

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**[Docket No. FR-5415-N-02]**

**Notice of Funding Availability (NOFA) for HUD's Fiscal Year 2010  
Housing Counseling Program**

**AGENCY:** Office of the Assistant Secretary for Housing--Federal Housing Commissioner, HUD.

**ACTION:** Notice of Funding Availability for HUD's Fiscal Year (FY) 2010 Housing Counseling Program.

**SUMMARY:** This NOFA announces the availability of funding appropriated for Housing Counseling grants in FY 2010. Approximately \$79 million of the \$87.5 million appropriated for HUD's Housing Counseling Program for FY 2010 is available through this NOFA.

HUD's Housing Counseling Program is authorized by Section 106 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x), and the Housing Counseling program regulations at 24 CFR part 214. In addition to the application requirements set forth in this document, applicants must also comply with applicable requirements established in HUD's FY2010 Notice of Funding Availability (NOFA) Policy Requirements and General Section to HUD's FY2010 NOFAs for Discretionary Programs (General Section) posted on Grants.gov on June 7, 2010.

**APPLICATION RECEIPT DEADLINE DATE:** The application deadline date is August 27, 2010. Applications submitted through <http://www.grants.gov> must be received and validated by grants.gov no later than 11:59:59 pm eastern time on the application deadline date. See Section IV of the General Section, regarding application procedures, timely filing requirements, and grace period policy.

**FOR FURTHER INFORMATION CONTACT:** Questions regarding specific program requirements should be directed to the agency contact identified in this program NOFA. Questions regarding the 2010 General Section should be directed to the Office of Departmental Grants Management and Oversight at 202 708-0667 (this is not a toll-free number) or the NOFA Information Center at 800-HUD-8929 (toll-free). Persons with hearing or speech impairments may access these numbers via TTY by calling the Federal Information Relay Service at 800-877-8339. The NOFA Information Center is open between the hours of 10:00 a.m. and 6:30 p.m. eastern time, Monday through Friday, except federal holidays.

**OVERVIEW INFORMATION:**

**A. Federal Agency Name:** Department of Housing and Urban Development, Office of Single Family Housing.

**B. Funding Opportunity Title:** Housing Counseling Program.

**C. Announcement Type:** Initial Announcement.

**D. Funding Opportunity Number:** FR-5415-N-02. OMB Approval number is: 2502-0261.

**E. Catalog of Federal Domestic Assistance (CFDA) Number:** 14.169 Housing Counseling Assistance Program.

**F. Application Receipt Date:** The application deadline date is August 27, 2010.

**G. Available Funds:** Approximately \$79 million is available for eligible applicants under this program NOFA.

## **FULL TEXT OF ANNOUNCEMENT:**

### **I. Funding Opportunity Description**

**A. Program Description.** This program supports the delivery of a wide variety of housing counseling services to homebuyers, homeowners, low- to moderate-income renters, and the homeless. The primary objectives of the program are to improve financial literacy, expand homeownership opportunities, improve access to affordable housing and preserve homeownership. Counselors provide guidance and advice to help families and individuals improve their housing conditions and meet the responsibilities of tenancy and homeownership. Counselors also help borrowers avoid inflated appraisals, unreasonably high interest rates, unaffordable repayment terms, and other conditions that can result in a loss of equity, increased debt, default, and eventually foreclosure.

Additionally, counselors may provide counseling services to homeowners to prevent or resolve mortgage delinquency, default, and foreclosure, with the primary objective to preserve homeownership. Counselors provide guidance and advice to help families and individuals meet the responsibilities of homeownership and modify or refinance their loans to avoid unreasonably high interest rates, unaffordable repayment terms, and other conditions that can result in a loss of equity, increased debt, default, and eventually foreclosure. Counselors can also assist homeowners with inquiries related to mortgage scams, and reporting instances of potential mortgage scam victimization.

Applicants funded through this program may also provide Reverse Mortgage Counseling to elderly homeowners who seek to convert equity in their homes into income that can be used to pay for home improvements, medical costs, living expenses, or other expenses.

**B. Comprehensive Counseling Grant Applicant Categories.** HUD will award a single Comprehensive grant to qualified applicants through one of four categories:

- (1) Local Housing Counseling Agencies (LHCAs);
- (2) National and Regional Intermediaries (Intermediaries);
- (3) State Housing Finance Agencies (SHFAs); and
- (4) Multi-State Organizations (MSOs).

**C. Supplemental Funding for Reverse Mortgage Counseling.** Also, supplemental funding is available to LHCA's, Intermediaries, SHFAs and MSOs for Reverse Mortgage Counseling.

**D. Supplemental Funding for Mortgage Modification and Mortgage Scams Assistance.**

Also, supplemental funding is available to LHCAs located in the 100 metropolitan statistical areas with the highest rate of home foreclosures, and to a single intermediary who services are available in the 100 metropolitan statistical areas with the highest rate of home foreclosures, so they can assist homeowners with inquiries regarding mortgage-modification assistance and mortgage scams. The list of MSAs is attached to this NOFA.

**E. Authority.** HUD's Housing Counseling Program is authorized by section 106 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x). Housing Counseling regulations are codified in the Code of Federal Regulations (CFR) at 24 CFR Part 214. The Home Equity Conversion Mortgage (HECM) Program is authorized by section 255 of the National Housing Act (12 U.S.C. 1715z-20). HUD's Home Equity Conversion Mortgage (HECM) Counseling Standardization and Roster final rule is codified at 24 CFR Part 206.

**F. Definitions.**

**1. Affiliate.** A nonprofit organization participating in the HUD-related housing counseling program of a regional or national intermediary, or state housing finance agency. An affiliate is incorporated separately from the regional or national intermediary or state housing finance agency. An affiliate is also:

- a. Duly organized and existing as a tax-exempt nonprofit organization;
- b. In good standing under the laws of the state of the organization; and
- c. Authorized to do business in the states where it proposes to provide housing counseling services.

**2. Applicant.** A HUD-approved housing counseling agency or SHFA applying for a Housing Counseling grant from HUD through this NOFA. The term "Applicant" includes the agency's branch or branch offices identified in its application.

**3. Branch.** An organizational and subordinate unit of a local housing counseling agency, multi-state organization, regional or national intermediary, or state housing finance agency not separately incorporated or organized, that participates in HUD's Housing Counseling program. A branch or branch office must be in good standing under the laws of the state where it proposes to provide housing counseling services. A branch or branch office cannot be a sub-grantee or affiliate.

**4. Counseling.** Counselor to client assistance that addresses unique financial circumstances or housing issues and focuses on ways of overcoming specific obstacles to achieving a housing goal such as repairing credit, addressing a rental dispute, purchasing a home, locating cash for a down payment, being informed of fair housing and fair lending requirements of the Fair Housing Act, finding units accessible to persons with disabilities, avoiding foreclosure, or resolving a financial crisis. To be considered housing counseling and eligible for reimbursement under this NOFA, at a minimum a housing counselor must perform and document these activities:

- a. **Budget / Financial Analysis** - review client's income, expenses, spending habits, and use of credit in order to evaluate their unique financial situation relative to their housing needs.
- b. **Action Plan** - Except for Reverse Mortgage Counseling, housing counselors and clients must establish an action plan that outlines what the housing counseling agency and the client will do in order to meet the client's housing goals and, when appropriate, addresses the client's housing problem(s).

**c. Discuss Alternatives** – identify and discuss with the client at least 4 alternatives and options available to the client, including FHA programs and products if applicable, relevant to the specific housing need. For example, if a particular company, loan product, property, etc. is discussed, the counseling must also include a detailed discussion of alternative companies, loan products, properties, etc.

**d. Follow-up** – efforts made to have follow-up communication with the client, to assure that the client is progressing toward his or her housing goal, to modify or terminate housing counseling, and to learn and report outcomes.

**5. Delinquency/ Default Counseling.** Counseling provided to a current homeowner to prevent or resolve mortgage delinquency, mortgage default, or foreclosure.

**6. Education.** Formal classes, with established curriculum and instructional goals, provided in a group or classroom setting, or other format approved by HUD, covering one or more of the eligible topics in section III.C.1. of this NOFA.

**7. Grantee.** A HUD-approved housing counseling agency or SHFA that receives housing counseling funds from HUD through this NOFA. The term “Grantee” includes the agency’s branch or branch offices identified in its application.

**8. HUD HECM Roster Counselor.** A housing counselor that has met the requirements in HUD’s Home Equity Conversion Mortgage (HECM) Counseling Standardization and Roster final rule (24 CFR Part 206) and appear on the HUD HECM Counselor Roster.

**9. Intermediary.** A HUD-approved organization that provides housing counseling services indirectly through its branches or affiliates for whom it exercises control over the quality and type of housing counseling services rendered. The Housing Counseling program recognizes two types of intermediaries, which include:

**a. National intermediary.** A national intermediary is an organization which operates in multiple regions of the United States, which provides:

(1) Housing counseling services through its branches or affiliates or both; and

(2) Administrative and supportive services to its network of affiliates or branches, including, but not limited to, pass-through funding, training, and technical assistance.

**b. Regional intermediary.** A regional intermediary is an organization which operates in a generally recognized region within the United States, such as the Southwest, Mid-Atlantic, New England, which provides:

(1) Housing counseling services through its branches or affiliates or both; and

(2) Administrative and supportive services to its network of affiliates, or branches, including, but not limited to, pass-through funding, training, and technical assistance.

