

PETITION OF THE TENANTS OF APPLEWOOD APARTMENTS

Opposing Prepayment of the USDA Section 515 Loan

To: USDA Rural Development, Portfolio Management Branch
Attn: Michelle Groshens, Finance and Loan Analyst
PO Box 771340, St. Louis, MO 63177
MFHPortfolioManagement@usda.gov

RE: Prepayment Request, Applewood Apts., Orwigsburg, PA

We are tenants of Applewood Apartments. We write in response to USDA's letter of August 10, 2026 concerning the owner's request to prepay the Section 515 loan on this property.

Many of us are elderly or disabled, and most of us did not understand what that letter meant until neighbors explained it. Thirty days was not enough time, and we did not get thirty days. **Nothing was delivered to our apartments.** A notice was left on our doors telling us to collect the letter from the community building, where we had to sign and date for it. On a property of elderly and disabled tenants that meant waiting for a caregiver or a neighbor, and for the hours that office was open. **The notice on our doors was dated August 13, three days after USDA's letter, and told us to come to the office in person to sign for it. The office is open Monday 8:30 to 2:00 and Tuesday to Thursday 8:30 to 3:00, with no Friday and no weekend hours. Anyone who saw that notice on Thursday evening could not collect the letter until the following Monday. The sign-in sheet at the office will show when each household actually received notice.** The comment period then closes on September 9, two days after Labor Day.

Many of us have lived here for twelve to eighteen years. This property has changed hands before, and no previous owner ever treated us this way.

We are asking USDA to please deny this request.

Applewood is affordable because it is in the Rural Development program. Our rents are set in relation to our incomes. If this property leaves the program and rents are reset to the market rate, the people who have signed this petition do not have anywhere else to go. We are not describing an inconvenience. For many of us this is the only safe, lawful housing we have been able to obtain at a price we can pay.

We understand that before USDA decides, it must weigh the effect on the tenants here, whether other affordable housing is genuinely available in this market, and whether losing these units would harm racial minorities in this community. **We are the people those tests exist to protect, and we are asking to be counted in them.** We have also asked our congressional delegation to inquire with USDA about this request.

The owner's application tells us what he intends, and we are asking USDA to hold him to it.

He has certified his intent to prepay and sell this property, with a requested payoff date of December 15, 2026, and he has certified that he "fully expects" the purchaser will continue to operate Applewood as affordable housing and that our Rental Assistance will be assigned to the buyer. We take him at his word. **But an expectation binds no one.** When the loan is paid off, the requirement that keeps this property affordable ends with it. We are asking USDA to make the owner's own stated expectation enforceable.

What we are asking for, in order of what actually solves this:

1. **Please deny this prepayment, or keep the property in the program by offering the owner every available incentive to stay.** USDA's own letter states that such incentives are often sufficient to prevent a prepayment entirely, with no change at all for tenants. This is the only outcome that keeps these homes affordable permanently, and it is what we are asking for.

2. **If the owner will not stay, please require that the property first be offered to a nonprofit or public agency that will keep it in the program.** This is the only other outcome that preserves the housing itself rather than compensating us for losing it.

We want to be clear about the two things we have been offered, because neither one is a solution. A Restrictive Use Covenant protects only the tenants who live here now, and USDA staff told us on the August 27 call that if every tenant received it the property might not have the cash flow to operate. A Rural Development Voucher depends on Congress appropriating the money each year, carries rent caps that would not cover the rents here, and the Letter of Priority Entitlement lasts only 120 days in a county where the wait for an accessible unit has been two years. **We ask for these only as a floor if the first two requests fail. We do not accept them as substitutes for them.**

Whatever USDA decides, we also ask that it:

1. **Preserve Rental Assistance** for those of us who receive it.
2. **Conduct the racial minority impact analysis** required for this decision, and tell tenants the result.
3. **Tell us whether the other Section 515 properties in this county are actually accessible.**
Every apartment here has an emergency pull-chain alarm that alerts the whole complex, and residents here use chairlifts. A unit without those is not a place many of us could live.
4. **Record any Restrictive Use Covenant with the County Recorder so it runs with the land** and binds every future owner.
5. **Provide tenants the documents the owner submitted**, and tell us what the owner intends to do with this property.
6. **Extend the comment period.** Thirty days was not enough here, and as described above we did not get thirty days.

PETITION OPPOSING PREPAYMENT
APPLEWOOD APTS., ORWIGSBURG, PA

Signature sheet. Print as many copies of this page as you need. Return by September 9, 2026.

Each person signing this petition is a tenant of Applewood Apartments and asks USDA to deny this prepayment request, or to attach the protections described above if it is approved.

PRINTED NAME

APARTMENT ADDRESS

SIGNATURE

DATE

Tick any that apply (this helps USDA's required analyses): ☐ 62 or older ☐ disability or chronic illness ☐ racial or ethnic minority
☐ children at home ☐ veteran ☐ receives Rental Assistance ☐ nowhere else to go

PRINTED NAME

APARTMENT ADDRESS

SIGNATURE

DATE

Tick any that apply (this helps USDA's required analyses): ☐ 62 or older ☐ disability or chronic illness ☐ racial or ethnic minority
☐ children at home ☐ veteran ☐ receives Rental Assistance ☐ nowhere else to go

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Send to **MFHPortfolioManagement@usda.gov** (copy michelle.groshens@usda.gov) or mail to USDA Rural Development, Portfolio Management Branch, Attn: Michelle Groshens, PO Box 771340, St. Louis, MO 63177. **Must arrive by September 9, 2026.**