



# Multifamily Housing

October 2022

# MFH Leadership Introduction



**Nancie-Ann Bodell**  
Deputy Administrator  
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**Karissa Stiers**  
Assistant Deputy Administrator  
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**Jennifer Larson**  
Acting Field Operations  
Division Director  
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**Dan Rogers**  
Production & Preservation Division  
Director  
[Daniel.Rogers2@usda.gov](mailto:Daniel.Rogers2@usda.gov)



**Jennifer Larson**  
Asset Management Division  
Director  
[Jennifer.Larson@usda.gov](mailto:Jennifer.Larson@usda.gov)

# MFH Contact Information

- Central Phone Number
  - 800-292-8293
- MFH Website
  - Direct Web Address: <https://www.rd.usda.gov/multifamily>
  - [MFH Organization Structure](#) is located on the bottom of the site and is updated bi-weekly
  - A [sortable list of Servicing Specialists](#) for specific properties is located on the site

# MFH Field Operations Division – Regional Directors



Laurie Warzinski

(Acting) Midwest Regional Director  
Laurie.Warzinski@usda.gov



Laurie Warzinski

Northeast Regional Director  
Laurie.Warzinski@usda.gov



Byron Waters

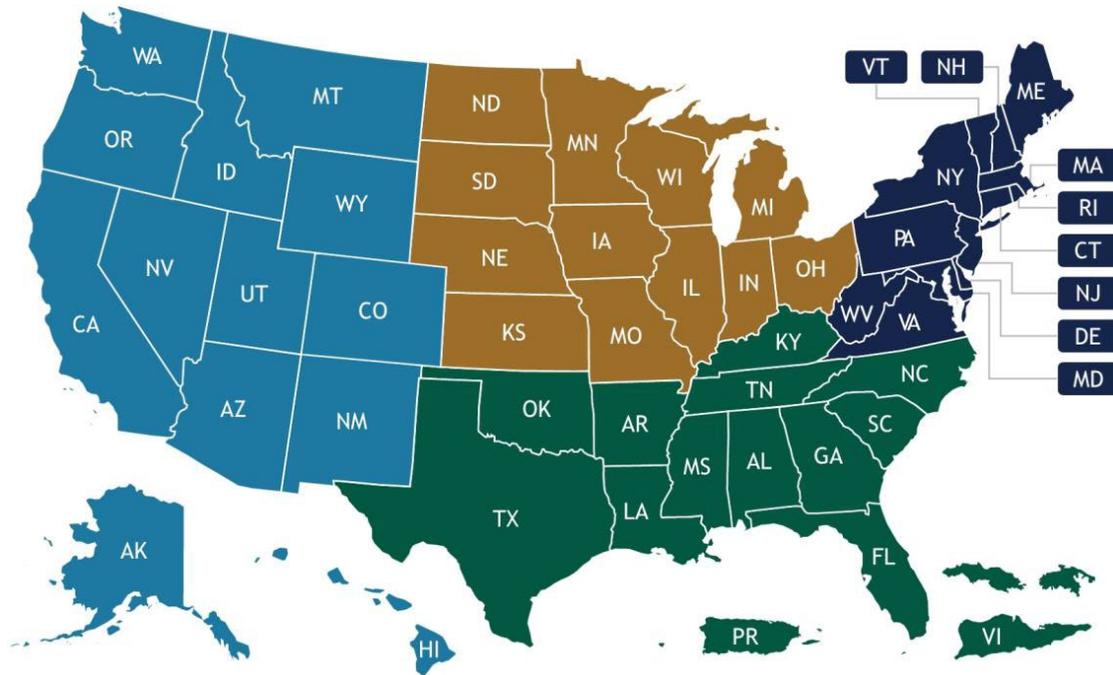
Southern Regional Director  
Byron.Waters@usda.gov



Becki Meyer

Western Regional Director  
Becki.Meyer@usda.gov

# MFH Field Operations Division – Regional Contacts



Our Field Operations Division maintains local relationships through regionally organized servicing teams and handles all day-to-day servicing of Multifamily housing properties to ensure that tenants have safe and affordable housing. The four regions and the contact information for each Regional Director follows:

## **Western Region**

Becki Meyer, Regional Director

[MFHFODWest@usda.gov](mailto:MFHFODWest@usda.gov)

AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY

## **Midwest Region**

Laurie Warzinski, Acting Regional Director

[MFHFODMidwest@usda.gov](mailto:MFHFODMidwest@usda.gov)

IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI

## **Southern Region**

Byron Waters, Regional Director

[MFHFODSouth@usda.gov](mailto:MFHFODSouth@usda.gov)

AL, AR, FL, GA, KY, LA, MS, NC, OK, PR, SC, TN, TX, VI

## **Northeast Region**

Laurie Warzinski, Regional Director

[MFHFODNortheast@usda.gov](mailto:MFHFODNortheast@usda.gov)