**10. Local Housing Counseling Agency (LHCA).** A housing counseling agency that directly provides housing counseling services. An LHCA may have a main office, and one or more branch offices, in no more than two contiguous states.

**11. Multi-State Organization (MSO).** A multi-state organization provides housing counseling services through a main office and branches in two or more states.

**12. State Housing Finance Agency (SHFA).** Any public body, agency, or instrumentality created by a specific act of a state legislature empowered to finance activities designed to provide housing and related facilities and services, through land acquisition, construction or rehabilitation, throughout an entire state. SHFAs may provide direct counseling services or sub-grant housing counseling funds to affiliated housing counseling agencies within the SHFA’s state, or both. The term state includes the fifty states, Puerto Rico, the District of Columbia, Guam, the Commonwealth of the Northern Mariana Islands, American Samoa, and the U.S.

Virgin Islands.

**13. Sub-grantee.** An affiliate of a HUD-approved intermediary or SHFA that receives a sub-grant of housing counseling funds provided under a HUD housing counseling grant. All sub-grantees must be identified in the grantee's application. Under certain conditions, including approval by HUD, grantees may amend their sub-grantee list after awards are made. See General Section.

**14. Reverse Mortgage.** A reverse mortgage is a mortgage that pays a homeowner loan proceeds drawn from accumulated home equity and that requires no repayment until a further time.

## II. Award Information

**A. Amount Allocated.** Of the approximately \$87.5 million appropriated for housing counseling in FY2010, approximately \$79 million is available for eligible applicants under this NOFA. Approximately \$55 million is available for Comprehensive counseling. Approximately \$9.5 million is available for Reverse Mortgage Counseling. Approximately \$14.5 million is available through this NOFA for the purpose of assisting homeowners with inquiries regarding mortgage modification assistance and mortgage scams. Available funding may also include carryover and recaptured funds, in addition to the appropriations.

**B. Specific Allocations.** Housing counseling funding is distributed over four applicant categories, as shown below.

Applicant Categories	Who is Eligible	Total Amount Available
Category 1 – LHCAs	HUD-approved Local Housing Counseling Agencies	\$ 33,700,000
Category 2 – Intermediaries	HUD-approved National and Regional Intermediaries	\$39,000,000
Category 3 – SHFAs	State Housing Finance Agencies	\$3,600,000
Category 4 – MSOs	Multi-State Organizations	\$2,700,000

**1. Category 1 – Local Housing Counseling Agencies (LHCAs).** For the grant period October 1, 2010 through September 30, 2011, approximately \$33.7 million is available from HUD to directly fund HUD-approved LHCAs, including approximately \$19 million for Comprehensive Counseling, \$13.5 million for Mortgage Modification and Mortgage Scam Assistance supplemental funding, and approximately \$1.2 million for Reverse Mortgage Counseling. An LHCA can only request funding for its main office and branches located in no more than two contiguous states.

**2. Category 2 – Intermediaries.** For the grant period October 1, 2010 through September 30, 2011, approximately \$39,000,000 is available from HUD to directly fund HUD-approved Intermediaries, including approximately \$30,500,000 for Comprehensive Counseling, \$1 million for Mortgage Modification and Mortgage Scam Assistance supplemental funding, and approximately \$7.5 million for Reverse Mortgage Counseling.

**3. Category 3 -- State Housing Finance Agencies (SHFAs).** For the grant period October 1, 2010 through September 30, 2011, approximately \$3,600,000 is available to fund SHFAs that provide housing counseling services directly or serve as intermediaries to Affiliates who offer

housing counseling services, including \$3,300,000 for Comprehensive Counseling and \$300,000 for Reverse Mortgage Counseling.

**4. Category 4 – Multi-State Organizations (MSOs).** For the grant period October 1, 2010 through September 30, 2011, approximately \$2,700,000 is available to fund MSOs to provide housing counseling services directly through branch offices throughout their HUD-approved multi-state service area, including approximately \$2,200,000 for Comprehensive Counseling, and approximately \$500,000 for Reverse Mortgage Counseling.

**C. Maximum Awards.** Funds awarded shall be available for a period of 12 calendar months.

**1. Category 1.** No individual LHCA may be awarded more than \$210,000 which may include supplemental funding for Reverse Mortgage Counseling and supplemental funding for Mortgage Modification and Mortgage Scams Assistance. The maximum amount for the Reverse Mortgage Counseling supplemental funding is \$50,000, and the maximum amount for Mortgage Modification and Mortgage Scams Assistance supplemental funding is \$70,000. The maximum amount for Comprehensive Counseling is \$90,000. HUD anticipates that the average total award for LHCAs will be approximately \$45,000.

**2. Category 2.** Awards for individual HUD-approved intermediaries may not exceed \$5 million, which includes any Reverse Mortgage Counseling supplemental funding and supplemental funding for Mortgage Modification and Mortgage Scams Assistance. The limit for Comprehensive Counseling is \$2 million, the maximum amount for Mortgage Modification and Mortgage Scams Assistance supplemental funding is \$1 million and the limit for Reverse Mortgage Counseling is \$3 million. HUD anticipates that the average total award for Intermediaries will be \$1.3 million.

**3. Category 3.** No individual SHFA may be awarded more than \$400,000, which includes Comprehensive Counseling and Reverse Mortgage Counseling supplemental funding. The maximum amount for Comprehensive Counseling is \$300,000. The maximum amount for Reverse Mortgage Counseling is \$100,000. HUD anticipates that the average total award for SHFAs will be approximately \$175,000.

**4. Category 4.** No individual MSO may be awarded more than \$1,075,000 which includes Reverse Mortgage Counseling supplemental funding. The limit for Comprehensive Counseling is \$575,000 and the limit for Reverse Mortgage Counseling is \$500,000. HUD anticipates that the average total award for MSOs will be approximately \$450,000.

**D. Award Instrument.** HUD will use a Grant Agreement. All Housing Counseling Program awards will be made on a cost reimbursement basis.

### **III. Eligibility Information**

**A. Eligible Applicants.** Eligible applicants for Comprehensive Counseling grants include: HUD-approved Local Housing Counseling Agencies (LHCAs); HUD-approved national and regional intermediaries (Intermediaries); State Housing Finance Agencies (SHFAs); and HUD-approved Multi-State Organizations (MSOs).

**B. Cost Sharing or Matching.** No specific matching funds are required. However, in order to receive points under Rating Factor 4, applicants are required to demonstrate the commitment of

other private and public sources of funding to supplement HUD funding for the applicant's counseling program. HUD does not intend for its Housing Counseling grant to cover all costs incurred by an applicant. 24 CFR part 214 explains the conditions under which agencies participating in HUD's Housing Counseling Program are permitted to charge fees to counseling recipients. While agencies are strongly encouraged to aggressively leverage funds from other private and public sources, fee income can be used to help satisfy this requirement. Agencies participating in HUD's Housing Counseling Program are not permitted to charge fees for default counseling or homeless counseling.

### **C. Other.**

**1. Eligible Activities for Comprehensive Counseling Awards under all Applicant Categories.** Grantees and sub-grantees will only be reimbursed for the applicable activities outlined in this Section.

**a. Individual counseling or group education/classes** regarding the following topics:

(1) Pre-Purchase / Home buying. This includes: improving financial literacy; evaluating mortgage readiness; search assistance; fair housing and fair lending, including whether or not the beneficiary belongs to a protected class, and how to recognize discrimination; budgeting for mortgage payments; money management (does not include administration of debt management plans whereby an organization pays bills on behalf of a client); selecting a real estate agent; home inspection; lead-based paint laws, including the Lead Disclosure Rule; lead safety awareness; alternative sources of mortgage credit; how to apply for special programs available to potential homebuyers; how to identify and avoid predatory lending practices and mortgage fraud; Real Estate Settlement Procedures Act (RESPA), including settlement procedures and closing costs; loan document review; locating housing that provides universal and accessible design for persons with disabilities; locating sources and methods to help pay for accessibility modifications; how to purchase a home using the Section 8 Homeownership Voucher Program, how to address utility costs and energy efficiency; and referrals to community services and regulatory agencies. Applicants that provide homebuyer education must also offer individual counseling that complements the group sessions.

(2) Resolving or Preventing Mortgage Delinquency or Default. This includes: restructuring debt; financial literacy; obtaining re-certification for mortgage subsidy; establishing reinstatement plans; seeking loan forbearance, and managing household finances. This can also include: helping clients affected by, and reporting, lending discrimination, predatory lending and mortgage fraud; homeownership preservation and foreclosure prevention strategies; explaining the foreclosure process; loan document review; providing referrals to other sources; assisting clients with locating alternative housing; or pursuing loss mitigation strategies.

(3) Non-Delinquency Post-Purchase. This includes information and advice on finding favorable mortgage loan terms, personal money management and financial literacy, and relations with lenders. It also includes information and advice on home improvement and rehabilitation; property maintenance; loan and grant options; the loan or grant application processes; what housing codes and housing enforcement procedures apply for the intended activity; accessibility codes and how to design features to provide accessibility for persons with disabilities; non-discriminatory lending and funding for persons who modify their dwellings to accommodate disabilities; and accessibility and universal design. Agencies that provide post-purchase education classes must also offer individual counseling to complement group sessions.

(4) Locating, Securing, or Maintaining Residence in Rental Housing. This refers to renter-related topics, including: helping clients obtain and utilize rent subsidies; pre-rental search assistance; mobility counseling; financial literacy; budgeting for rent payments; educating clients on landlords' and renters' rights; Lead Disclosure Rule requirements; lead safety awareness; explaining the eviction process; ensuring clients understand their rights when faced with displacement; explaining the responsibility of the entity causing displacement; and providing assistance with locating alternate housing.

