

Dear NAHMA Members,

Below, please find information regarding two recent Rural Housing updates on Rent Incentive Options, and Acquisitions by Non-Profit Organizations and Public Bodies.

**1. Guidance on Use of Rent Incentive Options in Multi-Family Housing Properties**

Many Rural Development MFH properties that are experiencing vacancies need to attract applicants in order to improve cash flow and maintain financial viability; in some rental markets, a short-term rent incentive of no more than three months may be useful in improving occupancy and project cash flow. Recently, the Rural Housing Service published an Unnumbered Letter providing guidance on rent incentive options in situations where multi-family owners or agents can be allowed to address a potential vacancy problem, either immediately or as part of a Servicing Work Out Plan (SWOP). For the last two fiscal years, a pilot of this policy was tested in four States, with good utilization and results of increased occupancy. To read the attached Unnumbered Letter online, please click [here](#).

**2. Short Sale and Real Estate Owned (REO) Acquisitions By Nonprofit Organizations and Public Bodies**

Rural Development strongly supports nonprofit and public bodies in their efforts to improve rural communities across America. This includes providing homes in rural areas to prevent homelessness, as well as temporary housing initiatives for displaced individuals in substance abuse recovery, including opioid addiction. Agency regulation permits voluntary/short sales by borrowers, as well as the sale of REO properties at a discount with special preferences to nonprofits and public bodies providing transitional housing to reduce homelessness. The Rural Housing Service recently published an Unnumbered Letter providing guidance regarding short sales by borrowers nationwide, as well as the sale of Real Estate Owned (REO) properties in decentralized foreclosure and REO states working with these organizations. The agency has determined that selling REO properties will take priority over leasing. To read the attached UL online, please click [here](#).

Thanks,  
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***NAHMA is the leading voice for affordable housing management, advocating on behalf of multifamily property managers and owners whose mission is to provide quality affordable housing.***