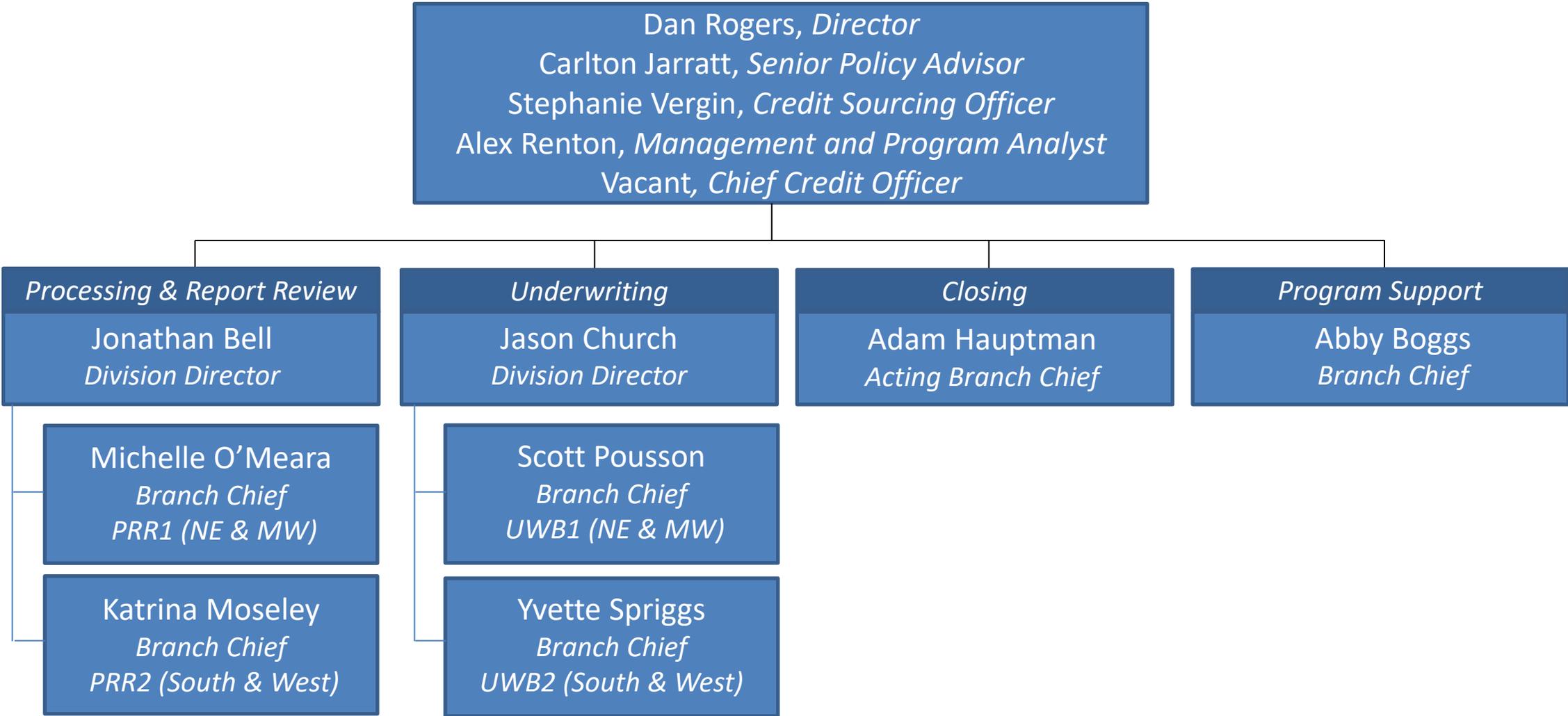
CT, DE, MA, MD, ME, NH, NJ, NY, PA, RI, VA, VT, WV