(5) Shelter or Services for the Homeless. Includes financial literacy, and referrals to social, community, and homeless services such as emergency shelter or transitional housing.

(6) Reverse Mortgage Counseling. This counseling and education assists elderly homeowners who seek to convert equity in their homes into income that can be used to pay for home improvements, medical costs, living expenses, or other expenses. This includes providing the statutorily-required counseling to individuals/families that may be eligible for, or are interested in obtaining, an FHA-insured HECM. Reverse Mortgage Counseling also includes information regarding purchasing a home using a reverse mortgage.

**b. Marketing and Outreach Initiatives.** This includes providing general information and materials about housing opportunities and issues, conducting informational campaigns, advocating with lenders for non-traditional lending standards, and raising awareness about critical housing topics, such as fair housing rights and remedies, lending discrimination, predatory lending, mortgage fraud, other fair lending issues, or energy efficiency options to reduce homeowner energy costs. For example, grant funds may be utilized to purchase and disseminate materials related to the Loan Modification Scam Alert Campaign:

<http://www.loanscamalert.org/>

Note: affirmative fair housing outreach should be directed at those populations least likely to seek counseling services, including those of racial, religious or national groups not normally served by the sponsoring agency. To do so, it may be necessary to broaden the target areas or provide translation and interpretive services in languages other than English in order to reach a greater variety of racial and ethnic minorities. It may also require providing outreach and services in alternative formats for persons with disabilities.

**c. Training.** Eligible expenses include training on housing counseling topics, including, but not limited to, loss mitigation, FHA Mortgage Programs, fair housing, Lead Disclosure Rule and Lead Safe Housing Rule, RESPA, and foreclosure prevention, with the purpose of increasing the capacity of housing counselors and program managers.

**d. Computer equipment/systems.** Computer equipment/systems with the objective of improving the quality of counseling and education services available.

**e. Administrative Costs.** For intermediaries and SHFAs, this includes administrative costs associated with managing a network of housing counseling agencies.

**f. Capacity Building.** This includes costs associated with hiring additional staff to meet the demand for counseling and effectively spend grant awards.

**g. Mortgage Modification Scam Identification and Reporting.** Eligible expenses include identifying and reporting potential loan modification scams, for example with the Loan Modification Scam Prevention Network: <http://www.preventloanscams.org> and the HUD Office of Inspector General (OIG) Hotline:

- toll-free at 800-347-3735
- fax 202-708-4829
- e-mail [hotline@hudoig.gov](mailto:hotline@hudoig.gov)



**2. Threshold Requirements.** Applications that do not meet all of the following Threshold Requirements are not eligible to receive an award from HUD.

a. Applicants and subgrantees must meet the Threshold Requirements in the **General Section**.

b. *Minimum grant request for Comprehensive Funds.* LHCA applicants must request a minimum of \$35,000. SHFAs and MSOs must request a minimum of \$60,000 and Intermediaries must request a minimum of \$300,000. For applicants requesting only Comprehensive Counseling funding, HUD will consider the amount of the Comprehensive Counseling grant being requested to be the value entered into box 18a on form SF424.

c. *Minimum grant request for Reverse Mortgage Counseling Supplemental Funds.* Intermediaries must request a minimum of \$300,000 for Reverse Mortgage Counseling supplemental funding. LHCA's must request a minimum of \$10,000 for Reverse Mortgage Counseling supplemental funding. MSOs and SHFAs must request a minimum of \$50,000 for Reverse Mortgage Counseling supplemental funding.

d. *Minimum grant request for Mortgage Modification and Mortgage Scams Assistance Supplemental Funds.* LHCA's must request a minimum of \$20,000 for Mortgage Modification and Mortgage Scams Assistance supplemental funding. Intermediaries must request a minimum of \$1 million for Mortgage Modification and Mortgage Scams Assistance supplemental funding.

e. *Total Grant Request.* Box 18a of Form SF424 should reflect the total award being requested, including any supplemental funds. For applicants requesting supplemental funding, box 18a of Form SF424 should reflect the total of the Comprehensive and Reverse Mortgage Counseling and/or Mortgage Modification and Mortgage Scams Assistance supplemental funds requested, if applicable. For those applicants requesting supplemental funding, the narrative response to Factor 3 must make clear the exact Comprehensive and supplemental amounts being requested.

f. *Only HUD-approved Housing Counseling Agencies and SHFAs may apply.* Applicants must be currently approved by HUD as an LHCA, a Housing Counseling Intermediary or a Multi-State Organization (MSO), and have secured HUD approval as a housing counseling agency by the publication date of this Housing Counseling Program NOFA. SHFAs are not required to be HUD-approved, but must meet the eligibility requirements listed in this NOFA and the in the CFR, codified at 24 CFR part 214. Sub-grantees and affiliates of HUD approved intermediaries and SHFAs are not considered HUD approved LHCA's simply as a result of this affiliation. Approval as an LHCA must be secured directly from a HUD Homeownership Center (HOC).

g. *Client Management System.* The applicant, and all affiliates and branches, if applicable, must utilize a client management system that interfaces, or is working to interface, with HUD's databases. Information on client management systems and interfacing with HUD's database is found on HUD's website:

<http://www.hud.gov/offices/hsg/sfh/hcc/hccprof21.cfm>.

h. *Housing Counseling.* All applicants must propose a work plan that includes the provision of housing counseling. Providing education or marketing and outreach does not fulfill this requirement.

i. *Applicants Requesting Supplemental Reverse Mortgage Counseling Funding.* LHCA's, SHFAs, MSOs and Intermediaries are eligible to apply for Reverse Mortgage Counseling supplemental funding. Applicants who apply for Reverse Mortgage Counseling Supplemental funding must also apply for Comprehensive funding with the exception of LHCA's and MSOs included in the Comprehensive counseling application of an intermediary organization or SHFA. Only LHCA's and MSOs meeting these criteria can apply for Reverse Mortgage Counseling Supplemental Funding exclusively; however, they are still required to submit a complete

application. For applicants applying for both Comprehensive Counseling and Reverse Mortgage Counseling supplemental funding, a separate application is not needed to apply for the supplemental funding, but each rating factor response must also address the supplemental funding. Applicants requesting supplemental Reverse Mortgage Counseling funding must also meet the following requirements:

(1) *HUD HECM Roster Counselor*. LHCAAs must have at least one HUD HECM Roster counselor; Intermediaries must have at least 20 HUD HECM Roster counselors within their network of affiliates or branches. MSOs and SHFAs must have at least 10 HUD HECM Roster counselors within their network of branches or affiliates.

(2) *Request the Supplemental Funding*. Request the supplemental funding by identifying in box 18a of Form SF424 total of the Comprehensive request and any supplemental funding request, and making clear in the narrative response to Factor 3 the exact Comprehensive and Reverse Mortgage Counseling supplemental amounts, if applicable, being requested;

(3) *Separate Budget*. Provide a separate budget detailing how the requested supplemental funds will be spent;

(4) *Needs*. Identify Reverse Mortgage Counseling related needs in the target community in its response to Rating Factor 2;

(5) *Narratives*. Respond to all Reverse Mortgage Counseling related requests for information throughout the NOFA, and generally respond to the Rating Factors by describing activities related to the proposed counseling and the Reverse Mortgage Counseling supplemental funding;

(6) *Projections*. Indicate in a separate Logic Model, and the narrative response to the Rating Factors, how many individuals will be served specifically with the requested supplemental funding for Reverse Mortgage Counseling in addition to those served under the Comprehensive Counseling award or other supplemental funding. Be sure to clearly identify the total number projected to be served, the activities to be provided, and the output and outcome goals to be achieved with the supplemental funding.

(8) *Training and Certifications*. Identify Reverse Mortgage Counseling related training and certifications received by counselors and program managers; and

(9) *Counselors*. Identify all HUD HECM Roster counselors associated with the proposed application.

j. *Applicants Requesting Supplement Funding for Mortgage Modification and Mortgage Scam Assistance*. Only LHCAAs and intermediaries are eligible to apply for Mortgage Modification and Mortgage Scam Assistance supplemental funding. Applicants who apply for Mortgage Modification and Mortgage Scam Assistance supplemental funding must also apply for Comprehensive funding with the exception of LHCAAs included in the Comprehensive counseling application of an intermediary organization or SHFA. Only LHCAAs meeting this criteria can apply for Mortgage Modification and Mortgage Scam Assistance supplemental funding *exclusively*; however, they are still required to submit a complete application. For applicants applying for both Comprehensive counseling and Mortgage Modification and Mortgage Scam Assistance supplemental funding, a separate application is not needed to apply for the supplemental funding, but each rating factor response must also address the supplemental funding.

