

## Lori Olberg

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**From:** Joan Shannon <jshannon@burlingtontelecom.net>  
**Sent:** Wednesday, October 23, 2013 1:09 PM  
**To:** Lori Olberg  
**Subject:** Fwd: HUD financing  
**Attachments:** HUD response re noise.pdf

Please include on Consent Agenda with attachment.

Begin forwarded message:

**From:** "Weinstein, David (Sanders)" <[David\\_Weinstein@senate.gov](mailto:David_Weinstein@senate.gov)>  
**Date:** October 23, 2013 12:58:33 PM EDT  
**To:** Joan Shannon <jshannon@burlingtontelecom.net>  
**Subject:** HUD financing

Joan:

As requested, attached is the letter Senator Sanders received from HUD regarding the financing of properties subject to noise generated by aircraft.

In addition to the HUD handbook referenced in the letter, 24 CFR 51.101(a)(4) says: "Noise exposure by itself will not result in the denial of HUD support for the resale and purchase of otherwise acceptable existing buildings. However, environmental noise is a marketability factor which HUD will consider in determining the amount of insurance or other assistance that may be given." In other words, FHA takes noise (as well as all other environmental factors) into consideration during the appraisal process to make sure they're not insuring a property for more than it's worth.

Moreover, there are no disclosure requirements for mortgages insured by HUD in high noise areas.

I also spoke with Fannie Mae's congressional liaison office, and they said their secondary mortgage market guidelines do not speak to noise levels at all. Certainly, high noise could impact market value, but again, that would be reflected in the appraisal with any and all environmental factors.

As I mentioned when we met, HUD does prohibit use of grant funds for new construction of housing in areas above 75 db DNL. This could theoretically limit the City of Winooksi from applying for a CDBG grant from the state to build new housing in the >75 db DNL zone, which, as you heard from Winooski officials, is not an issue for them (and wouldn't be for Burlington, correct?). Below 65 db DNL is no problem, and between 65 and 75 CDBG (or UDAG) funds could be used but the developer would have to include "sound attenuation."

Best, David

David Weinstein  
Senior Policy Advisor  
Office of U.S. Senator Bernie Sanders

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