FTA Real Estate Workshop

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Real Estate Manager
November 1-2, 2012
Relocation Negative Equity and MAP-21 Uniform Act Amendments

• Relocation Negative Equity

• Moving Ahead for Progress in the 21st Century (MAP 21) – Uniform Act Amendments
Relocation Negative Equity

- FTA Administrator approved the policy on March 30, 2012
- FHWA waiver of the regulations on the methodology of calculating replacement housing payments for negative equity
- FTA adopted a similar waiver
- Grantees must have proper procedures in place
Relocation Negative Equity

• Any request should go to the FTA regional office

• Headquarters Real Estate Specialist and Region will work to determine, if approved

• Homeowner can not be in default and monthly payments must be current
Example - Relocation Negative Equity

Normal RHP Payment Determination

- Mortgage Amount Owed: $200,000
- Comparable Replacement Dwelling: $170,000
- Just Compensation Offer: -$150,000
- RHP Eligibility: 20,000

$50,000 (Increase Administrative Settlement) is greater than the $20,000 (RHP Eligibility) resulting in a $0 RHP Payment.
Example - Relocation Negative Equity

**Waiver RHP Payment Determination**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortgage Amount Owed</td>
<td>$200,000</td>
</tr>
<tr>
<td>Comparable Replacement Dwelling</td>
<td>$170,000</td>
</tr>
<tr>
<td>Just Compensation Offer</td>
<td>-$150,000</td>
</tr>
<tr>
<td>Administrative Settlement (Increase)</td>
<td>$ 50,000</td>
</tr>
</tbody>
</table>

50,000 is greater than $20,000 (RHP Eligibility) so the waiver allows a $20,000 RHP Payment.
<table>
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<tr>
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<td>$ 50,000</td>
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<tr>
<td>Payoff the Mortgage</td>
<td>$200,000</td>
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<tr>
<td>Comparable Replacement Dwelling</td>
<td>$170,000</td>
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<tr>
<td>RHP Eligibility</td>
<td>- 20,000</td>
</tr>
<tr>
<td>New Mortgage</td>
<td>$150,000</td>
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</table>
Map 21 Uniform Act Amendments

• Sec. 3 Effective Dates
  – Other Uniform Act Provisions – Effective 1 year from the date of enactment, October 1, 2013
    • Duties of the Lead Agency
    • Agency Coordination
    • Adjustment of Payments
  – Uniform Act Statutory Limits – Effective 2 years from the date of enactment – October 1, 2014
• Sec. 1301(4)(C) Relocation Streamlining Demonstration Program

“Establishing an demonstration program to streamline the relocation process by permitting a lump-sum payment for acquisition and relocation if elected by the displaced occupant”.

FTA
FEDERAL TRANSIT ADMINISTRATION
Map-21 Uniform Act Amendments

- Section 1521 (d) and (e)
  Uniform Act Amendments
- Duties of Lead Agency
- Adjustments of payments
- Agency Coordination
Map-21 Uniform Act Amendments

• Duties of Lead Agency

Each Federal agency that has programs or projects requiring the acquisition of real property or causing a displacement from real property is subject to this provision...Annual Summary Report by Agencies subject to the Uniform Act

– Enhanced Reporting requirements:
  • Uniform Act activities conducted by Agency
  • Real Estate Acquisition under the URA
  • Relocation Assistance
Map-21 Uniform Act Amendments

• Sec. 1521(d)

Adjustment of Payments

Legislation adds this new section that allows the Lead Agency to adjust statutory benefits levels by regulation for RHP, in Lieu and Re-establishment payments …changes can be due to cost of living, inflation or other factors
Map-21 Uniform Act Amendments

• Agency Coordination
  – Improving Federal Agency Capacity – each federal agency responsible for funding or carrying out relocation and acquisition activities should have adequately trained personnel…
  – Interagency Agreements
  – Interagency Payments
MAP 21 - Uniform Act Amendments

- Increased Statutory Limits
  - Business re-establishment
    $10,000 to $25,000
  - Payment in Lieu, Business
    $20,000 to $40,000
  - Homeowners
    $22,500 to $31,000
  - Tenants
    $5,250 to $7,200
MAP-21 Uniform Act Amendments

• Modify Homeowner’s Occupancy Requirements – less than 180 days to 90 days
Thank you
Questions?

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Map-21 Uniform Act Amendments