# MFH Field Operations Division – Functions

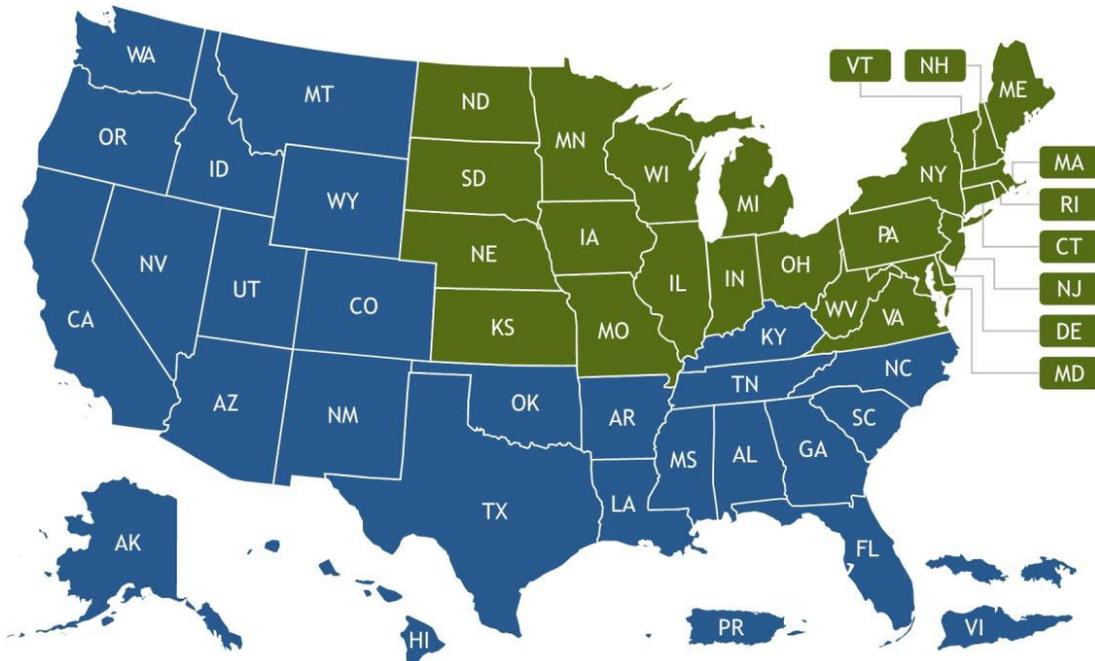
For assistance with the below tasks, contact the applicable Region or the applicable servicing specialist. A sortable list of Servicing Specialists for specific properties is located here: <https://www.sc.egov.usda.gov/data/MFH.html>

- [504 Transition Plans](#)
- [Affirmative Fair Housing Marketing Plan \(AFHMP\)](#)
- [Annual Reports, Audits and Borrower Certifications](#) (RD Form 3560-7/9)
- [Budgets](#) (RD Form 3560-7)
- Compliance Reviews
- Estoppel Letters
- [General Partner Substitutions](#)
- [Ineligible Tenant Waivers](#)
- [Insurance Policy Reviews and Claims](#)
- Letter of Priority Entitlement (LOPE) [English](#) and [Spanish](#)
- [Management Agreements, Certifications and Plans](#) (RD Form 3560-13)
- MFH Voucher Inspections
- [Natural Disasters – Displaced Tenants and Property Damage](#)
- [Physical Inspections/Tenant File Reviews](#)
- [Rental Assistance Obligations](#)
- [Reserve Request/Withdrawals](#) (RD Form 3560-12)
- Servicing Actions and Agency Consent (RD Form 3560-1)
  - Approval for Green Elements, ie: solar, electric car chargers, etc.
  - Subordination, Partial Lien Releases, Easements or other title changes not associated with a transfer
  - Servicing Handbook Waivers
  - Servicing Substitutions
  - [Work Out Plans/Deferrals/Occupancy Waivers](#)
- [Suitability Reviews](#)
- Third Party Support Letters
- Third Party Leader Re-Amortization Reviews

# Production & Preservation - Leadership Team



# MFH Production & Preservation Division - Contacts



Production & Preservation Division (P2) processes, underwrites, and closes all multifamily direct, preservation, and guaranteed loan transactions. P2 supports all Multifamily Housing Programs including 515, 538, Multifamily Preservation and Revitalization (MPR), prepayments, and preservation efforts. P2 also oversees Notice of Solicitation of Applications (NOSA) drafting and administration efforts for Farm Labor Housing, Housing Preservation Grants, MPR, technical assistance, and 515. The email contact information for P2 follows:

## Processing and Report Review Branch 1

[MFHprocessing1@usda.gov](mailto:MFHprocessing1@usda.gov)

CT, DE, IA, IL, IN, KS, MA, MD, ME, MI, MN, MO, ND, NE, NH, NJ, NY, OH, PA, RI, SD, VA, VT, WI, WV

## Processing and Report Review Branch 2

[MFHprocessing2@usda.gov](mailto:MFHprocessing2@usda.gov)

AK, AL, AR, AZ, CA, CO, FL, GA, HI, ID, KY, LA, MS, MT, NC, NM, NV, OK, OR, PR, SC, TN, TX, UT, VI, WA, WY

# Asset Management Division Leadership Team

Jen Larson, *Director*  
Brandt Witte, *Program Analyst*  
Donna Dudgeon, *Program Analyst*  
Nancy Conway, *Management and Program Analyst*

