Funding: In Fiscal Year 2003, loan sizes ranged from $755,000 to $1,152,900, with an average of $954,000. Project sizes ranged from 20 units to 169 units with an average of 95 units. In 2003, funding allocated was $6,331,000. It is estimated that in 2004 funds will be $7,500,000 and $10,000,000 in 2005.

Uses: Section 241(a) insures lenders against loss on loans made either (1) to finance additions and improvements of
multifamily housing projects, nursing homes, hospitals and group practice facilities already subject to HUD/FHA insured mortgages or mortgages held by HUD, or (2) to finance energy conservation improvements. The proceeds of a loan involving an insured nursing home, hospital or a group practice facility may also be used to purchase equipment to be used in the operation of such nursing home or facility.

**Applicant Eligibility:** Owners of a multifamily project or facility already subject to a mortgage insured by HUD or held by HUD.

**Beneficiary Eligibility:** Individuals/families and owners of multifamily projects.

**More Information:**
[http://www.hud.gov/offices/hsg/hsgmulti.cfm](http://www.hud.gov/offices/hsg/hsgmulti.cfm);
All projects are processed in Regional and Local Multifamily Hub or Program Center. Persons are encouraged to communicate with the nearest local HUD Multifamily Hub and Program Center listed at
or contact the nearest HUD Field Office in the Catalog Address Appendix IV.
Program: Mortgage Insurance for the Purchase or Refinancing of Existing Multifamily Housing Projects (14.155)

Agency: HUD

Objective: To provide mortgage insurance to HUD-approved lenders for the purchase or refinancing of existing multifamily housing projects, whether conventionally financed or subject to federally insured mortgages at the time of application for mortgage insurance. The program allows for the long-term mortgages that can be financed with Government National Mortgage Association (GNMA) Mortgage-Backed Securities Program.

Types of Assistance: Guaranteed/Insured Loans

Annual Funding: In Fiscal Year 2003, loan sizes ranged from $425,000 to $31,750,000, with an average of $5.5 million. Project sizes ranged from 12 units to 1,260 units with an average of 162 units. Annual funding for insured mortgages in 2003 was $2,520,214,000. Estimations show
funding will be $2,475,000,000 in 2004 and $3,450,000,000 in 2005.

**Uses:** Section 223(f) insures lenders against loss on mortgage loans. These loans may be used to purchase or refinance existing multifamily housing projects. Only projects not requiring substantial rehabilitation are acceptable under this section.

**Applicant Eligibility:** Mortgagors may be either private or public. The property must consist of not less than 5 living units and must meet the following criteria: (1) the mortgage cannot exceed 85 percent of the HUD estimated value of the project; (2) three years must have elapsed from the later date of completion of project construction or substantial rehabilitation, or the beginning occupancy date of application for mortgage insurance; (3) the remaining economic life of the project must be long enough to permit at least a ten-year mortgage term or 75 percent of the estimated life of the physical improvements.

**Beneficiary Eligibility:** All persons are eligible to occupy such projects subject to normal occupancy restrictions.

Persons are encouraged to communicate with the nearest local HUD Multifamily Hub or Program Center listed at [http://www.hud.gov/offices/hsg/mfh/mfbroch/hubs_pcs.cfm](http://www.hud.gov/offices/hsg/mfh/mfbroch/hubs_pcs.cfm) or the nearest HUD Field Office. Headquarters Office: Office of Multifamily Development, Department of Housing and Urban Development, 451 7th Street, S.W., Washington, DC 20410. Telephone: (202) 708-1142. Use the same number for FTS.
Program: Supportive Housing for the Elderly (14.157)

Agency: HUD

Objective: To expand the supply of housing with supportive services for the elderly, including the frail elderly.

Types of Assistance: Direct Payments for Specified Use.

Annual Funding: The range for financial assistance is from $568,800 to $12,948,500, with an average of $4,064,700. In 2003, funds allocated were $783,286,000. Estimated funding for 2004 is $778,320,000 and for 2005 is $773,320,000.

Uses: Capital advances shall be used to finance the construction or rehabilitation of a structure or portion thereof, or the acquisition of a structure to provide supportive housing for the elderly, which may include the cost of real property acquisition, site improvement, conversion, demolition, relocation and other expenses of supportive housing for the elderly. Project rental assistance is used to cover the difference between the HUD-approved operating cost per unit and the amount the tenant pays.
**Applicant Eligibility:** Eligible Sponsors include private nonprofit organizations and nonprofit consumer cooperatives. Eligible Owner entities include private nonprofit corporations, nonprofit consumer cooperatives, and if the proposed project involves mixed-financing, for-profit limited partnerships with a nonprofit entity as the sole general partner. Public bodies and their instrumentalities are not eligible Section 202 applicants.

