

SAMPLE

(Approval Letter for New LUHA - Prior to Availability of Funds)

Honorable \_\_\_\_\_  
Mayor of \_\_\_\_\_  
City, State Zip

Dear Mayor \_\_\_\_\_:

SUBJECT: Approval of Urban Homesteading Mortgage Program  
\_\_\_\_\_

We are pleased to announce that your Urban Homesteading Program Application has been approved. Enclosed are \_\_\_\_\_ copies of the Urban Homesteading Program Participation Agreement (HUD-40051). This Agreement constitutes the contract between the Department of Housing and Urban Development and \_\_\_\_\_ (the applicant), and the \_\_\_\_\_ (administering agency, if applicable). All copies are to be executed by you and the Chief Executive Officer of the designated administering agency, if applicable. Please return two executed originals to this office as soon as possible.

As you know, Section 810 funds are used to reimburse HUD/FHA for properties transferred for Urban Homesteading. In addition, Section 810 funds may be used to reimburse the U.S. Department of Veterans Affairs (VA) and the Farmers' Home Administration (FmHA) for properties in their inventories eligible for Urban Homesteading purposes. The maximum value to be charged to Section 810 shall not exceed \$25,000 for each property, except as otherwise approved by this office for a specific property.

At the present time, Section 810 funds are unavailable due to \_\_\_\_\_. We will notify you when funds are available, at which time you will be able to acquire HUD/FHA properties from the \_\_\_\_\_ office (or VA properties from \_\_\_\_\_ or FmHA properties from \_\_\_\_\_). These funds will be made available to our local urban homesteading agencies as properties become available on a first-come, first-served basis.

You are reminded that the implementation of the program will be monitored by our office. Our monitoring will concentrate on the items contained in the Certifications and your approved application.

Should you have any questions regarding this matter, please call \_\_\_\_\_, Urban Homesteading Coordinator, at ( ) \_\_\_\_\_.

Sincerely,

\_\_\_\_\_  
Manager or CPD Director

## SAMPLE

(Follow-up Letter Indicating the Availability  
of Funds for New LUHAs)

Honorable \_\_\_\_\_  
 Mayor of \_\_\_\_\_  
 City, State Zip

Dear Mayor \_\_\_\_\_:

This is a follow-up to my letter dated \_\_\_\_\_ wherein we notified you that your application for an Urban Homesteading Program has been approved.

The \_\_\_\_\_ Field Office has received \$\_\_\_\_\_ in Section 810 funds. A set-aside of \$ \_\_\_\_\_ is earmarked for your City for 60 days from the date of this letter. Thereafter, if any of these funds are unused, you will compete for them with the other Local Urban Homesteading Agencies within this Field Office's jurisdiction on a first-come, first-served basis.

You may proceed to acquire properties following these procedures. The maximum value of each Urban Homesteading property to be charged to Section 810 shall not exceed \$25,000, except as otherwise, approved by this office for a specific property. Property title transfer to the locality may not be made until you submit a "Verification of Fund Availability" (form HUD-40050) to the Urban Homesteading Coordinator in this office. You will receive from him/her a separate "Funds Reservation and Contract Authority" (form HUD-718) indicating that funds have been reserved for each property that you wish to acquire. The property closing can then take place. Copies of the HUD-40050 are enclosed. Please be cognizant that any unobligated funds (where the property transfer has not yet occurred, even though funds may have been reserved by a HUD-718) will be recaptured by HUD as of September 30. Please note your Urban Homesteading project number \_\_\_\_\_ which must appear on all program forms and documentation.

In addition, upon acquisition of your first Section 810 property, you must begin reporting in HUD's Urban Homesteading Program Management Information System (UHPMIS). Enclosed is a form HUD-40063, Property Addition form and HUD-40063-A, Instructions for Updating the Quarterly Property Report and the Quarterly Progress Report. These forms are sent directly to HUD Headquarters in Washington, D.C. If you are delinquent or fail to submit updated reports on a regular basis, as required, then we may withhold additional funds until the reports are filed. These reports measure LUHA performance.

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6400.1 REV-1  
 APPENDIX 26B

We also wish to remind you that according to 24 CFR 590.11(b), "Annual Request for Program Participation," You must notify this HUD

Field Office in writing on or before August 1, 19\_\_\_\_, and annually thereafter, if you wish to continue to participate in the Urban Homesteading Program.

If you have any questions, please call \_\_\_\_\_, Urban Homesteading Coordinator, at \_\_\_\_\_.

Sincerely,

\_\_\_\_\_  
Manager or CPD Director

Enclosures

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6400.1 REV-1  
APPENDIX 26C

SAMPLE

(Approval Letter with Funding for New LUHAs)

Honorable \_\_\_\_\_  
Mayor of \_\_\_\_\_  
City, State Zip

Dear Mayor \_\_\_\_\_:

SUBJECT: Approval of Urban Homesteading Program  
Project No. \_\_\_\_\_

I am pleased to announce that your Urban Homesteading Program application has been approved.