*Portfolio Management*

Wilma Marconnet  
*Branch Chief*

*Servicing Support*

Melodie Taylor-Ward  
*Branch Chief*

*Policy and Budget*

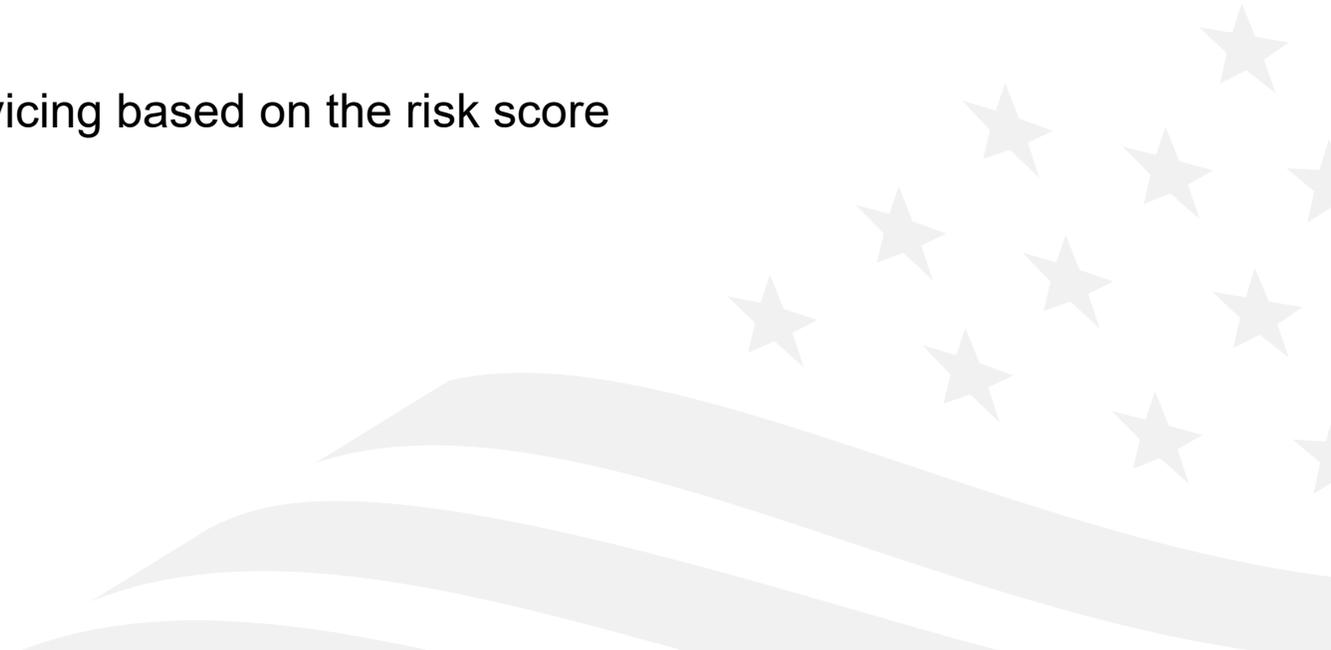
Mike Resnik  
*Branch Chief*

*Risk & Counterparty Oversight*

Dana Daugherty-Perez  
*Branch Chief*

# State of Portfolio (AMD)

- Summary of the Multifamily Housing Portfolio including project age, occupancy, usage of rental assistance and delinquency.
- Each project has been analyzed and assigned a risk score using the following criteria
  - Financial Health
  - Physical Condition
  - Owner/Agent Capacity
  - Community Health
- Properties are classified and assigned for servicing based on the risk score
  - Critical
  - Troubled
  - Watch
  - Performing

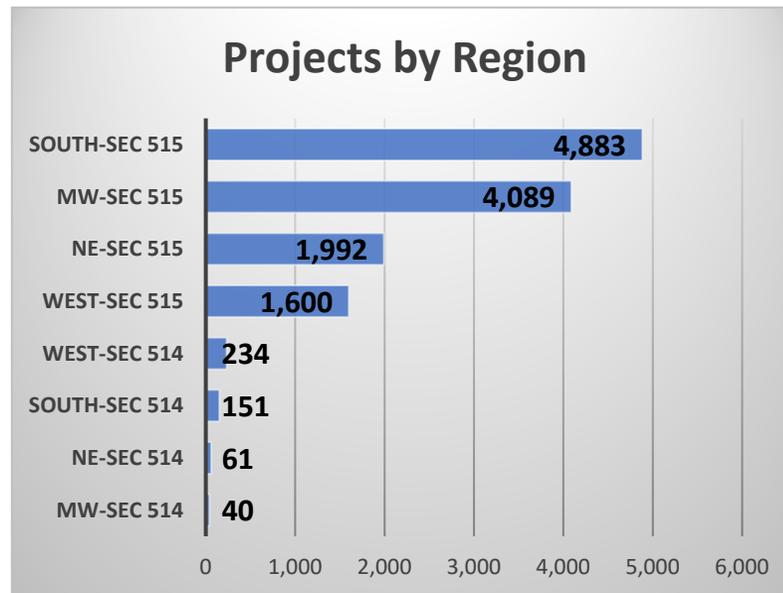
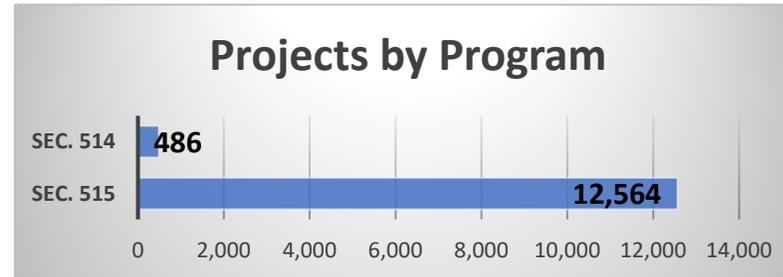