**Beneficiary Eligibility:** Beneficiaries of housing developed under this program must be elderly (62 years of age or older) and have very low-incomes.

**More Information:**
Contact the appropriate HUD office listed in the Catalog Address Appendix IV.
Program: Mortgage Insurance – Two-Year Operating Loss Loans, Section 223(d) (14.167)

Agency: HUD

Objective: To insure a separate loan covering operating losses incurred during the first 2 years following the date of completion or any other 2-year period occurring within 10 years following the date of completion of a multifamily project with a HUD-insured first mortgage.

Types of Assistance: Guaranteed/Insured Loans.

Annual Funding: In Fiscal Year 2003, loan sizes ranged from $721,000 to $3,098,700 with an average of $1.9 million. Project sizes range from 93 to 140 units with an average of 117 units. Insured loan allocated in 2003 were $3,820,000. Estimations show 2004 will be $3,000,000 and 2005 will be $4,000,000.

Uses: Eligibility is limited to currently insured HUD projects. Section 223(d) insures a loan to cover the excess of expenses over project gross income incurred during the first
two years following the date of completion of the project or for any other two-year period within 10 years of project completion, for such amounts and upon such terms and conditions as HUD may prescribe. A project can receive both loans but not for the same two year period. The loan is insured by HUD under the same section as the original mortgage in an amount not exceeding the excess of operating expenses over project income. The loan term is limited to the unexpired term of the original mortgage. This program requires appropriated credit subsidy, which is limited.

**Applicant Eligibility:** Owners of a multifamily project or facility subject to a mortgage insured by HUD are eligible to apply.

**Beneficiary Eligibility:** Individuals/families and property owner.

**More Information:** [www.hud.gov/offices/hsg/hsgmulti.cfm](http://www.hud.gov/offices/hsg/hsgmulti.cfm); All projects are processed in HUD Multifamily Hubs or Program Centers. Persons are encouraged to communicate with the nearest local Multifamily Hub or Program Center.
These offices are listed under HUD resources on the Multifamily industry website at:

Program: Land Sales - Certain Subdivided Land (14.168)

Agency: HUD

Objective: To provide consumer protection by prohibiting fraudulent practices and requiring full disclosure of conditions surrounding the purchase of subdivided land covered by the Act.

Types of Assistance: Dissemination of Technical Information; Investigation of Complaints.

Annual Funding: Annual funds in 2003 totaled $323,000. Estimations show funds will be $350,000 both in 2004 and in 2005 each year.

Uses: Developers that sell, lease, or offer to sell or lease land divided into 100 or more nonexempt lots, using any means or instruments of transportation or communication in interstate commerce or the mails must register with the Department of Housing and Urban Development. The developers must provide all purchasers with a copy of a Property Report which sets forth important facts about the
development and the developer. Failure to provide a Property Report prior to the purchaser signing a purchase agreement subjects the developer to statutory and regulatory penalties. Anti-fraud provisions of the Act are applicable to subdivisions of 25 lots or more. Failure to comply with the anti-fraud provisions subjects developers to civil and criminal penalties. Other consumer protection provisions include a seven-day cooling-off period and required contractual provisions. The Act and regulations provide exemption from full disclosure where a subdivision meets certain requirements.

**Applicant Eligibility:** Certain land developers are required to submit a filing in compliance with specific registration requirements.

**Beneficiary Eligibility:** Any person who purchases a lot in a covered subdivision is entitled to certain rights and remedies.

**More Information:**

[www.hud.gov/offices/hsg/sfh/ils/silshome.cfm](http://www.hud.gov/offices/hsg/sfh/ils/silshome.cfm); Headquarters Office: Office of RESPA and Interstate Land Sales,
Department of Housing and Urban Development, 451 7th Street, SW., Room 9154, Washington, DC 20410. Telephone: (202) 708-0502.
Program: Supportive Housing for Persons with Disabilities (14.181)

Agency: HUD

Objective: To provide for supportive housing for persons with disabilities.

Types of Assistance: Direct Payments for Specified Use.

Annual Funding: The range of financial assistance is $293,800 to $3,647,400, with an average of $1,018,662. Funds allocated in 2003 were $250,515,000. It is estimated that in 2004 funding will be $250,570,000 and in 2005 it will be $248,700,000.