Applicants requesting supplemental funding for Mortgage Modification and Mortgage Scam Assistance must also meet the following requirements:

(1) *High Foreclosure MSAs*. Eligible applicants must be LHCAAs located in the 100

metropolitan statistical areas with the highest rates of home foreclosures, as identified by HUD. Eligible intermediaries are those whose foreclosure prevention counseling services are available in the 100 MSAs with the highest rates of home foreclosures. A list of eligible MSAs is attached;

(2) *HUD-approval*. Applicants must be currently approved by HUD as an LHCA or intermediary, and have secured HUD approval by the publication date of this Housing Counseling Program NOFA. Approval as an LHCA must be secured directly from a HUD Homeownership Center (HOC);

(3) *Providers of Default Counseling*. Applicant, and all sub-grantees and branches, must be approved by HUD to provide default counseling and/or Reverse Mortgage Counseling, if applicable, as of the due date of the application under this NOFA;

(4) *HUD HECM Roster*. Only HUD HECM Roster counselors are permitted to provide Reverse Mortgage Counseling under the Mortgage Modification and Mortgage Scam Assistance supplemental funding;

(5) *Loan Modification Scam Campaign Outreach*. Applications **must** include a plan to conduct outreach to raise awareness regarding the Loan Scam Alert campaign:  
<http://www.loanscamalert.org> ;

(6) *Loan Modification Scam Identification*. Applicants **must** agree to ask the following two questions of each homeowner to whom they provide foreclosure prevention counseling in order to help identify possible loan scams:

- Did anyone offer to help modify your mortgage, either directly, through advertising, or by any other means such as a flyer?
- Were you guaranteed a loan modification or asked to do any of the following: pay a fee, sign a contract, redirect mortgage payments, sign over title to your property, or stop making loan payments?

(7) *Loan Modification Scam Reporting*: Applicants **must** include in their work plan, and budget appropriately, to report suspected cases of Loan Modification Scam with the Loan Modification Scam Prevention Network: <http://www.preventloanscams.org> Additionally, suspected cases of loan scams should be referred to the HUD Office of Inspector General (OIG) Hotline:

- toll-free at 800-347-3735
- fax 202-708-4829
- e-mail [hotline@hudoig.gov](mailto:hotline@hudoig.gov);

(8) *Request the Supplemental Funding*. Request the supplemental funding by identifying in box 18a of Form SF424 total of the Comprehensive request and any supplemental funding request, and making clear in the narrative response to Factor 3 the exact Comprehensive and Mortgage Modification and Mortgage Scam Assistance supplemental amounts, if applicable, being requested;

(9) *Separate Budget*. Provide a separate budget detailing how the requested supplemental funds will be spent;

(10) *Needs*. Identify Mortgage Modification and Mortgage Scam Assistance related needs in the target community in its response to Rating Factor 2;

(11) *Narratives*. Respond to all Mortgage Modification and Mortgage Scam related requests for information throughout the NOFA, and generally respond to the Rating Factors by describing activities related to the proposed counseling and the Mortgage Modification and Mortgage Scam Assistance supplemental funding;

(12) *Projections*. Indicate in a separate Logic Model, and the narrative response to the

Rating Factors, how many individuals will be served specifically with the requested supplemental funding for Mortgage Modification and Mortgage Scam Assistance in addition to those served under the Comprehensive Counseling award or other supplemental funding. Be sure to clearly identify the total number projected to be served, the activities to be provided, and the output and outcome goals to be achieved with the supplemental funding, including mortgage delinquency counseling, loan scam reporting, outreach/advertisements, and material distribution;

(13) *Training and Certifications*. Identify foreclosure intervention, loss mitigation, loan scam and other related training and certifications received by counselors and program managers; and

(14) *Counselors*. Identify all counselors associated with the proposed Mortgage Modification and Mortgage Scam Assistance supplemental funding application.

k. *Affirmatively Furthering Fair Housing*. Under Section 808(e)(5) of the Fair Housing Act, HUD has a statutory duty to affirmatively further fair housing. HUD requires the same of its funding recipients. See Section III.B.5 of the General Section for the actions you must take to address this requirement. To meet this requirement, in the narrative responses to the rating factor 3 (3)(b), applicants must describe the organization's counseling, education, outreach, and other activities that affirmatively further fair housing. Examples include, but are not limited to, the following:

- make persons aware of discriminatory practices;
- make persons aware of innovative housing design or construction to increase access for persons with disabilities;
- make available language assistance services to persons with limited English proficiency (on the basis of national origin). For example, describe plans to take reasonable steps to provide meaningful access to persons with limited English proficiency (LEP), pursuant to Title VI of the Civil Rights Act of 1964, for example, materials that are available in languages other than English. Applicants may refer to the Department's January 22, 2007 Final Guidance to Federal Financial assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons (72 FR 2732);
- affirmative fair housing marketing, including making persons aware of new or rehabilitated housing in a manner that provides greater housing choice or mobility for persons in classes protected by the Fair Housing Act;
- provide households with information, counseling and/or education regarding rights and remedies available under Federal, state and local fair housing and civil rights laws;
- where there are instances suggesting that violations of such laws have occurred or are occurring, report/provide information to HUD or local Fair Housing Assistance Program (FHAP) agencies to investigate;
- affirmatively market counseling and education services; and/or
- effectively serving and /or communicating with persons with disabilities, in accordance with Section 504 of the Rehabilitation Act of 1973 and its implementing regulations at 24 CFR parts 8 & 9, and Title III of the Americans with Disabilities Act, for example, materials that are available in large print or Braille.

### **3. Other Program Requirements**

a. To receive a grant or sub-grant under this Housing Counseling NOFA, all applicants and sub-grantees must be:

(1) In good standing under the laws and regulations of the state of their organization; and  
 (2) Authorized to do business in the states where they propose to provide housing counseling services.

(3) All grantees and sub-grantees must use counseling facilities and services that are accessible to persons with disabilities or provide other means of accommodation for persons with disabilities, in accordance with Section 504 of the Rehabilitation Act of 1973 and its implementing regulations at 24 CFR parts 8 & 9, and Title III of the Americans with Disabilities Act. In addition, counseling services must comply with effective communication requirements per Section 504 of the Rehabilitation Act of 1973 and its implementing regulations at 24 CFR 8.3 and 8.6. All grantees and sub-grantees must help persons with disabilities locate suitable housing in locations throughout the applicant's community, target area, or metropolitan area, as defined by the applicant.

(4) Housing counseling agencies shall take reasonable steps to ensure meaningful access to their services to individuals with Limited English Proficiency. Applicants are to comply with Executive Order 13166, "Improving Access to Services for Persons with limited English Proficiency, and may refer to the Department's January 22, 2007 Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons (72 FR 2732).

**b. Limits on Applications.** Except as provided below, applicants and sub-grantees are limited to choosing one grant applicant category to apply for and access Comprehensive funds and supplemental funding. Applicants and their sub-grantees may not "double-dip". In other words, applicants are prohibited from accessing these types of funding from multiple sources and or through multiple grant applicant categories.

(1) **HUD-approved LHCAs.** HUD-approved LHCAs may either:

(a) apply directly to HUD for grant funding, including Comprehensive and/or supplemental funding for Reverse Mortgage Counseling and/or supplemental funding for Mortgage Modification and Mortgage Scam Assistance, under Applicant Category 1; *or*

(b) be included in the respective application of, and receive one sub-grant for Comprehensive Counseling, and supplemental funding, if applicable, from, an intermediary, MSO or SHFA under Applicant Category 2, 3, or 4.

The only exceptions to this rule are:

(c) HUD-approved LHCAs with one or more HUD HECM Roster Counselors that are awarded Comprehensive funds directly from HUD, but do not receive Reverse Mortgage Counseling supplemental funding directly from HUD, may receive a sub-grant or be reimbursed exclusively for Reverse Mortgage Counseling activities from a HUD-approved intermediary, MSO, or SHFA administering the Reverse Mortgage Counseling supplemental funds made available through this NOFA, or by another entity designated by HUD; and

(d) HUD-approved LHCAs that receive Comprehensive Counseling funds through an intermediary or SHFA, but do not receive Reverse Mortgage Counseling supplemental funding from an intermediary or SHFA, may apply directly to HUD and receive a supplemental grant for Reverse Mortgage Counseling under Category 1; and

(e) HUD-approved LHCAs that are awarded Comprehensive funds directly from HUD may also be reimbursed for default counseling by an intermediary that receives a category 2 award and that provides default counseling exclusively.

Funded LHCAs may not make sub-grants to other HUD-approved LHCAs or non-HUD-approved entities.

(2) **HUD-approved Intermediaries.** HUD approved intermediaries may only apply for a grant, including Comprehensive and/or supplemental funding for Reverse Mortgage Counseling and/or supplemental funding for Mortgage Modification and Mortgage Scam Assistance, under Applicant Category 2.

(3) **SHFAs.** SHFAs may only apply for grants under Applicant Category 3 for Comprehensive Counseling funds and supplemental funding for Reverse Mortgage Counseling.

(4) **MSOs.** HUD-approved MSOs may either:

(a) apply directly to HUD for grant funding, including Comprehensive and/or supplemental funding for Reverse Mortgage Counseling, under Applicant Category 4 ; or

(b) be included in the respective application of, and receive one sub-grant for Comprehensive Counseling, and supplemental funding, if applicable, from an intermediary or SHFA under Applicant Categories 2 or 3.

The only exceptions to this rule are:

(c) HUD-approved MSOs with one or more HUD HECM Roster Counselors that are awarded Comprehensive funds directly from HUD, but do not receive Reverse Mortgage Counseling supplemental funding directly from HUD, may receive a sub-grant or be reimbursed exclusively for Reverse Mortgage Counseling activities from a HUD-approved intermediary administering the Reverse Mortgage Counseling supplemental funds made available through this NOFA or by another entity designated by HUD; and

(d) HUD-approved MSOs that receive Comprehensive Counseling funds through an intermediary or SHFA, but do not receive Reverse Mortgage Counseling supplemental funding from an intermediary, may apply directly to HUD and receive a grant for Reverse Mortgage Counseling under Category 4; and

(e) HUD-approved MSOs that are awarded Comprehensive funds under category 4 may also be reimbursed for default counseling by an intermediary that receives a category 2 award that provides default counseling exclusively.