# Portfolio Overview by Project

As of September 2022

Program	Type	Projects	Average Age	Total Units	RA Units	HUD Sec 8 units
Sec. 515		12,564	34.6	392,054	296,637	21,752
Sec. 514	Off farm	324	21.6	16,558	12,332	0
Sec. 514	On farm	161	17.9	281	0	0
<b>TOTAL</b>		<b>13,050</b>		<b>408,953</b>	<b>309,016</b>	<b>21,752</b>

Program	Rental Code	Projects	Average Age	Total Units	RA Units	HUD Sec 8 units
Sec. 515	Family	7,841	35.1	250,098	184,307	14,622
Sec. 515	Elderly	4,441	33.9	131,099	104,331	6,235
Sec. 515	Other	282	33.2	10,857	7,999	895
Sec. 514	Family	474	20.4	16,854	12,347	0
Sec. 514	Other	12	21.5	45	32	0
<b>TOTAL</b>		<b>13,050</b>		<b>408,953</b>	<b>309,016</b>	<b>21,752</b>



## Sec. 515 Multi-Family Housing projects include:

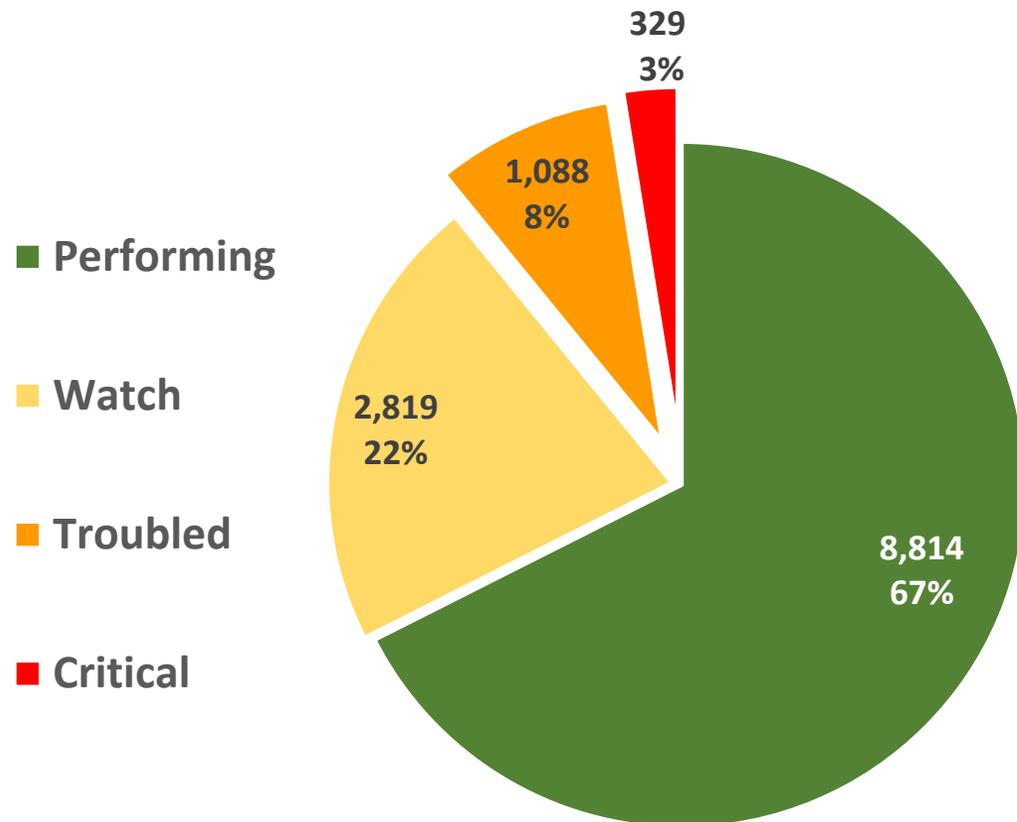
- Family and Elderly housing
- Congregate housing
- Group homes
- Rural cooperative housing