Uses: Capital advances may be used to construct, rehabilitate or acquire structures to be used as supportive housing for persons with disabilities. Project rental assistance is used to cover the difference between the HUD-approved operating costs of the project and the tenants' contributions toward rent (30 percent of adjusted income).
**Applicant Eligibility:** Eligible Sponsors are nonprofit organizations with a Section 501(c) (3) tax exemption from the Internal Revenue Service. Eligible Owner entities are nonprofit organizations with a 501(c) (3) tax exemption from the Internal Revenue Service and, if the proposed project involves mixed financing, for-profit limited dividend organizations with a nonprofit entity as the sole general partner.

**Beneficiary Eligibility:** Beneficiaries of housing developed under this program must be very low-income persons with a physical disability, developmental disability or chronic mental illness (18 years of age or older).

**More Information:**
http://www.hud.gov/progdesc/811main.cfm; Contact the appropriate HUD field office listed in Appendix IV of the Catalog.
Program: Housing Finance Agencies (HFA) Risk Sharing (14.188)

Agency: HUD

Objective: Under Section 542 (c), HUD provides credit enhancement for mortgages for multifamily housing projects whose loans are underwritten, processed, serviced, and disposed of by Housing Finance Agencies (HFA). HUD and the Housing Finance Agencies share in the risk of the mortgage. The program was originally designed as a pilot program to assess the feasibility of risk-sharing partnerships between HUD and qualified State and local HFA's in providing affordable housing for the Nation. The Section 542(c) program is now permanent multifamily insurance program.

Types of Assistance: Guaranteed/Insured Loans.

Annual Funding: In Fiscal Year 2003, loan sizes ranged from $465,200 to $24,052,000, with an average of $7.1 million. Project sizes ranged from 33 to 745 units with an average of 136 units. Annual funds allocated for insured
loans in 2003 were $254,645,824. Estimations are that loans in 2004 will be $150,000,000 and $200,000,000 in 2005.

**Uses:** Participating qualified State and local Housing Finance Agencies (HFA’s) may underwrite, originate, service, and dispose of properties financed under Section 542(c). Program provides full HUD mortgage insurance to enhance HFA bonds to investment grade. HFA reimburses HUD in the event of a claim pursuant to terms of Risk Sharing Agreement. HFA’s may elect to share risk with HUD from 10 to 90 percent of the loss. The program provides new independent insurance authority not under the National Housing Act.

**Applicant Eligibility:** Eligible mortgagors, who include investors, builders, developers, public entities, and private nonprofit corporations or associations, may apply to a qualified HFA. To be eligible for HUD's approval, the HFA must: (1) carry the designation of "top tier" or its equivalent as evaluated by Standard and Poors or another nationally recognized rating agency; (2) receive an overall rating of "A" for the HFA for its general obligation bonds from a nationally recognized rating agency; or (3) otherwise demonstrate its
capacity as a sound, well-managed agency that is experienced in financing multifamily housing.

**Beneficiary Eligibility:** Individuals, families, and property owners may be eligible for affordable housing.

**More Information:** [www.hud.gov/offices/hsg/hsgmulti.cfm](http://www.hud.gov/offices/hsg/hsgmulti.cfm); Persons are encouraged to communicate with the nearest local HUD Multifamily Hubs and Program Centers listed at [http://www.hud.gov/offices/hsg/mfh/mfbroch/hubs_pcs.cfm](http://www.hud.gov/offices/hsg/mfh/mfbroch/hubs_pcs.cfm) or the nearest HUD Field Office.
Program: Qualified Participating Entities (QPE) Risk Sharing (14.189)

Agency: HUD

Objective: Under this program HUD provides reinsurance on multifamily housing projects whose loans are originated, underwritten, serviced, and disposed of by qualified participating entities (QPE's) and/or its approved lenders. The program encourages the development and preservation of affordable housing. The Section 542(b) program was originally designed as a pilot to test innovative mortgage insurance and reinsurance products to provide affordable multifamily housing through a partnership between HUD and QPE’s, including Government Sponsored Enterprises, financial institutions, and the Federal Housing Finance Board.

Types of Assistance: Guaranteed/Insured Loans.

Annual Funding: In Fiscal Year 2003, loan sizes ranged from $1,800,000 to $6,600,000 with an average of $3.5 million. Project sizes ranged from 64 to 133 units with an
average of 98 units. Annual funds allocated in 2003 for insured loans were $16,579,000. It is estimated that funds allocated in 2004 will be $37,000,000 and $50,000,000 in 2005.