(5) **Sub-grantees of Intermediaries and SHFAs.**

(a) Sub-grantees or branches of intermediaries, MSOs and SHFAs are not required to be HUD-approved, although HUD-approved LHCA may apply to an intermediary or SHFA as a sub-grantee.

(b) Intermediaries, MSOs and SHFAs that award sub-grants to counseling agencies that are not HUD-approved must assure that the sub-grantee organizations meet or exceed HUD's approval standards.

(c) Sub-grantees must also be in compliance with all civil rights threshold requirements and other civil rights related program requirements. For a listing of civil rights threshold requirements, refer to the General Section. Intermediaries that do not ensure their sub-grantee's compliance with HUD standards may be prohibited from participating in the Housing Counseling Program. HUD will monitor sub-grantees.

(d) To be eligible for funding under Categories 2, 3 or 4, proposed sub-grantees branches must not have directly applied for or received a grant under Category 1 of this NOFA, or applied for or received a sub-grant or funding from another intermediary, MSO or SHFA under Category 2, 3 or 4 of this NOFA. Sub-grantees or branches may apply for and receive funding for Comprehensive Counseling, and supplemental funding, if applicable, from only one intermediary, MSO or SHFA under Category 2, 3 or 4. The only exceptions to this rule are:

(i) sub-grantees or branches that have one or more HUD HECM Network Counselors that receive a sub-grant or funding for Comprehensive Counseling from an intermediary, MSO or

SHFA under Category 2, 3, or 4 may also receive a sub-grant, or be reimbursed exclusively for Reverse Mortgage Counseling activities, from a HUD-approved intermediary administering the Reverse Mortgage Counseling supplemental funds made available through this NOFA or by another entity designated by HUD; and

(ii) sub-grantees and branches that receive a sub-grant or funding for Comprehensive Counseling from an intermediary, MSO or SHFA under Category 2, 3, or 4, may also be reimbursed for default counseling by an intermediary that receives a category 2 award that provides default counseling exclusively.

(e) Intermediaries and SHFAs that make sub-grants must execute sub-grant agreements with sub-grantees that clearly delineate the mutual responsibilities for program management, including appropriate time frames for reporting results to HUD. Intermediaries, MSOs and SHFAs have wide discretion to decide how to allocate their HUD Housing Counseling funding among branches and sub-grantees, with the understanding that a written record must be kept documenting and justifying funding decisions. These records must meet the data requirements of the Transparency Act (see General Section), and must be made available to sub-grantees, branches and to HUD, within 30 days of making the sub-award or allocation to branches.

**c. List of HUD-approved and Participating Housing Counseling Agencies.** Pursuant to section 106(c)(5)(D) of the Housing and Urban Development Act of 1968, HUD maintains a list of all HUD-approved and HUD-funded counseling agencies, including contact information that interested persons can access. All HUD-approved LHCA's and their branches, and all sub-grantees and branches that receive funding under Applicant Categories 2, 3 and 4 of this NOFA may be placed on this list and must accept subsequent referrals, or when they do not provide the services sought, make a reasonable effort to refer the person to another organization in the area that can provide the services.

**d. Non-Discrimination Requirement.**

(1) Grant recipients and sub-grantees are prohibited from discriminating on behalf of or against any person because of race, color, familial status, age, religious creed, ancestry, sex, national origin or disability in the provision of services or in outreach.

(2) Organizations funded under this program may not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as part of the programs or services funded under this program. If an organization conducts such activities, these activities must be offered separately, in time or location, from the programs or services funded under this part, and participation must be voluntary and not a condition of the HUD programs or services.

**e. Indirect Cost Rate.** Grantees that plan to use grant funds to cover direct costs *only* are not required to provide an indirect cost rate. However, Grantees that plan to use grant funds to cover any indirect costs must submit their approved indirect cost rate established by the cognizant federal agency. If the grantee does not have an established indirect cost rate, it will be required to develop and submit an indirect cost proposal to HUD, or the cognizant federal agency as applicable, for determination of an indirect cost rate that will govern the award. Applicants that do not have a previously established indirect cost rate with a federal agency shall submit an initial indirect cost rate proposal to their cognizant federal agency immediately after the applicant is advised that it will be offered a grant and, in no event, later than three months after the start date of the grant. OMB Circular A122 can be located at 2 CFR part 230. Applicants can review Indirect Cost Training on [www.hud.gov](http://www.hud.gov) at:

<http://www.hud.gov/offices/adm/grants/training/odgmotraining.cfm>

**f. Ensuring the Participation of Small Businesses, Small Disadvantaged Businesses, and**

**Woman-Owned Businesses.** See the **General Section** for information on this topic.

**g. Subcontracting.** Grantees and sub-grantees must deliver all of the housing counseling set forth in the applicant's work plan provided in response to Factor 3 of this NOFA.

**h. Conflicts of Interest.** See the **General Section** and 24 CFR part 214.

**i. Accessible Technology.** See the **General Section**.

**j. Participation in HUD Sponsored Program Evaluation.** See the **General Section**.

#### **IV. Application and Submission Information**

**A. Addresses to Request Application Package.** See the **General Section** for specific procedures concerning the electronic application submission and timely receipt requirements. Applications and forms that you need to apply for funding under this NOFA are available from [http://www.grants.gov/applicants/apply\\_for\\_grants.jsp](http://www.grants.gov/applicants/apply_for_grants.jsp). If applicants have difficulty accessing the information, applicants may call the help desk help line at 800 518-GRANTS or e-mailing [support@grants.gov](mailto:support@grants.gov). The Grants.gov help desk is available 24 hours a day, 7 days per week, except federal holidays.

#### **B. Content and Form of Application Submission.**

**1. Size Limitations and Format for Narrative Statements.** Applicants must be as specific and direct as possible. Intermediaries are limited to a total of 100 double-spaced, 12-point font, single-sided pages for the narrative portion. Pages in excess of the size limit will not be read. Number the pages of the narrative statements and include a header that includes the applicant's name and the Rating Factor number and title. Within each narrative, clearly identify each sub-factor immediately above the response for that sub-factor.

You must submit narratives as an electronic file in Microsoft Word Office 2007 (or earlier) (.doc or docx), Microsoft Excel 2007 (or earlier) (.xls or xlsx), or in Adobe (.pdf) format that is compatible with Adobe Reader 9.2 or the latest version available from Grants.gov. **If HUD receives a file in a format or software other than those specified or that is not compatible with HUD software, HUD will not be able to read the file, and it will not be reviewed.** Each response to a Factor for Award should be clearly identified and can be incorporated into a single attachment or all attachments can be zipped together into a single attached ZIP file. However, HUD advises applicants that files zipped within zipped files cause problems and can result in the application attachments not able to be opened or read. Applicants should develop files, then zip the files together, and then place them as an attachment to the application. If you have any questions, you can contact the NOFA Information Center or the HUD program contact listed in the program NOFA. Documents that applicants possess in electronic format, e.g., narratives they have written, must be submitted as Microsoft documents; graphic images (such as computer aided design (CAD) files from an architect) must be saved in PDF format. The documents must be compatible with Adobe Reader 9.2 or above and attached using the "Attachments" form included in the application package downloaded from Grants.gov.

When creating attachments to your application, please follow these rules:

(a) **DO NOT** attach a copy of the electronic application with your attachments as an attachment file. HUD cannot open such files when the application is attached as an attachment file.

(b) Check the attachment file and make sure it has a file extension of .doc, .pdf, .xls, .jpg, or .jpeg or, if you save files in Microsoft Office 2007, the file extensions should be as follows:

Word 2007 File Type Extension



1. doc or docx - [Word](#) 2007 [XML](#) Document  
Excel 2007 File Type Extension
  - a. xls or xlsx - [Excel](#) 2007 XML Workbook  
PowerPoint 2007 File Extension Type
    - pptx – PowerPoint 2007

(c) **File Extensions.** Make sure that file extensions are not in upper case. File extensions must be lower case for the file to be opened. The software will automatically insert the correct file extension when saved.

(d) **DO NOT** adjust file extensions to try to make them conform to HUD standards. If you have problems, please contact the HUD contact listed in the NOFA.

(e) **DO NOT use special characters (i.e., #, %, /, etc.)** in a file name.

(f) **DO NOT include spaces** in the file name.

(g) **Limit file names to not more than 50 characters.** HUD recommends that file names be no more than 32 characters.

(h) **DO NOT convert Word files or Excel files into PDF format.** Converting to PDF format increases file size and will make it more difficult to upload the application and does not allow HUD to enter data from the Excel files into a database.

(i) **DO NOT submit applications larger than 150 megabytes.** These file sizes are difficult to upload and HUD cannot guarantee that they can be processed, as its system has not been tested with files larger than 150 megabytes.

*Failure to follow the directions for items (e), (f), and (g) will result in your application being rejected with a “VirusDetect” error message.*

**2. Application Checklist.** The Application Checklist indicates forms, information, certifications and assurances that apply to this NOFA.

