

Dear NAHMA Members,

Below, please find information about recent USDA updates regarding management fees, income limits, and proposed changes to initial and annual guarantee fees.

**1. USDA proposes rule change to promote flexibility in setting fees for Guaranteed Rural Rental Housing**

Today, Rural Development published a Proposed Rule in the Federal Register which announces a change to fee setting for Section 538, the Guaranteed Rural Rental Housing Program (GRRHP). Currently the Regulation and Instruction states the amounts of the initial and annual guarantee fees that the Agency is charging. The Agency is proposing to amend the regulation by removing the language that indicates the specific amount of the initial guarantee fee and the annual guarantee fee currently being charged by the Agency. Removing the stated amounts will give the Agency the flexibility to increase or decrease the fees. Please note that at this time, there is no change to the current fees that are being charged by the Agency.

There is 60-day comment period for the proposed rule; please submit any comments to NAHMA by Friday, November 1<sup>st</sup>, 2019. The proposed rule is available online [here](#).

**2. USDA announces 2020 Management Fees**

Rural Development revised Chapter 3 of the MFH Asset Management Handbook to reflect the Fiscal Year 2020 Management Fees. The FY20 management fee is increased by the 2019 Operating Cost Adjustment Factor (OCAF) for each state. These fees will be used for the FY20 budget cycle beginning January 1, 2020. All FY19 management fees have been rounded up to the nearest dollar.

To view the updates to HB-2-3560, Chapter 3 online, please click [here](#) and scroll to the very last pages (Attachment 3-F of the MFH Asset Management Handbook, Chapter 3).

**3. USDA publishes 2019 Income Limits**

The 2019 Income Limits for the Single-Family and Multi-Family Housing Guaranteed Programs were recently published through a special procedure Notice (PN). You can view the income limit changes [here](#).

Thanks,  
Juliana

*Juliana Bilowich, Manager of Government Affairs  
National Affordable Housing Management Association  
400 N. Columbus St., Suite 203, Alexandria, VA 22314*

*Phone 703-683-8630, ext.116 Email [jbilowich@nahma.org](mailto:jbilowich@nahma.org), Website [www.nahma.org](http://www.nahma.org)*

*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.*