Uses: QPE’s and/or its approved lenders may originate and underwrite affordable housing loans. HUD's mortgage credit enhancements are used to support the underwriting and production strengths of Fannie Mae, Freddie Mac, and other qualified Federal, State, and local public financial and housing institutions. In the event of a default, the QPE will pay all costs associated with loan disposition and will seek reimbursement from HUD. In most cases, the HUD risk share will be 50 percent. The program provides a new insurance authority independent of the National Housing Act.

Applicant Eligibility: Eligible mortgagors include investors, builders, developers, public entities, and private nonprofit corporations or associations may apply to a qualified QPE and/or its lender.

Beneficiary Eligibility: Individuals, families, and property owners may be eligible for affordable housing.
More Information:  www.hud.gov/offices/hsg/hsgmulti.cfm;
Persons are encouraged to communicate with the nearest local HUD Multifamily Hub or Program Center listed at http://www.hud.gov/offices/hsg/mfh/mfbroch/hubs_pcs.cfm or the nearest HUD Field Office.
**Program: Multifamily Housing Service Coordinators (14.191)**

**Agency:** HUD, Office of Housing

**Objective:** To link elderly, especially frail and disabled, or disabled non-elderly assisted housing and neighborhood residents to supportive service in the general community; to prevent premature and unnecessary institutionalization; and, to assess individual service needs, determine eligibility for public services and make resource allocation decisions which enable residents to stay in the community longer.

**Types of Assistance:** Project Grants.

**Annual Funding:** In Fiscal Year 2003, 200 applications were selected, representing 220 projects, 23,183 units, and $30,962,646 in Service Coordinator grant funds.

**Uses:** The service coordinator is a social service staff person hired by the development owner/management company to arrange a broad spectrum of services for residents which include, but are not limited to, the following: the provision of
formal case management (i.e., the evaluation of health, psychological or social needs); educate residents and development management staff on issues related to aging-in-place and service coordination; monitor the provision of services, and act as an advocate for the resident in dealing with community service providers.

**Applicant Eligibility:** Eligible applicants are owners of Section 8 developments with project-based subsidy (including Rural Housing Service Section 515/8 developments); Section 202 developments as defined under 24 CFR Sections 277 and 885, and 221(d) (3) below-market interest rate and 236 developments which are insured or assisted (funded under Sections 24 CFR 221 Subpart C, 236, 277, 880, 881, 883, 885 and 886). To be eligible, developments must also be current in mortgage payments.

**Beneficiary Eligibility:** Eligible beneficiaries are residents of eligible housing or community residents who live in the vicinity of such housing. Service Coordination may be provided to elderly or disabled families. In particular, priority is given to residents who are frail (unable to perform at least three activities of daily living [ADL's]) or "at risk" elderly
persons who are unable to perform 1-2 ADL’s, or non-elderly disabled or temporarily disabled residents. At least twenty-five percent of the residents of a development, or combination of developments, must be frail, disabled, or "at risk" for a development to be eligible for funding.

More Information:  
www.hud.gov/offices/hsg/mfh/scp/scphome.cfm; Contact Multifamily Director in the nearest HUD Field Office. Office of Housing Assistance and Grants Administration, Office of Multifamily Housing Programs, Department of Housing and Urban Development, Washington, DC 20410. Telephone: (202) 708-2866, email: servcoor@hud.gov.
Program: Multifamily Assisted Housing Reform and Affordability Act (14.197)

Agency: HUD

Objective: To retain critical affordable housing resources represented by the supply of FHA-insured Section 8 assisted housing and maintain it in good physical and financial condition while, at the same time, reducing the cost of the ongoing Federal subsidy. In carrying out the Program, HUD works with willing participating administrative entities (PAE's), owners and lenders to reduce Section 8 rents and operating expenses to true market levels and also provide for the project's capital improvement needs.

Types of Assistance: Direct Payments for Specified Use.

Annual Funding: Partial Payment of Claims may be made up to the amount of the unpaid principal balance of the FHA insured mortgage. Section 8 contracts will be provided at comparable market rents. Funding in 2003 was $504,373,000. It is estimated that funds allocated in 2004 will be $456,380,000 and $280,954,000 and 2005.
Uses: Participating owners who undergo a mortgage restructuring must execute a use agreement committing to maintaining affordable housing for 30 years.

Applicant Eligibility: The project must be subject to a FHA-insured mortgage and supported by project-based Section 8 HAP contracts with rent levels which, in the aggregate, exceed Comparable Market Rents.

Beneficiary Eligibility: The project owner and individuals/families who are project tenants.

