

the public to expand the underwriting standard of CRCU to guide the Agency in determining basic rent guidelines for Rental Assistance.

30-Year Term and 50-Year Amortization Period

Though not a new issue or policy, the reform regulations require that new loans have a 30-year term with a 50-year amortization schedule. The new regulation will make clear that, at end of 30 years, the borrower has the option to pay-off the residual balloon with no restrictive use on the property, and the Agency has the option to refinance (or not) for the facility's remaining economic life. In effect, loans will have a 30-year use restriction, versus the current 50-year, with additional use restrictions only should the Agency refinance.

Conforming Household Income Calculation to Industry Standards

By changing the calculation of tenant household income and assets to be consistent with other funding sources in the MFH industry, RHS has made a significant contribution to reducing paperwork burden to the public. No longer will a separate calculation have to be made for a MFH loan when a separate calculation was already executed for Low-Income Housing Tax Credit (LIHTC) or another affordable housing program. Tenant income and assets will be calculated in accordance with 24 CFR 813.106 and 24 CFR 813.102, which are regulations published by the U.S. Department of Housing and Urban Development.

Electronic Submission of Certifications/Recertifications

The proposed rule adds a requirement for electronic reporting of information, including tenants' income. The faster transmission of this information provides RHS with more time for analyzing the information. Consequently, the proposed rule extends by 10 days the period for submitting recertifications, giving borrowers more time to comply with agency requirements, thus improving customer service while maintaining program performance.

Regulatory Crosswalk

The following is a crosswalk that shows where the content of the 13 regulations that are being consolidated can be found in 7 CFR part 3560.

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