

What we learned this fiscal year



Hi and Bye to FY

It's a time of year that is full of hellos and good byes for mostly all of us. Though it is not the end of the calendar year, it does mark a time that most of us can put a close to one chapter, and feel a new beginning in many parts of our lives. Saying our hellos to pumpkin spice everything as a young autumn begins to change leaves and drop temperatures. The kids say good bye to summer and hello to starting a fresh year at school. And we in the affordable housing world, we get a brand new Fiscal Year for the Department of Housing and Urban Development (HUD)!

This can mean many different things for our industry and all who are involved. Times of change gives us all a great opportunity to reflect and think deeper about our future and the direction our industry is heading. Throughout this newsletter, we will highlight key factors in which we have learned over the past HUD Fiscal Year and peer into our crystal ball to see where our industry will be going throughout FY 2017. As for my crystal ball: Hillary wins the election and affordable housing gets the attention it deserves. Leveraging rates remain largely unchanged. The percentage of households in rental housing, now at 36.4% - the highest level since the late 60's, will continue to increase, which in turn will support the expansion of LIHTC. RAD should thrive off the good press of the Econometrica report, and hopefully greater authorization will be granted. In order for RAD to be effective in rural markets, as well as the refinancing potential of the Section 202 PRAC projects, HUD's risk-share small loan program must come to fruition. And finally, I foresee the e-Tool CNA remaining in limbo for much of FY17.

RAD Update: 4 years in.

RAD started as a whisper and has turned into one of the most useful tools in the preservation of affordable housing we have seen in many years. It has been the only thing to stop the looming dilapidation of our nation's affordable housing stock. But what does the future hold for RAD? And looking back, were all of those initial RAD fears justified? See our [President's Blog for a recent post](#) highlighting the RAD Interim Report released by HUD and Econometrica.



Green MIP Update



The announcement of the MIP reduction rate took the market by storm. By now, most in the industry are aware of the major money savings and want to see if their property is worthy of the Green MIP rate reduction. This is achieved ultimately through measures taken to improve energy efficiency. After a few months of implementation, and continual HUD policy interpretation, the program remains viable and

popular. Most recently, HUD has been discussing the Utility Sampling Plan and HUD's interim sampling requirement for data collection. Read this month's [white paper](#) about HUD's new requirements for Data Collection.

And you may be wondering if there is any whole building utility data available from your project's local utility provider. [See this map](#) for areas where this service is now available.

Environmental Questionnaires

Over this FY, our sales staff have made us aware that quick access to Environmental Questionnaires would be helpful to gather information needed in your deal. Luckily, we have you covered. Just use our resource page on our website!



[D3G's HUD/FHA Resource Center](#)



D3GU Roundtable Discussion Series 2016 November's Topic: MIP Notice Q&A Session

Join in on the discussion!

On November 10th, our team of Subject Matter Experts will host a half hour Q&A session to address technical concerns regarding the MIP reduction notice and the guidelines it entails. We will begin the webinar at 10:30 EST.

Contact [Drew Kisamore](#) to register for this event as well as to submit a question. Please note: this webinar is limited to the first **100** registrants.

Furthermore, follow D3G University on LinkedIn to get updates regarding future roundtable discussions' dates and times. - [Follow D3G University](#) -



In the Affordable Housing Industry

Green Mortgage Insurance Premium Updates: . . . We have mentioned this earlier, but we really want to drive home the importance of this measure. As we claimed years ago, "Green" initiatives were going to be the future of housing. Energy efficient measures have finally become the forefront of how we can all save big bucks (not to mention, our planet) and seems to be the trend moving forward. You may know about the Better Buildings Challenge, but that has not turned heads like these Mortgage Insurance Premium discounts offered for energy efficient buildings. If you have signed on to this idea from the beginning, you may have a building that already qualifies. In order to achieve these discounts, you will need to have your building/property rated, and that is where we come in. D3G has already performed nearly 60 different SEP/SEDI reports for clients attempting to achieve discounted MIP rates. Contact us for more information and visit our resource center.

Freddie Mac getting in the green game: . . . As we have stated, more and more people and organizations are jumping on board with energy efficient initiatives to save on utilities and ultimately save everyone money. Fannie implemented some green lending initiatives in the spring, and now Freddie follows suit mimicking some of HUD's energy underwriting of the MAP guide. Who's next?

HUD Noise Guidebook: . . . Various affordable housing lending groups have been voicing displeasure about the archaic noise regulations. In the past, these noise concerns fell on deaf ears (pun intended), but no longer. It appears that HUD is willing to listen about the noise regulation interpretation restricting development in urban/TOD areas and hopefully there will be positive news on this front in the near future.

As always, we appreciate your business and we love hearing from you! Please keep us in mind for your next deal. We have competitive pricing and the experience to ensure your next project is a success!

Sincerely,

Rob Hazelton, President
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