### **Housing Counseling NOFA Application Checklist**

#### **a. SF424 Application for Federal Assistance**

#### **b. SF424 Supplement Survey on Ensuring Equal Opportunity for Applicants** (optional)

**c. HUD424CB Grant Application Detailed Budget.** On the form HUD 424 CB, clearly specify the proposed HUD housing counseling grant amount, including Reverse Mortgage Counseling supplemental funds, and itemize proposed expenses. NOTE: This amount should be consistent with the figure shown in Rating factors 3, 4 & 5, Form SF424, Form HUD 424 CB and HUD2880. Also, if all budget line items could not be itemized using the Form HUD424 CB, *in addition* to the Form HUD 424 CB, submit a more detailed, Comprehensive budget itemizing all proposed expenses under the grant. At a minimum, if applicable, the budget must include salaries, fringe and other benefits, training, travel, rent, phone, postage, supplies, technology/equipment, and indirect costs. Intermediaries, MSOs and SHFAs that reimburse branches and sub-agencies at a fixed cost per counseling/education activity, and type, or per office, are not exempt from this requirement. Applicants for Reverse Mortgage Counseling supplemental funding must also submit the Form HUD424 CB, and a more detailed budget, if desired, for the supplemental funding.

Intermediaries, MSOs and SHFAs that pass through funds to sub-agencies must also itemize how administrative funds are spent, if applicable.

#### **d. SFLLL Disclosure of Lobbying Activities** (if applicable).

**e. HUD2880\_Applicant/Recipient\_Disclosure/Update\_Report****f. HUD2990\_Certification\_of\_Consistency\_with\_the\_RC/EZ/EC\_II\_Strategic\_Plan**

(LHCAs only, if applicable) (Must be signed by the official authorized to certify the RC/EZ/EC II).

**g. HUD2991\_Certification\_of\_Consistency\_with\_the\_Consolidated\_Plan** (optional).

**h. HUD96010\_Program\_Outcome\_Logic\_Model** (submit a separate logic model for Comprehensive Counseling funding, and each supplemental funding category for which the applicant is applying).

**i. HUD9902\_Housing\_Counseling\_Agency\_Fiscal\_Year\_Activity\_Report, for the Period October 1, 2008 through September 30, 2009** (only required for Applicants who did not electronically submit to HUD a form HUD9902 for the period October 1, 2008 through September 30, 2009, for example, applicants that received approval as a HUD housing counseling agency after September 30, 2009.) HUD will utilize the HUD9902 data in HUD's Housing Counseling System (HCS). However, HUD will consider a revised HUD9902 submitted with this application if it is accompanied by an acceptable explanation regarding why the data was revised. If the structure of the applicant is different than the structure of the organization for which a HUD9902 exists in HCS, for example an organization that was previously approved as an LHCA, but has subsequently been approved and is applying to this NOFA as an MSO, the applicant must submit with the application a form HUD9902 reflecting the activity of the new network/structure reflected in the application. An LHCA receiving supplemental funding for Reverse Mortgage Counseling, or funding for Default Counseling under Section III C 3b from an intermediary, must submit a HUD9902 for its activity funded by the sub-grant from the MSO, SHFA or intermediary for the period October 1, 2008 through September 30, 2009.

**j. SHFA Statutory Authority.** SHFAs must submit evidence of their statutory authority to operate as a SHFA, as defined in this NOFA, and must submit evidence of their authority to apply for funds and subsequently use any funds awarded. Applicants should verify that their agency profile information is accurately represented in HUD's Housing Counseling System (HCS) and validate the information prior to submitting the grant application.

**k. Organization Description.** Applicants must provide a brief description, no more than 225 words, as they would like it to appear in the press release issued by HUD in the event that the applicant is funded through this NOFA. Each description should contain: organizational history; purpose and mission; years of service; affordable housing services provided; number of clients served to date; and agency web address for additional information.

**l. Narrative statements** as required in this NOFA.

**C. Submission Date and Timely Receipt Requirements.** A complete application package must be received and validated electronically by the Grants.gov portal no later than 11:59:59 p.m. eastern time on or before the applications deadline date. Applicants are advised to submit their applications at least 48 hours in advance of the deadline date and when the Grants.gov help desk is open so that any issues can be addressed prior to the deadline date and time. The Grants.gov help desk is open 7 days week, 24 hours a day, except federal holidays. Please allow time for validation. Please be sure to read the **General Section** for timely receipt instructions. Failure to follow the submission requirements and procedures may affect your ability to receive an award.

**D. Intergovernmental Review.** The Housing Counseling Program is not subject to

Intergovernmental Review.

**E. Funding Restrictions.** Funding is limited to the eligible activities described in Section III.C.1 of this NOFA.

**F. Other Submission Requirements.**

Applications must be submitted via the Grants.gov website at [http://www.grants.gov/applicants/apply\\_for\\_grants.jsp](http://www.grants.gov/applicants/apply_for_grants.jsp)

by no later than the established deadline date and time. See the **General Section** for further information. Applicants interested in applying for funding under this NOFA must submit their applications electronically or request a waiver from the electronic submission requirement.

Applicants must submit their waiver requests in writing using email. Waiver requests must be submitted no later than 15 business days prior to the application deadline date and should be submitted to Terri.Ames@hud.gov. If granted a waiver the notification will provide instructions on where to submit the application and how many copies are required. Paper copy applications must be received by the deadline date. HUD will not accept a paper application without a waiver being granted. See the **General Section** for detailed submission and timely receipt instructions.

**V. Application Review Information.**

**A. Criteria.** The Factors for Award, and maximum points for each factor, are outlined below. These factors will be used to evaluate all applications. The maximum number of points for each applicant is 102 for LHCA's and 100 for all other applicants.

**1. Bonus Points - "RC/EZ/EC-II."** ONLY LHCA's are eligible for 2 bonus points. See the **General Section** for information regarding "RC/EZ/EC II" bonus points. Form HUD2990 must be signed by the organization head of the RC/EZ/EC II not the representative of the jurisdiction in which the RC/EZ/EC II exists.

**2. Additional Information.** HUD may rely on information from performance reports, financial status information, monitoring reports, audit reports, and other information available to HUD to make score determinations to *any* relevant Rating Factor.

**3. Responses to Factors for Award.** Responses to the following rating factors should provide HUD with detailed quantitative and qualitative information and relevant examples regarding the housing counseling work of the organization. The Rating Factors contain requests for additional information from applicants interested in supplemental Reverse Mortgage Counseling funding and supplemental Mortgage Modification and Mortgage Scam Assistance funding.

In response to the various factors and sub-factors, intermediaries, MSOs and SHFAs should *not* submit a separate response for each proposed sub-grantee and branch, but should provide a brief profile of each and summary response for their entire network, highlighting individual activities, partnerships, needs and/or results when appropriate.

**a. Rating Factor 1: Capacity of the Applicant and Relevant Organizational Staff (30 Points).** HUD uses responses to this Rating Factor to evaluate the readiness and ability of an applicant and proposed sub-grantee and branch staff, to immediately begin, and successfully implement, the proposed work plan detailed in Rating Factor 3. HUD will also evaluate how effectively the applicant managed work plan adjustments that may have been required if

performance targets were not met within established timeframes and how often work plan adjustments were required.

**Applicants must provide the following information in support of the narrative response to this Rating Factor.** Information must be provided in a chart or table.

- Number of full-time (35 hours + per week) housing counselors applicant proposes to fund, including proposed sub-grantees and/or branches, if applicable;
- Number of part-time housing counselors (less than 35 hours per week) applicant proposes to fund, including proposed sub-grantees and/or branches, if applicable;
- Number of bilingual housing counselors working for the applicant and, if applicable, proposed sub-grantees or branches;
- Average years of housing counseling experience for all housing counselors applicant proposes to fund, including proposed sub-grantees and/or branches, if applicable;
- Average years of housing counseling program management experience for the project director(s) for the applicant and, if applicable, proposed sub-grantees or branches;
- Average years of related experience, such as experience in mortgage lending, for counselors and project managers. Experience is related if it corresponds directly to projects of a similar scale and purpose, for example, real estate or housing finance;
- **Proposed average hourly labor-rate for housing counselors and project managers, including benefits;**
- **Percentage of housing counselors** that have participated in 2 or more formal housing counseling related trainings in the past 2 years.

**(1) Knowledge, Experience and Capacity (12 points).**

In scoring this section, HUD will evaluate whether the applicant, including proposed sub-grantees and branches, has sufficient personnel with the relevant knowledge and experience to implement the proposed activities in a timely and effective manner, and bilingual language skills, if appropriate. HUD will award higher scores to applicants with staff and management that have the greatest combination of experience, training and demonstrated capacity and competency.

**(a) Number of Counselors.** Scoring will be based on the number of housing counselors that the applicant proposes to fund. If applying for supplemental funding, separately indicate the number of full and part time counselors attributable to the request for Comprehensive Counseling funding, the request for Mortgage Modification and Mortgage Scam Assistance supplemental funding, and the request for Reverse Mortgage Counseling supplemental funding, if applicable.

**(b) Years of Experience – Counselors and Program Managers.** Specifically, for LHCA's, scoring will be based on the number of years of experience of Housing Counseling Program project directors and housing counselors.

For intermediaries, MSOs and SHFAs, scoring will be based on:

- The number of years of experience of project directors of proposed sub-grantees and branches;
- The number of years of housing counseling experience of counselors in proposed sub-grantees and branches;
- The number of years, for key intermediary, MSO or SHFA personnel, of experience administering a housing counseling program consisting of a network of multiple housing counseling agencies. HUD will award higher scores to applicants with more experienced staff and management;

For all applicants, related experience, such as experience in mortgage lending, will also be considered, but will not be weighted as heavily in the scoring as direct housing counseling or housing counseling program management experience.