Enclosed are \_\_\_\_\_ copies of the Urban Homesteading Agreement (HUD-40051) which constitutes the contract between the Department of Housing and Urban Development and \_\_\_\_\_. All copies must be executed by you and the Chief Executive Officer of the designated administering agency, if appropriate. Please return two executed originals to this office as soon as possible. You may accept properties from the HUD \_\_\_\_\_ Office (or VA properties from \_\_\_\_\_ or FmHA properties from \_\_\_\_\_) as soon as the agreement is executed and received by HUD. The maximum value of each Urban Homesteading property to be transferred shall not exceed \$25,000, except as otherwise approved by this office for a specific property.

This office was assigned \$\_\_\_\_\_ in Section 810 funds this fiscal year. A set-aside of \$\_\_\_\_\_ is earmarked for your City for 60 days from the date of this letter. Thereafter, if any of these funds are unused, you will compete for them with our other Local Urban Homesteading Agencies as properties become available on a first-come, first-served basis. Property title transfer to the locality may not be made until you submit "Verification of Fund Availability" (form HUD-40050) and receive from us a signed "Funds Reservation and Contract Authority," form HUD-718, indicating that funds are reserved and available for the individual property. A supply of the form HUD-40060

is enclosed for your use. Any unobligated funds (where the property transfer has not occurred, even though funds may be reserved by a HUD-718) will be recaptured at the end of the fiscal year. Please note your Urban Homesteading project number (\_\_\_\_\_) which must be used on all program forms.

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6400.1 REV-1  
APPENDIX 26C

Upon acquisition of your first Section 810 property, you must begin reporting in HUD's Urban Homesteading Program Management Information System. Enclosed is a form HUD-40063, Property Addition form, and HUD-40063-A, Instructions for Updating the Quarterly Property Report and the Quarterly Progress Report. These forms are sent directly to HUD Headquarters in Washington, DC. If you are delinquent or continuously fail to submit updated reports, as required, then HUD may withhold additional funds until the reports are filed. These reports measure LUHA performance.

We also wish to remind you that according to 24 CFR 590.11(b)), "Annual Request for Program Participation," you must notify the HUD Field Office in writing on or before August 1, 19\_\_\_\_, and annually thereafter, if you wish to participate in the Urban Homesteading Program.

Should you have any questions, please call \_\_\_\_\_, Urban Homesteading Coordinator, at (\_\_\_\_)\_\_\_\_\_.

Sincerely,

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Manager or CPD Director

Enclosure

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6400.1 REV-1

APPENDIX 26D

SAMPLE

(Annual Approval)

Honorable \_\_\_\_\_  
Mayor of \_\_\_\_\_  
City, State Zip

Dear Mayor \_\_\_\_\_:

SUBJECT: Approval of Fiscal Year \_\_\_\_\_ Urban Homesteading Program  
Annual Request for Participation, City, State, Project  
No. \_\_\_\_\_

This is in response to your letter dated \_\_\_\_\_ in which you request approval for the City of \_\_\_\_\_ to participate in the

Urban Homesteading Program in FY \_\_\_\_\_. I am pleased to notify you that your request has been approved. At this time the FY \_\_\_ budget for the U.S. Department of Housing and Urban Development has not been approved, so the funding level has not been established. You will be notified of funding availability at a later date.

In accordance with 24 CFR 590.11(b) and 24 CFR 590.13(b), the Urban Homesteading Agreement executed in FY \_\_\_\_\_ is in effect for another year. The same terms, conditions, and assurances remain in effect with respect to the use of Section 810 funds.

As in the past, you must submit a HUD-40050, Verification of Fund Availability, to the HUD Urban Homesteading Coordinator to identify the property(ies) that you have selected for your program, and receive from us a signed HUD-718, Funds Reservation and Contract Authority, indicating that funds are reserved and the closing can take place. Any unobligated funds (where the property transfer has not occurred, even though funds may be reserved by a HUD-718) will be recaptured at the end of the fiscal year. Please note that the new Urban Homesteading number for \_\_\_\_\_(City)\_\_\_\_\_ this fiscal year is \_\_\_\_\_(no hyphens)\_\_\_\_\_.

As you know, Section 810 funds are used to reimburse the HUD/FHA, VA, and/or FmHA for properties in their inventories that are eligible for urban homesteading. The maximum value of each Urban Homesteading property to be transferred should not exceed \$25,000, except as otherwise approved by this office for a specific property.

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6400.1 REV-1  
APPENDIX 26D

We also wish to remind you that in accordance with 24 CFR 590.11(b), you must notify this HUD Field Office in writing on or before August 1, 19\_\_\_\_, and annually thereafter, if you wish to participate in the Urban Homesteading Program in the upcoming fiscal year.

If you have any questions about this letter, please call \_\_\_\_\_ at (\_\_\_\_\_)\_\_\_\_\_.

Sincerely,

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Manager

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6400.1 REV-1

APPENDIX 26E.1.