## Sec. 514/516 Farm Labor Housing projects include:

- Off-farm labor housing
- On-farm labor housing

# Portfolio Overview – Risk Ratings

As of September 2022



- **Performing:** In good standing
- **Watch:** Performance down trending, underfunded reserves unmet capital needs
- **Troubled:** high/increasing vacancy, unaddressed physical deficiencies
- **Critical:** Serious and Prolonged noncompliance/vacancy/ financial issues

# Section 538 Guaranteed Rural Rental Housing Program Closed Active Loans by Construction Type and Region

(Dataset as of October 2022)

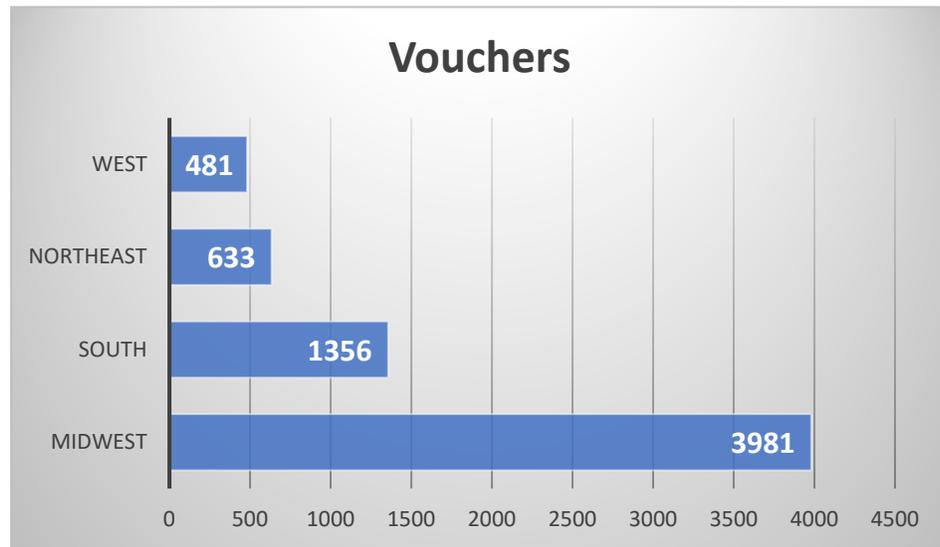
## Sec 538--Closed Active Loans

Construction Type	Region	Loans	Units	Loan Amount	UPB
NEW CONSTRUCTION	Midwest	119	5,128	164,340,194	145,684,447
	Northeast	63	2,871	84,684,746	76,342,887
	South	255	15,725	547,822,456	472,167,467
	West	170	9,049	263,931,868	236,612,144
	Total	607	32,773	1,060,779,264	930,806,946
REHAB/REPAIR	Midwest	109	5,493	111,300,707	102,457,758
	Northeast	49	2,905	71,429,383	66,770,767
	South	371	16,925	423,543,809	398,271,362
	West	210	10,677	355,259,098	323,921,376
	Total	739	36,000	961,532,997	891,421,263
OTHER	Northeast	3	160	6,929,250	6,412,434
	South	3	173	12,609,100	11,368,523
	West	1	18	400,000	400,000
	Total	7	351	19,938,350	18,180,957
<b>Grand Total</b>		<b>1,353</b>	<b>69,124</b>	<b>2,042,250,611</b>	<b>1,840,409,166</b>

Loan Amount, Loans, UPB and Units broken down by Construction Type and Region.

# Voucher Count by Region

Data as Aug 31, 2022



Region	Count of Vouchers
MIDWEST	3981
SOUTH	1356
NORTHEAST	633
WEST	481
<b>TOTAL</b>	<b>6,451</b>

- Tenants at properties exiting the program through prepayment or servicing efforts and meet the qualifications may receive a voucher.
- The voucher is intended to provide housing rent assistance to tenants after the property has exited the RD program

# Interim Recertifications

- Social Security increase of 8.7% announced for January 2023, with an average increase of \$140
- Increase of 11-12% in HUD's Area Median Income limits as well
- RD is planning to increase the \$100 interim recertification requirement to \$200 for 2023
- GovDelivery issued 10/27, follow up guidance will be out as soon as possible

# Multifamily Physical Inspection Pilot Program (MPIPP)

- In the coming months, the contractor will conduct just over 1,000 physical inspections to assess whether the Agency's proposed protocol produces accurate, objective, and consistent results in federally assisted multifamily RD projects in rural areas.
- The proposed protocol is based on professionally trained inspectors conducting inspections using the Mortgage Banker's Association (MBA) Inspection form 3.0 (already in widespread use throughout the industry) and the associated rating system.
- The sample of projects to be inspected is weighted by the percentage in each region:
  - South – 400 projects
  - Midwest 300 projects
  - Northeast 200 projects
  - West 100 projects