LHCAs must provide individual descriptions of staff (not including clerical staff) limited to one page per counselor and program manager included in the proposed work plan. These descriptions do not count toward narrative page limitations. Describe in detail all major duties performed as a housing counselor or program director. Provide the number of years of experience for each position listed, including starting and ending dates and indicate:

- Where and when each position was held;
- Whether the position was full-time or part-time;
- In the case of part-time positions, the number of hours per week.

Intermediaries, MSOs and SHFAs acting as intermediaries should summarize, in a single chart, work experience and qualifications for each applicable employee of proposed sub-grantees or branches. Total and provide averages, if applicable, for each column. Do not submit individual resumes for sub-grantee or branch staff. HUD staff may verify experience information submitted during monitoring reviews.

The following must be included in each individual description and summary chart:

- The names and titles of employees, including subcontractors and consultants who will perform the activities proposed in the applicant's work plan in Rating Factor 3. Clerical staff should not be listed.
- Individual current housing counseling duties and responsibilities, Multi-service applicants should differentiate between time spent on housing counseling versus time spent on other issues;
- The number of years of direct counseling, education, and/or counseling program management experience;
- The number of years of related experience.
- The number of years of experience providing (i) one-on-one counseling and (ii) group education;
- Related professional background and experience, and;
- Bilingual language skills, if applicable.

*Applicants for Reverse Mortgage Counseling supplemental funding must specify the Reverse Mortgage Counseling experience of project directors, HUD HECM Roster Counselors and the organization. Identify the HUD HECM Roster Counselors that are in the applicant's network at the time of application, and that the applicant proposes to fund with the requested award.*

*Applicants for Mortgage Modification and Mortgage Scam Assistance supplemental funding must specify the counseling experience of project directors and default counselors to be funded with the supplemental award, and describe the experience of the organization in combating and reporting mortgage scams. Identify the counselors the applicant proposes to fund with the requested award.*

**(c) Specialized Training.** Also indicate in the chart for all housing counselors the specialized trainings received within the last two years relevant to the proposed housing counseling activities, including specific trainings regarding FHA programs. Include dates for when the training was received and who provided it. Do not include on-the-job training, only formal classes with established curriculum.

Indicate which housing counselors are certified housing or financial counselors. Describe what type of certification is held, who provided it, when certification was received, and if applicable, the date certification expires.

Indicate when the applicant, and proposed sub-grantees and branches, if applicable, endorsed or adopted the National Industry Standards for Homeownership Education and Counseling (<http://www.homeownershipstandards.com/>).

*Applicants that seek supplemental funds for Reverse Mortgage Counseling must indicate what relevant training counselors received to prepare them as reverse mortgage counselors.*

*Applicants that seek supplemental funds for Mortgage Modification and Mortgage Scam Assistance must indicate which housing counselors are certified housing counselors in the area of foreclosure intervention. Describe what type of certification is held, who provided it, when certification was received, and if applicable, the date certification expires. Also indicate if the applicant has endorsed or adopted the National Industry Standards for Homeownership Education and Counseling - Foreclosure Intervention Specialty.*

**(2) Grant and Program Requirement Compliance (13 points).**

In scoring this Section, HUD will evaluate how well the applicant met the Program requirements, including reporting and grant document execution, if applicable, for the period October 1, 2008, to September 30, 2009, and its ability to spend all grant funds allotted.

If the applicant did not receive a HUD Housing Counseling grant for that period, it must provide a response, with sufficient detail for HUD to evaluate compliance, based on activities and requirements under *other* sources of funding, such as other federal, state, or local grant awards. Identify the source(s) and amount(s) of funds used for housing counseling. Provide relevant contact information for the agencies or organizations administering these programs so HUD can verify that the information you report is accurate.

**(a) Grantee Requirements.** (2 points) HUD will evaluate the applicant's performance with regard to the timeliness and completeness with which the applicant satisfied grant requirements, including grant document execution, and grant reporting requirements including quarterly (if applicable), mid-term and final reports, and a Logic Model (form HUD96010) during the period October 1, 2008 through September 30, 2009

**(b) Activity Data.** (2 points) HUD may deduct points if the applicant was required to submit a form HUD9902, but failed to do so in a timely manner, or if the form was completed, or the data was submitted, incorrectly.

**(c) Expending Grant Funds.** (2 points) If grant awards were not fully expended during the grant period October 1, 2008, to September 30, 2009, provide an explanation as to the reason why and the steps the applicant has taken to ensure that future funding will be expended according to the terms of the grant agreement.

**(d) Performance Reviews.** (5 points) Significant findings on performance reviews conducted by HUD staff will be taken into consideration when scoring this section. Significant findings may be findings that suggest an applicant has operated its agency in a manner inconsistent with the Housing Counseling program. HUD will develop and apply a scoring scale based on the number of significant findings documented during a review(s), and incidence of repeat findings.

**(e) Housing Counseling System (HCS).** (2 points) HUD will evaluate applicant's timeliness and effectiveness in validating and updating agency information in HCS. Intermediaries, MSOs and SHFAs must describe procedures and quality control measures used to verify sub-grantee, and if applicable branch or affiliate, information is validated in HCS on a

regular basis.

**(3) Management - Goals and Results (5 points).** In scoring this section, HUD will compare applicant output goals and actual results for the period October 1, 2008 through September 30, 2009, and evaluate subsequent changes in approach resulting from any differences, if applicable. HUD's primary concern is outputs, specifically accomplishments relative to the projected total number of households to be served, both for one-on-one counseling and education.

**(a) Projections and Accomplishments.** For applicants that received a HUD housing counseling grant covering the period October 1, 2008 to September 30, 2009, HUD will compare the HUD-grant specific projections made in the Program Outcome and Output Logic Model, Form HUD96010 submitted with the FY2008/2009 Housing Counseling NOFA, including any adjustments based on actual award amounts, to the corresponding actual HUD-grant specific results for that period reported by the applicant. The Logic Model Instructions, which is tab 1 of Form HUD96010, provide information regarding measurement reporting tools and the evaluation process.

Provide a clear explanation as to why goals were not met, if applicable. Applicants who did not receive a FY2008/2009 Housing Counseling Grant and therefore did not finalize outcome and output projections, or who are recently approved, or who were a sub-grantee of an intermediary or SHFA for the period of October 1, 2008 through September 30, 2009, and are now applying for funding must indicate the detailed, quantifiable goals the organization set for itself for the period covering October 1, 2008 to September 30, 2009, or for the 12 month period ending December 31, 2009 if more appropriate to the applicant's or other grant-requiring reporting schedule. Also provide the actual results corresponding to these goals and explain any differences in goals versus actual results and indicate what measurement reporting tools were used as well as describe the evaluation process. Describe sub-allocation, personnel or work plan adjustments that took place during the period October 1, 2008 through September 30, 2009 because goals were not being met, if applicable. Provide relevant contact information for the agencies or organizations administering those programs so HUD can verify that the goals and corresponding achievements you report are accurate. Provide a clear explanation as to why goals were not met, if applicable.

**(b) Work Plan Adjustments / Counselor Oversight.** Intermediaries, MSOs and SHFAs must also describe any specific sub-allocation or branch funding adjustments that took place during the period October 1, 2008 through September 30, 2009 due to performance issues, if applicable. LHCA's must describe any personnel or work plan adjustments that took place during the period October 1, 2008 through September 30, 2009 because goals were not being met, if applicable.

All applicants must describe the process through which counselors are monitored, and performance evaluated. Provide specific examples, if applicable, of corrective action taken, during the year September 1, 2008 – October 1, 2009, to address inadequate counselor performance. Intermediaries, SHFAs and MSOs must indicate how sub-grantee and branch funding levels are evaluated and adjusted on an on-going basis, if necessary.

If the applicant is a SHFAs, MSOs, or Intermediary, indicate the procedures the applicant will take, as a parent agency, to review the grant funded work of sub-grantees and funded branches on an ongoing basis throughout the grant year with the purpose of evaluating and ensuring the quality of service provision. LHCA applicants must describe the similar activities that supervisory staff will perform to evaluate the service provided by counselors.

**b. Rating Factor 2: Need/Extent of the Problem (5 Points).**

This factor addresses the extent to which there is a need for funding the proposed activities described in the applicant's work plan, and the degree to which the applicant's work plan substantively addresses departmental policy priorities.

**(1) Needs Data (3 points).** Describe how the proposed program addresses the needs of the target community. Applicants will not obtain full points for this Rating Factor unless they provide the following in their narrative proposal.

**(a) Needs Data.** Provide current or recent economic and demographic data, and any other evidence, and reference supporting documentation, that demonstrates housing counseling need in the target area that your program addresses. Intermediaries, SHFAs and MSOs serving multiple communities should describe need generally, and then provide specific data for 2 or more specific locations for each need described. Do not use the same 2 locations for each example of need. For example, a national intermediary might document foreclosure prevention need in Detroit and Miami, but document rental counseling need in San Francisco and Boston.

All proposed activities in Factor 3 must have corresponding need-related data. Sources for all data provided must be clearly cited. Do not submit copies of reports or articles. To the extent that the community that the applicant serves has documented need in its Consolidated Plan, Analysis of Impediments to Fair Housing Choice (AI), or other planning documents, reference these in the response. Additionally, the HUD USER Research Information Service and Clearinghouse, available at <http://www.huduser.org/>, allows users to search over 800 HUD publications by subjects and keywords.