More Information: http://www.hud.gov/offices/hsg/omhar; The Office of Multifamily Housing Restructuring has four Regional Office locations: Chicago Production Office: Harry West; Portfolio Director, Office of Multifamily Housing Assistance Restructuring; 200 West Adams, Suite 2610; Chicago, IL 60606. Telephone: (312) 886-4133 ext. 2508. Central Production Office: Donna Rosen, Portfolio Director; Office of Multifamily Housing Assistance Restructuring; The Portals Building, Suite 4400; 1280 Maryland Avenue, SW.; Washington, DC 20024. Telephone: (202) 260-2746 ext.
Program: Multifamily Property Disposition (14.199)

Agency: Office of Housing, Office of Multi-Family Housing
HUD

Objective: To manage and dispose of multifamily housing projects for low-income persons; preserve and revitalize residential neighborhoods; maintain homes in a decent, safe and sanitary condition; and minimize involuntary displacement of tenants.

Types of Assistance: Sale, Exchange, or Donation of Property and Goods.

Annual Funding: Over 3 million dollars of property was sold in 2003. Over $20 million of property is estimated to be sold in 2004, but only $15 million is allocated for 2005.

Uses: Multifamily housing projects owned by the Secretary or that are subject to a mortgage held by the Secretary for which a foreclosure sale is to be held.
Applicant Eligibility: These properties can be purchased by governmental entities, private individuals, corporations, or nonprofit organizations that have the requisite qualifications and agree to abide by the conditions set by HUD for the particular property sale.

Beneficiary Eligibility: The ultimate beneficiary of those properties sold for continued use as affordable housing is low-income individuals and families.

Program: Community Development Block Grants/Entitlement Grants (14.218)

Agency: HUD

Objective: To develop viable urban communities, by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for persons of low and moderate income.

Types of Assistance: Formula Grants.

Annual Funding: In 2003, funds allocated were $3,037,677,000. It is estimated in 2004 funds will be $3,031,592,000 and in 2005 funds will be $3,026,721,000.

Uses: Recipients may undertake a wide range of activities directed toward neighborhood revitalization, economic development, and provision of improved community facilities and services. Entitlement communities develop their own programs and funding priorities as long as programs/activities conform to the statutory standards and program regulations. Some of the specific activities with
Community Development Block Grant (CDBG) funds include: acquisition of real property; relocation; clearance and demolition; rehabilitation of residential and nonresidential structures; provision of public facilities and improvements, such as water and sewer facilities, streets, and neighborhood centers. CDBG funds may be also used to pay for public services within certain limits. Community-based development organizations may carry out neighborhood revitalization, community economic development or energy conservation projects to further achieve the national objectives of the CDBG program.

**Applicant Eligibility:** Cities in Metropolitan Areas designated by OMB as a central city of the Metropolitan Area; other cities over 50,000 in Metropolitan Areas; and qualified urban counties of at least 200,000 (excluding the population in entitlement cities located within the boundaries of such counties) are eligible to receive CDBG entitlement grants determined by a statutory formula.

**Beneficiary Eligibility:** The principal beneficiaries of CDBG funds are low- and moderate-income persons (generally defined as a member of a family having an income equal to
or less than the Section 8 low income limit established by HUD). The grantee must certify that at least 70 percent of the grant funds received during a 1, 2, or 3-year period, that it designates, are expended for activities that will principally benefit low- and moderate-income persons.

Contact appropriate HUD Field Office listed in Appendix IV of the Catalog. Headquarters Office: Entitlement Communities Division, Office of Block Grant Assistance, Community Planning and Development, 451 7th Street, SW., Washington, DC 20410. Telephone: (202) 708-1577. Use the same number for FTS.
Program: Community Development Block Grants/Small Cities Program (14.219)

Agency: HUD

Objective: The primary objective of this program is the development of viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities, principally for persons of low and moderate income. Each activity funded must meet one of the program's National Objectives by: benefiting low and moderate income families; aiding in the prevention or elimination of slums or blight; or meeting other community development needs having a particular agency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available.

Types of Assistance: Formula Grants.

Annual Funding: The state of Hawaii's share of CDBG funds for Fiscal Year 2003 was $5,889,000, and for Fiscal Year 2004 is $6,138,323. Of these amounts, funds have been
awarded to: Hawaii County: FY 03 $2,685,000, FY'04 $2,797,603; Maui County: FY 03 $2,304,000, FY'04 $2,404,518; Kauai County: FY 03 $ 900,000, FY'04 $936,202. Annual general purpose discretionary funds in 2003 totaled $5,889,000. It is estimated that funds allocated will be $6,138,323 in 2004 and in 2004 each year.