# Proposed Budget Training

- The Agency's mission is to support and maintain quality affordable housing for tenants across the portfolio. As you prepare upcoming **2023 annual proposed budgets**, we wish to partner with you to ensure your Rural Development properties have access to the resources needed to be physically and financially healthy.
- Multifamily Housing (MFH) staff have been provided training on proposed budget review and will consider the property's overall health and continued operating needs in a streamlined review process that will be more efficient for both stakeholders and staff.
- To support this streamlined review process, [a proposed budget training for stakeholders](#) was recorded and is provided on the [Multifamily Housing Programs site](#) under [MFH Stakeholder Tools & Training](#). The training is similar to what was provided internally to MFH staff. It covers the Form RD 3560-7 Multifamily Housing Project Budget, line by line and provides insight to the Agency's review process.

# FY 2023 Management Fee & Add-On Fee for Multiple Subsidies

- Anticipate an **average** increase of \$7 for the PUPM management fee
  - Range from \$2 - \$10 increase (most increases are in the \$6-\$8 range).
  - FY2023 - Based on State's percentage increase of the 80% median family income in non-metro areas.
  
- Add-on fee for multiple layers of subsidy
  - Regardless of the number of layered subsidies, the total add-on fee for this category is \$5.
  - Examples:
    - Property has Section 515/Section 8 HUD – management can claim a \$5 add-on fee
    - Property has Section 515/LIHTC/Section 8 HUD – management can claim a \$5 add-on fee

# Service Coordination (Service Coordinator)

For FY2023 Service coordination is a permitted budget expense for RD properties. Service coordinators assist residents in connecting with services available in their community, often helping them remain successfully housed, age in place and live independently.

If you're interested in adding a service coordinator at your property, the [American Association of Service Coordinators](#) has resources and information available.

- What Is Service Coordination:
  - Assesses tenant needs
  - Identifies and links tenants to appropriate services
  - Assists with resourcing free tenant services or additional funding sources for these types of services
  - Educates tenants on the availability of supportive services
- What Is Not Service Coordination:
  - Assisting with other administrative duties of the management agent or housing operations
  - An activities or recreation coordinator
  - Directly providing the supportive service
  - Providing tenant services or tenant amenities

# State of Production & Preservation (P2)

## FY22 NOSA / NOFA Schedule

NOSA / NOFA	Open / Close
Off-Farm Labor Housing New Construction Round 1	COMPLETE: Awards Announced 9/2021
Off-Farm Labor Housing New Construction Round 2	COMPLETE: Applicants Notified 6/2022
Off-Farm Labor Housing New Construction Round 3	Published 4/21, Pre-applications Due 7/15/22
MFH NP Transfer Tech Assistance Grant	COMPLETE: Awards Announced 7/2022
FLH Technical Assistance Grant	COMPLETE: Awards Announced 7/2022
Off-Farm Labor Housing Repair	Published 3/9/22, Pre-applications Submitted 5/9/22, Final Applications Received 9/12/22
MPR No-Cost Debt Deferral NOSA	COMPLETE: Awards Announced 8/2022
Section 538 Guaranteed Loan Program	Ongoing Applications / Rolling

# Completeness of Applications & End of Calendar Year Processing Timeframes

- Reminder: Borrowers and lenders who anticipate closing on their transactions prior to the end of calendar year 2022, to have fully met all application requirements, including submitting all documents and responding to all agency review comments, on or before October 1, 2022. P2 will not be able to commit to an end-of-year closing for applications that are incomplete, still have open items, or have not yet been determined to have received sufficient responses from a borrower or lender by that time. For additional information, please contact Jonathan Bell at [Jonathan.Bell@USDA.gov](mailto:Jonathan.Bell@USDA.gov)

# FY22 Obligation Trajectory Budget Update

FY22	Section 538 Guaranteed Loans	Section 514 (Loans) and 516 (Grants) FLH	Multifamily Preservation & Revitalization (MPR)	Section 515 Direct Loans
Appropriation	\$250 million	\$66.3 / \$45.4 million	\$34 million	\$50 million
Obligated	\$250 million	\$40.0 / \$32.2 million	\$34 million	\$50 million
<i>Balance (9/28/22)</i>	<i>\$0 million</i>	<i>\$26.3 / \$13 million</i>	<i>\$0 million</i>	<i>\$0 million</i>