SAMPLE

(For Involuntary Closeout)

Date

Honorable \_\_\_\_\_  
Mayor of \_\_\_\_\_  
City, State Zip

Dear Mayor \_\_\_\_\_:

SUBJECT: Pending Closeout of City of \_\_\_\_\_ Urban Homesteading  
Program, Project No. \_\_\_\_\_

This letter informs you that the Department of Housing and Urban  
Development is initiating closeout of the City's Urban Homesteading  
Program in accordance with 24 CFR 590.23, due to give explanations .

Please be advised that you have an opportunity to inform this  
office in writing within 30 days of receipt of this letter of any  
circumstances that would make this action unwarranted. In the interim,  
please feel free to contact \_\_\_\_\_ of my staff at  
(\_\_\_\_) \_\_\_\_\_.

Sincerely,

\_\_\_\_\_  
Manager

6400.1 REV-1

APPENDIX 26E.2.

SAMPLE

(Initiation of Closeout -- Lack of Properties)

Date

Honorable \_\_\_\_\_  
Mayor of \_\_\_\_\_  
City, State Zip

Dear Mayor \_\_\_\_\_:

SUBJECT: Initiation of Closeout of City of \_\_\_\_\_ Urban  
Homesteading Program, Project No. \_\_\_\_\_

This letter initiates closeout proceedings for your Urban  
Homesteading Program under 24 CFR 590.23. The reason for closeout is  
the lack of suitable Federal properties due to local market conditions  
wherein the Federal property foreclosures have diminished and  
homesteading is no longer viable nor cost effective.

Under the terms and conditions of the Urban Homesteading Agreement  
executed on \_\_\_\_\_, the LUHA continues to be obligated with  
respect to the conditional conveyance, monitoring, and final conveyance  
of properties to homesteaders even after closeout until all properties  
are conveyed fee simple to homesteaders. In order for HUD to close out  
the program, we must be certain that all program requirements have been  
met. Therefore, we request the following:

1. A report on all properties that were conveyed fee simple to homesteaders prior to implementation of the UHPMIS in FY 1986 if they were not entered into the UHPMIS. Information on each property must include the
  - (a) property address;
  - (b) Section 810 drawdown amount;
  - (c) date of transfer from the Federal agency to the LUHA;

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6400.1 REV-1  
APPENDIX 26E.2.

- (d) date of final conveyance;
  - (e) disposition of property if not homesteading, the date of HUD approval, and the alternative use.
2. Updated UHPMIS Quarterly Property and Progress Reports for all properties that have not been conveyed fee simple.
3. A plan for program management after closeout that includes a schedule until all properties have been conveyed fee simple. Please furnish the name, title, department, and telephone number of the contact person responsible for oversight.

Please make the above items available to us within \_\_\_\_ days months . Upon review of this, we will issue a letter of program completion. If you should have any questions, please contact \_\_\_\_\_, Urban Homesteading Coordinator, in this office at (\_\_\_\_) \_\_\_\_\_.

Sincerely,

\_\_\_\_\_  
Manager

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6400.1 REV-1

APPENDIX 26E.3.

SAMPLE

(Letter of Program Completion and Closeout)

Date

Honorable \_\_\_\_\_  
Mayor of \_\_\_\_\_  
City, State Zip

Dear Mayor \_\_\_\_\_:

SUBJECT: Urban Homesteading Program Completion, City of \_\_\_\_\_

Project No. \_\_\_\_\_

This letter responds to your letter of \_\_\_\_\_  
submitting information for our approval of program completion and  
closeout.

We approve your management plan as submitted. Final program  
closeout is conditioned upon:

1. Monitoring of the milestones of the remaining \_\_\_\_\_ properties  
through final conveyance;
2. Updating of the UHPMIS Quarterly Property and Progress Reports  
and their timely submission to Headquarters;
3. Monitoring and enforcing the Homesteader's Agreement with  
homesteaders. This includes confirming continued occupancy  
and follow-through on any rehabilitation loan delinquencies.  
This may entail, if necessary, finding a new homesteader in  
the event of a breach of the homesteader Agreement, or  
obtaining approval from HUD for alternative use for a property  
if re-homesteading proves to be infeasible.
4. If applicable, flood insurance coverage for any affected  
property owner must be maintained for the mandatory period;
5. etc.

If you should have any questions, you may contact \_\_\_\_\_,  
Urban Homesteading Coordinator in this office, at (\_\_\_\_) \_\_\_\_\_.

Sincerely,

\_\_\_\_\_  
Manager

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6400.1 REV-1

APPENDIX 26E.4.

SAMPLE

FINAL CLOSEOUT LETTER

(After all properties are conveyed fee simple to homesteaders)

Date

Honorable \_\_\_\_\_  
Mayor of \_\_\_\_\_  
City, State Zip

Dear Mayor \_\_\_\_\_:

This letter confirms final closeout of the City of \_\_\_\_\_  
Urban Homesteading Program. All requirements under the original Urban

homesteading Agreement and our letter of program completion dated  
\_\_\_\_\_ have been met.

We look forward to working with you in future HUD programs.

Sincerely,

\_\_\_\_\_  
Manager