Uses: Small Cities develop their own programs and funding priorities. Activities eligible under the Housing and Community Development Act of 1974 may be carried out. These include: acquisition, rehabilitation or construction of certain public works facilities and improvements; clearance; housing rehabilitation; code enforcement; direct assistance to expand homeownership among persons of low- and moderate-income; relocation payments and assistance; administrative expenses; economic development; completing existing urban renewal projects; and certain public services with some restrictions. Grant recipients (Small Cities/Counties) may select sub grantees to carry out neighborhood revitalization or community economic development projects in furtherance of CDBG objectives. Such sub grantees may include: Neighborhood-based nonprofit organizations; local development corporations;
Small Business Investment Companies; or other nonprofit organizations serving the development needs of non-entitlement areas. Grant recipients may provide assistance to for-profit entities when the recipient determines that the provision of such assistance is appropriate to carry out an economic development project. Communities are restricted from constructing or rehabilitating public facilities for the general conduct of government and from making housing allowances or other income maintenance-type payments. The projected use of funds must be developed to give maximum feasible priority to activities which benefit low- and moderate-income persons or aid in the prevention or elimination of slums or blight. The projected use of funds may also include activities that the applicant certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs. The aggregate use of CDBG funds must ensure that not less than 70 percent of the funds received benefit persons of low and moderate income.
**Applicant Eligibility:** Applications will only be accepted from the three eligible county governments in Hawaii: Hawaii County, Maui County, and Kauai County. HUD administers the Small Cities Program only for the non-entitlement communities within the jurisdiction of the State of Hawaii. Under the CDBG Program/State Program (14.228) each State may elect to administer all aspects of the Small Cities Program for the non-entitlement communities within its jurisdiction. Through Fiscal Year 2004, 49 states plus Puerto Rico participate in the State program. Only Hawaii remains in the HUD-administered Small Cities Program.

**Beneficiary Eligibility:** The principal beneficiaries of CDBG funds are low and moderate-income persons. For non-metropolitan areas, low and moderate income is generally defined as 80 percent of the median income for non-metropolitan areas of the State, as adjusted by family size.

**More Information:**
Headquarters Office: State and Small Cities Division, Office of Block Grant Assistance, Community Planning and Development, Department of Housing and Urban Development, 451 7th Street, SW., Washington, DC 20410. Telephone: (202) 708-1322. Use the same number for FTS.
Program: HOME Investment Partnerships Program (14.239)

Agency: HUD

Objective: (1) To expand the supply of affordable housing, particularly rental housing, for low and very low income Americans; (2) to strengthen the abilities of State and local governments to design and implement strategies for achieving adequate supplies of decent, affordable housing; (3) to provide both financial and technical assistance to participating jurisdictions, including the development of model programs for developing affordable low income housing; and (4) to extend and strengthen partnerships among all levels of government and the private sector, including for-profit and nonprofit organizations, in the production and operation of affordable housing.

Types of Assistance: Formula Grants.

Annual Funding: The range of financial assistance is from $286,780 to $129,144,702, with an average of $3,088,433. The range for the ADDI funds in 2004 (which includes 2003
funds) is from $31,768 to $8,744,295. Annual funds allocated for grants in 2003 were $1,946,167,500. Estimations show funding to be allocated in 2004 as $1,963,745,140 and 2005 as $2,082,000,000. Please note that these funds include the following for Technical Assistance Grants: 2003 $17,883,000; 2004 estimation of $17,893,800; and 2005 and estimation of $17,894,000.

Uses: For use by participating jurisdictions or Insular Areas for housing rehabilitation, tenant-based rental assistance, assistance to homebuyers, acquisition of housing and new construction of housing. Funding may also be used for other necessary and reasonable activities related to the development of non-luxury housing, such as site acquisition, site improvements, demolition and relocation. Ten percent of a participating jurisdiction's allocation may be used for administrative costs. Funds may not be used for public housing modernization, matching funds for other Federal programs, reserve accounts or operating subsidies for rental housing, Annual Contributions Contracts, or activities under the Low Income Housing Preservation Act except for priority purchasers. In December 2003, the American Dream Down payment Act authorized a new program, American Dream
Down payment Initiative (ADDI), to be administered as a part of the HOME Program. ADDI will grant funds to all 50 states and local participating jurisdictions that have a population of at least 150,000 or will receive an allocation of at least $50,000 under the ADDI formula. Participating jurisdictions may use ADDI funds to provide down payment, closing costs and rehabilitation assistance to low-income families to help the achieve homeownership. Technical Assistance is available to help HOME participating jurisdictions design and implement HOME programs, including: improving their ability to design and implement housing strategies and incorporate energy efficiency into affordable housing; facilitating the exchange of information to help participating Jurisdictions carry out their programs; facilitating the establishment and efficient operation of employer-assisted housing programs and land bank programs; and/or encouraging private lenders and for-profit developers of low-income housing to participate in public-private partnerships. Community Housing Development Organization Technical Assistance (CHDO TA) to promote the ability of Coho’s to maintain, rehabilitate and construct housing for low-income homeowners and tenants; and help women who reside in
low- and moderate-income neighborhoods to rehabilitate and construct housing in these neighborhoods.