- **Section 538:** 100% obligated for 2<sup>nd</sup> straight year.
- **Section 514/516:** “No-year” budget authority will carry over to FY23 for gap financing and Subsequent Loan needs, FLH Repair awards (November), RD 3 New construction (December), and SuperNOSA (February 2023)
- **MPR:** FY22 appropriation cleared out all but 2 of the remaining 134-project MPR queue.
- **Section 515:** 100% obligated for 2<sup>nd</sup> straight year. Used to fill financing gaps and offset MPR pipeline 100% in FY22

# Production & Preservation (P2)

## Simple Transfer Pilot

- Develop a pilot program with revised transfer application requirements for properties that meet certain requirements (i.e., create “simple transfer” options):
  - Reduce undue burdens and eliminate unnecessary paperwork
  - Differentiate transfer submission requirements based on the type of transaction—move away from a “one size fits all” approach
  - Eliminate certain third-party reports to reduce upfront costs
  - Recognize timing challenges with obtaining rehab/preservation financing and provide more flexibility
- Proposed simple transfer types:
  - Simple Transfer with an Expedited Ownership Change Required
  - Simple Transfer with Rehabilitation
  - Simple Transfer with Future Rehabilitation/Recapitalization Plan (Two-Step Transfer)

For additional information, please contact Stephanie Vergin at [Stephanie.Vergin@USDA.gov](mailto:Stephanie.Vergin@USDA.gov)

# State of Production & Preservation (P2)

## Technical Assistance Opportunities

- Non-Profit Technical Assistance NOFA
  - TA to facilitate preservation transfers of RD direct loan-assisted properties from current owners to nonprofits or PHAs
  - Awards Announced: June 2022
  - Amount Awarded: \$2.1 million
    - 6 awardees, service delivery in all 50 states
  - TA provider contact info and coverage areas available on the MFH Program [website](#)
- Farm Labor Housing Technical Assistance NOFA
  - Nonprofit organizations to provide technical assistance to applicants for Farm Labor Housing (FLH) loans and grants.
  - Awards Announced: June 2022
  - Amount Awarded: \$250,000
    - 1 awardee, various counties in 11 states
  - TA provider contact info and coverage areas available on the MFH Program [website](#)

For additional information, please contact Stephanie Vergin at [Stephanie.Vergin@USDA.gov](mailto:Stephanie.Vergin@USDA.gov)

# State of Production & Preservation (P2)

## P2 SuperNOSA

**Summary of Historic Issues:** In the last 18 months, MFH has issued seven individual NOFAs/NOSAs, each identifying either a single use (new construction, repair, debt deferral, technical assistance, etc.) or single program (Farm Labor Housing, Section 515, MPR).

These NOFA/NOSAs were issued sporadically throughout the CY/FY, as they were able to be created and approved, with little correlation to strategic timing related to:

- Programmatic obligation requirements of funds,
- Industry development schedules, and
- Competing internal workloads.

This resulted in industry feedback related to:

- Prolonged processing timeframes,
- Lack of compatibility with other public funding rounds,
- Lack of execution predictability,
- Questions related to transparency; and,
- Internal strife manifesting from simultaneous funding rounds in various stages, all with various processing deadlines, that compete against normal P2 pipeline processing requirements.

# SuperNOSA 2023

- MFH is reconfiguring the Notification of Solicitation for Application (NOSA) process – coming in early 2023, the SuperNOSA will be a single, consolidated notification and application process for the following Multifamily Housing programs:
  - Section 515
  - Section 514 / 516 Farm Labor Housing
  - Multifamily Housing Preservation and Revitalization (MPR) Program, and
  - Preservation Rental Assistance.
  
- Available for each program and transaction type (New Construction, Preservation, Repair), subject to FY23 funding.
  
- Designed to provide predictability to the industry on the timing of RD funding rounds
  - Allow time to prepare application and procure third party reports
  - Create standardized application requirements across P2's Direct Lending programs.
  
- Industry Listening Session workshops are scheduled in October and November 2023. For more information, please contact Abby Boggs, Program Support Branch Chief, at [Abby.Boggs@USDA.gov](mailto:Abby.Boggs@USDA.gov).

# Tenant Selection Plans & Preferences for People Experiencing Homelessness

- MFH will actively continue to collaborate with industry partners seeking regulatory relief from the Agency to adopt tenant selection plan preferences for families or individuals experiencing homelessness. Mitigating barriers to housing families and individuals experiencing homelessness continues to be a priority initiative for the Administration and the Agency.
- MFH remains committed to working with owners, lenders, and other public-funding agencies to resolve the regulatory barriers that prevent such tenant selection plan preferences from being implemented and will proactively work to provide such regulatory relief. For additional guidance or information on how to submit a request for regulatory relief, please contact Stephanie Vergin, Policy Advisor, at [Stephanie.Vergin@USDA.gov](mailto:Stephanie.Vergin@USDA.gov)



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