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## Federal Government Shutdown: Impact on Home Mortgage Programs

*Minnesota Housing is committed to providing information on the federal government shutdown as it relates to home mortgage programs. Below is a summary of impacts identified to date.*

### Census Tract Look-Up Feature

Lenders are required to review the [U.S. Census Bureau website](#) to determine the census tract and block for all Start Up and MCC properties. In order to complete the [Subsidy Recapture Disclosure Statement & Tennessen Warning](#), lenders determine if the property is located in a targeted or non-targeted area by comparing the census tract and block information to [Minnesota Housing's Targeted Areas list](#).

Due to the federal government shutdown, census websites and services will be unavailable until further notice. Lenders should list the census tract as "9999.99" and leave the block section blank in the Minnesota Housing Online Commitment System. Lenders can also default the "targeted area field" to non-targeted. Minnesota Housing staff will input the correct census tract, block and targeted area information once the U.S. Census website is functional. Lenders can check the Minnesota Housing Online Commitment System to review the correct information and complete the [Subsidy Recapture Disclosure Statement & Tennessen Warning](#).

Contact Minnesota Housing if a [Subsidy Recapture Disclosure Statement & Tennessen Warning](#) is required for a closing that occurs during the federal government shut-down.

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### Tax Transcripts

Minnesota Housing requires copies of the most recent three years' signed federal income tax returns for borrowers as a requirement to

### Resources

[Federal Agency shutdown contingency plans](#)  
[U.S. Bank, MRBP Government Shutdown Impact bulletin, October 2, 2013](#), U.S. Bank Lending Manuals, Bulletins.

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### Questions?

Partner Solutions Team:

[mnhousing.solution@state.mn.us](mailto:mnhousing.solution@state.mn.us)  
or 651.296.8215/800.710.8871

Monday - Friday  
7:30 a.m. - 5:00 p.m.

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document first-time homebuyer compliance with in the Start Up and MCC programs, which can be obtained directly from the borrower(s). This requirement is effective during the shutdown.

U.S. Bank, MRBP requires the most recent year's IRS tax return transcript to validate income used for qualification. As a result of the federal government shutdown, the IRS is unable to issue tax transcripts. The U.S. Bank, MRBP Bulletin issued on October 2, 2013, outlines a temporary policy:

- The tax transcript requirement policy is temporarily suspended, as a result of the shutdown;
- Files must continue to include a properly-executed IRS 4506 T by the borrower(s) for future use;
- U.S. Bank, MRBP will re-verify income with the IRS on all files delivered without tax transcripts as a result of the shutdown.

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## FHA

According to the Department of Housing and Urban Development's (HUD) Contingency Plan for a lapse in appropriations, work will continue for functions funded through multi-year appropriations or where the failure to perform those functions would result in an imminent threat to the safety of human life or the protection of property, including activities associated with FHA's portfolio of insured mortgages.

HUD's Office of Single-Family Housing will endorse new loans under current multi-year appropriation authority in order to support the health and stability of the U.S. mortgage market. Minimum operations necessary to support FHA's existing portfolio are planned. This includes operating both the FHA Call Center and the National Servicing Center's Call Center, servicing Secretary-held notes and mortgages, ensuring the continuity of FHA's REO disposition process, (including addressing REO health and safety violations) and paying related contractor invoices in accordance with the Prompt Pay Act.

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## Rural Development

Due to a lapse in appropriations for Rural Development as of October 1, many services will be delayed or interrupted. **Rural Development will not be able to make any new loans or grants and no new RD rural housing loans or guarantees will be issued;** the only exceptions will be for emergency purposes and to protect the government's interest.

U.S. Bank, MRBP has suspended purchase of Rural Development direct

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