**Applicant Eligibility:** States, cities, urban counties, and consortia (of contiguous units of general local governments with a binding agreement) are eligible to receive formula allocations; funds are also set aside for grants to Insular Areas. Technical Assistance applicants: a for-profit and non-profit professional and technical services company or firm that has demonstrated capacity to provide technical assistance services; a HOME participating jurisdiction or agency thereof; a public purpose organization responsible to the chief elected official of a PJ and established pursuant to State or local legislation; an agency or authority established by two or more Po’s to carry out activities consistent with the purposes of the HOME program; a national or regional non-profit organization that has membership comprised predominantly of entities or officials of entities of PJ's or PJ's agencies or established organizations. CHDO Technical Assistance: public and private non-profit intermediary organizations that customarily provide services (in more than one community) related to affordable housing or neighborhood revitalization of CHDO's, or similar
organizations that engage in community revitalization, including all eligible organization under section 233 of the Cranston-Gonzalez National Affordable Housing Act, as amended.

**Beneficiary Eligibility:** For rental housing, at least 90 percent of HOME funds must benefit low and very low-income families at 60 percent of the area median income; the remaining ten percent must benefit families below 80 percent of the area median. Assistance to homeowners and homebuyers must be to families below 80 percent of the area median.

**More Information:**
[www.hud.gov/offices/cpd/affordablehousing/index.cfm](http://www.hud.gov/offices/cpd/affordablehousing/index.cfm);

Contact appropriate HUD Field Office. Headquarters Office:
Mary Kolesar, Director, Office of Affordable Housing Programs, Room 7164, Community Planning and Development, Department of Housing and Urban Development, 451 7th Street, SW., Washington, DC 20410. Telephone: (202) 708-2470. Use the same number for FTS. E-mail MARY_KOLESAR@hud.gov.
Program: Architectural Barriers Act Enforcement
(14.407)

Agency: HUD

Objective: To provide that facilities financed, constructed, altered or leased by the Federal government with specific design standards shall be accessible to persons with physical disabilities.

Types of Assistance: Investigation of Complaints.

Annual Funding: Salaries and expenses are not separately identifiable.

Uses: Pertains to all HUD Programs which are leased for occupancy by the Department or which are designed, built or altered with certain Federal funds (e.g., low income public housing).

Applicant Eligibility: Individuals who believe there has been noncompliance with the Architectural Barriers Act or 24 CFR Part 41 may file a complaint with the Department of Housing
and Urban Development or the Architectural and Transportation Barriers Compliance Board.

Beneficiary Eligibility: Not applicable.

Program: General Research and Technology Activity (14.506)

Agency: HUD

Objective: To carry out research, demonstration and program evaluation and monitoring projects of high priority and pre-selected by the Department to improve the operations of the Department's programs.

Types of Assistance: Project Grants.

Annual Funding: The range of financial Assistance is from $10,000 to $905,000. Annual funds allocated for grants in 2003 were $42,071,857. It is estimated that 2004 funds allocated will be $52,399,921 and $45,450,000 2005.

Uses: PD&R's funds are awarded through competitive procurement solicitations or Interagency Agreements with other Federal Agencies. PD&R also competes a small number of grants through the Notice of Funding Availability (NOFA) process. In the past, PD&R had an unsolicited
research proposal program. However, recent legislation changed this program and it is being revised.

**Applicant Eligibility:** Researchers, research organizations, State and local governments, academic institutions, public and/or private profit and nonprofit organizations which have authority and capacity to carry out projects.

**Beneficiary Eligibility:** Researchers, research organizations, State and local governments, academic institutions, public and/or private profit and nonprofit organizations which have authority and capacity to carry out projects.

