

HUD: Hurricane Katrina Update

HUD has established a single toll-free housing hotline, 1-888-297-8685, to assist the victims of Hurricane Katrina with housing needs. The number operates from 7 a.m. to 8 p.m. CDT, seven days a week.

On September 3, HUD announced it has established a toll free number (800-955-2232) to assist public housing residents and Section 8 voucher holders who have been displaced by Hurricane Katrina. Voucher holders will continue to be eligible for their subsidy in other communities without the need to reapply. PHAs will give priority to displaced public housing residents.

HUD has also established a toll free number (1-888-245-4860) for PHAs to call to verify if applicants are residents displaced by the hurricane.

On September 1, HUD announced that all operations performed out of the New Orleans field office have been moved to the Fort Worth, TX office. The resources that HUD has identified to assist flood victims are: an unknown number of vacant multi-family housing, public housing units, and HUD-owned homes within a 500-mile radius of the affected areas that could be used as temporary housing; CDBG, HOME and ESG previously awarded grantee monies that can, upon approval from HUD, be reprogrammed to disaster recovery activities; and the possibility of using 500 Real Estate Owned (REO) properties in affected areas as temporary housing.

Additionally, with Congressional approval, HUD may allocate up to \$29 million of Public Housing Capital Reserve for Emergencies and Natural Disasters funds to PHAs on a first-come, first-served basis; up to \$200 million of disaster voucher assistance for families rendered homeless; up to \$50 million in vouchers for replacement units for displaced public housing families or displaced residents living in other HUD multifamily projects; and up to \$300,000 per grantee of Indian Community Development Block Grant funding for disaster relief for Indian housing and tribal areas.

Other HUD resources for homeowners include the Section 203(h) and 203(k) programs. The 203(h) mortgage insurance program allows for households whose residences were destroyed or damaged “to such an extent that reconstruction or replacement is necessary” are eligible for 100% financing. The 203(k) loan program allows displaced homebuyers and homeowners to finance both the purchase and/or refinancing of a house and the cost of its rehabilitation through a single mortgage. It also allows homeowners whose houses are damaged to finance the rehabilitation of their existing single-family home.

HUD has instructed Federal Housing Administration (FHA) approved lenders to provide foreclosure relief to their insured households affected by the hurricane. Lenders are required to implement a 90-day moratorium on foreclosures of FHA insured properties in Presidentially-declared disaster areas. HUD Secretary Alphonso Jackson is also encouraging lenders to consider mortgage modification measures, refinancing, and waiver of late charges for borrowers.

(Excerpted and with thanks to the National Low-Income Housing Coalition, September 2005 update. www.nhlihc.org)