**More Information:** [www.huduser.org](http://www.huduser.org); Headquarters Office: Assistant Secretary for Policy Development and Research, Department of Housing and Urban Development, 451 7th Street SW., Washington, DC 20410. Attention: Budget, Contracts, and Program Control Division. Telephone: (202) 708-1796. Use the same number for FTS.
Program: Healthy Homes Demonstration Grants
(14.901)

Agency: HUD

Objective: The purpose of the Healthy Homes Demonstration Program is to develop, demonstrate, and promote cost-effective, preventive measures to correct multiple safety and health hazards in the home environment that produce serious diseases and injuries in children of low-income families. HUD is interested in reducing health threats to the maximum number of residents, especially children, in a cost efficient manner.

Types of Assistance: Project Grants.

Annual Funding: Healthy Homes Demonstration grants awarded in Fiscal Year 2003 ranged from $650,000 to $950,000 and averaged $845,000. HUD will make about $5 million available in 2004 funds for the Healthy Homes Demonstration Grant Program. Four to six grants will be awarded, ranging from approximately $250,000 to approximately $1,000,000. Grants allocated in 2003 were
$5,900,000. It is estimated that funding for both 2004 and 2005 will be $5,000,000.

Uses: This program focuses on demonstration projects that implement housing assessment, maintenance, renovation and construction techniques to identify and correct housing-related illness and injury risk factors; they may also include outreach and education activities. Applicants must be specific as to the locations they are targeting their intervention activities to occur, the residents, individuals or groups targeted to receive interventions, and the organizations targeted to continue to operate effective intervention strategies over the life of the award and thereafter.

Applicant Eligibility: Eligible applicants include: not-for-profit institutions, for-profit (for-profit firms are not allowed to profit from the project) located in the U.S., State and local governments, and Federally-recognized Native Indian Tribes. Federal agencies and Federal employees are not eligible to apply for this program.
Beneficiary Eligibility: Healthy Homes Demonstration grants are intended to serve a broad array of beneficiaries including homeowners, rental property owners, and public housing residents.

More Information: [www.hud.gov/offices/lead/hhi/index.cfm](http://www.hud.gov/offices/lead/hhi/index.cfm);
Headquarters Office: Emily Williams, Acting Director, Program Management and Assistance Division, Office of Lead Hazard Control, Department of Housing and Urban Development, 451 Seventh Street, SW., Room P-3206, Washington, DC 20410. Telephone: (336) 547-4002 x2067 (this is not a toll-free number). If you are a hearing- or speech-impaired person, you may reach the above telephone number via TTY by calling the toll-free Federal Information Relay Service at 1-800-877-8339.
**Program: Lead Technical Studies Grants (14.902)**

**Agency:** HUD

**Objective:** To fund technical studies to improve methods for detecting and controlling lead-based paint and other residential health and safety hazards.

**Types of Assistance:** Project Grants (Cooperative Agreements).

**Annual Funding:** There were $2,867,000 funds allocated in 2003. It is estimated that for both 2004 and 2005 $3,000,000 will be funded. Healthy Homes Technical Studies grants awarded in 2003 ranged from $233,000 to 1,000,000; the average was $478,000. HUD will make about $3 million for Lead Technical Studies. For Lead Technical Studies HUD anticipates awarding about 6 to 10 awards, ranging from about $200,000 to about $750,000.

**Uses:** For fiscal year 2004, potential applicants should consult the NOFA for available grant funding, particular
requirements and restrictions, and application due dates. Applications are available by calling 1-800-HUD-8929.

**Applicant Eligibility:** Academic, not-for-profit and for-profit institutions located in the U.S. (for-profit firms are not allowed to profit from the project), State and local governments, and Federally-recognized Indian Tribes in the United States. Federal agencies and Federal employees are not eligible to apply for this program. Historically Black Colleges and Universities (HBCU’s; as defined in 30 CFR 608.2) are eligible to apply for a set-aside, as well as under the general provisions of this program.

**Beneficiary Eligibility:** Homeowners, rental property owners, and public housing residents in housing with lead-based paint and/or lead-based paint hazards.

**More Information:**
[www.hud.gov/offices/lead/techstudies/index.cfm](http://www.hud.gov/offices/lead/techstudies/index.cfm);
Headquarters Office: Dr. Peter J. Ashley, Office of Healthy Homes and Lead Hazard Control, at the address above. E-mail: Peter_J._Ashley@hud.gov. Telephone: (202) 755-1785, extension 115 (this is not a toll-free number). If you
are a hearing- or speech-impaired person, you may reach
the above telephone number via TTY by calling the toll-free
Federal Information Relay Service at 1-800-877-8339.