**(b) Identifying Impediments to Fair Housing Choice.** Successful applicants are obliged to affirmatively further fair housing in their use of Housing Counseling grant funds. Therefore, applicants must take reasonable steps to overcome barriers to fair housing choice in their proposed service area. Applicants must submit a brief description of identified barriers to fair housing in their jurisdiction or service area (based on the applicable state or local Consolidated Plan and Analysis of Impediments or other source of information on impediments to fair housing) including but not limited to discriminatory housing practices under the Fair Housing Act and HUD's regulations at 24 CFR part 100. Applicants that identified multi-lingual counselors in Factor 1, should demonstrate the applicability of their capacity to provide services in multiple languages to the language needs of the community they serve.

**(c) Persons With Disabilities and LEP -** Provide data relevant to the housing needs of persons with disabilities and persons with limited English proficiency located in the target area. The U.S. Census Bureau, for example, maintains disability data by state, county, and metropolitan statistical area (MSA) at the following website: <http://www.census.gov/hhes/www/disability/disability.html>. In scoring this Section, HUD will evaluate the degree to which the applicant provides current or recent economic and demographic data, and any other evidence that demonstrates housing counseling need relevant to the target area and the activities proposed in projected work plan activities detailed in Rating Factor 3. Applicants that fail to identify current or recent objective data, including adequate source citation, will not receive full points for this factor.

*Applicants that seek supplemental funds for Reverse Mortgage Counseling must indicate the reverse mortgage counseling needs of the communities they propose to serve.*

*Applicants that seek supplemental funds for Mortgage Modification and Mortgage Scam Assistance must indicate the foreclosure intervention and mortgage scam assistance needs of the communities they propose to serve. Intermediary applicants for Mortgage Modification and*



*Mortgage Scam Assistance supplemental funding must describe how their services are available in the 100 high foreclosure MSAs.*

**(2) Departmental Policy Priorities (2 points).** The Departmental policy priorities are described in detail in the General Section under Section I.B., Policy Priorities. The total number of points an applicant can receive under this subfactor is two (2). Each policy priority addressed below has a point value of one (1) point. An applicant may address as few or as many of the policy priorities as they wish. It is up to the applicant to determine which combination of the policy priorities are addressed, if applicable, to be eligible for the two (2) points. Regardless of the combination selected, a maximum of two (2) points is available.

The following policy priorities apply to the Housing Counseling Program for the purpose of this NOFA. Indicate if, and describe how, the applicant's work plan substantively addresses the departmental policy priority. To receive credit for a particular policy priority, intermediaries, SHFAs and MSOs must indicate that one-third or more of their affiliates/branches meet the relevant criteria, and provide at least 3 relevant specific examples. Applicants are advised to review the full descriptions of the policy priorities in the **General Section** (See Section I.B.), to assure a complete understanding of each policy priority, prior to responding to this sub-factor.

**(a) Sustainability.** Applicants seeking a policy priority point must identify the specific eligible activities to be undertaken with the objective of building inclusive and sustainable communities, including but not limited to:

- giving consumers more information about the true cost of living by incorporating both housing and transportation costs into measures of affordability (*this activity relates to HUD Strategic Goals 1B,1C,2D,3C,3D,4C*);
- improving residents' health and safety, particularly of children and other vulnerable populations, by promoting green and healthy design, construction, rehabilitation and maintenance of housing (*this activity relates to HUD Strategic Goals 3B,4B*);
- affirmative marketing of accessible housing opportunities in integrated settings, including to people with disabilities who live in segregated, institutional settings (*this activity relates to HUD Strategic Goals 2D,3C,4C*);
- creating, maintaining, and marketing a database of accessible housing for persons with disabilities (*this activity relates to HUD Strategic Goals 2D,3C,4C*);
- mobility counseling, incorporating regional/metropolitan strategies which result in low poverty and racially diverse communities, coordinates the provision of transportation and education investment with affordable housing development, and seeks to move counseling recipients to existing communities with ready access to employment and health care services. (*this activity relates to HUD Strategic Goals 2D,3C,4C*)

The logic model contains several output and outcome options for projecting and reporting relative to this priority – for example, Households for whom counseling involved mobility counseling. See logic model for a full listing.

**(b) Affirmatively Furthering Fair Housing (AFFH).** HUD is interested in funding housing counseling and related services that seek to create diverse, integrated living patterns and afford residents an opportunity to live in a variety of neighborhoods and not be confined to affordable housing choices in areas of high poverty or areas which are not racially or ethnically diverse. Activities must focus on practical social and other supports for households considering or undertaking a cross-racial or cross-ethnic move to high opportunity communities. Activities must be

directed to those in need of affordable housing and must provide assistance with finding and applying for housing in diverse communities, fair housing rights and information on HUD and local Fair Housing Assistance Programs to investigate potential fair housing violations. Applicants must not only identify the specific activities to be undertaken, but must also have measureable and quantifiable outcomes related to the activities proposed in support of the AFFH requirements. Housing counseling activities that affirmatively further fair housing include, but are not limited to:

- making persons aware of discriminatory practices (*this activity relates to HUD Strategic Goals 1B,1C,1D,2D* )
- making persons aware of innovative housing design or construction to increase access for persons with disabilities (*this activity relates to HUD Strategic Goals 3B,4B*);
- making available language assistance services to persons with limited English proficiency (on the basis of national origin). For example, describe plans to take reasonable steps to provide meaningful access to persons with limited English proficiency (LEP), pursuant to Title VI of the Civil Rights Act of 1964, for example, materials that are available in languages other than English. Applicants may refer to the Department’s January 22, 2007 Final Guidance to Federal Financial assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons (72 FR 2732) (*this activity relates to HUD Strategic Goals 1B,1C,1D,2D*);
- affirmative fair housing marketing, including making persons aware of new or rehabilitated housing in a manner that provides greater housing choice or mobility for persons in classes protected by the Fair Housing Act (*this activity relates to HUD Strategic Goals 1B,1C,1D,2D*);
- providing households with information, counseling and/or education regarding rights and remedies available under Federal, state and local fair housing and civil rights laws (*this activity relates to HUD Strategic Goals 1B,1C,1D,2D*);
- where there are instances suggesting that violations of such laws have occurred or are occurring, reporting/providing information to HUD or local Fair Housing Assistance Program (FHAP) agencies to investigate(*this activity relates to HUD Strategic Goals 1C, 1D*); and/or
- affirmatively marketing counseling and education services (*this activity relates to HUD Strategic Goals 1B,1C,1D,2D*).

To be eligible for this policy priority point, applicants must describe in the response to this factor an activity that is in addition to the single activity included in the response to rating factor 3 (3) (b) that satisfies the eligibility requirement to affirmatively further fair housing. In other words, to receive the point for the AFFH Departmental Policy Priority, applicants must address sufficiently the affirmatively furthering fair housing submission requirement under Rating Factor 3 (3) (b), then propose additional Housing Counseling activities that address the criteria specified in Factor 3 (3) (b). The policy priority point is not available to applicants that simply satisfy the eligibility requirement.

The logic model contains several output and outcome options for projecting and reporting relative to this priority – for example, Households provided with information, counseling and/or education regarding rights and remedies available under Federal, state and local fair housing and civil rights laws. See logic model for a full listing.

**(c) Capacity Building and Knowledge Sharing.** To receive points for this policy priority, applicants must describe how they will provide knowledge sharing experiences to their

applicant partners in the program design and implementation process that will provide long-term benefits and increase their capacity. A point will be awarded to applicants that demonstrate activities that will result in partner organizations gaining skills and technical expertise in the grant subject matter and managing federal awards, including financial management, project management, and program performance assessment and evaluation. Eligible activities that relate to this priority include outreach, training and administration (*these activities relate to HUD Strategic Goals 3E,4E*).

The logic model contains output and outcome options for projecting and reporting relative to this priority – for example, applicant partners to whom applicant provided knowledge and shared experiences regarding program design and implementation. See logic model for a full listing.

**(d) Using Housing as a Platform for Improving Other Outcomes.** HUD is interested in having HUD programs work in conjunction with other federal, state and local programs to create a synergy which results in improved outcomes for community residents, particularly special populations (elderly individuals, persons with disabilities and homeless persons and families, and very low income, low-income, and moderate- income households). HUD will provide a policy priority point to applicant programs which use housing as a platform for improving outcomes for target populations in the areas of improved educational opportunities and outcomes for adults and children as a result of increased housing choices; decreased travel times from work to employment as a result of increased housing choices; increased access to health care and health care facilities as a result of increased housing choices; increased access to job training and career counseling services as a result of coordination with other federal, state or local programs; and increased access to social services and benefits as a result of information sharing and coordination with other federal, state and local programs. Eligible activities that relate to this priority include counseling/education services, outreach, training and administration (*these activities relate to HUD Strategic Goals 2D,3C, 3E,4E*).

The logic model contains output and outcome options for projecting and reporting relative to this priority – for example, Households for whom counseling involved mobility counseling, for example promoting strategies which result in moves to low poverty and racially diverse communities, closer to jobs, quality education, and services. See logic model for a full listing.

**(e) Expand Cross-Cutting Policy Knowledge.** HUD encourages applicants to partner with colleges and universities and others to devise a means to capture and track not only outcome data for the program activities directly funded through the 2010 NOFA award, but to track the spin-off or secondary impacts that result from improvements made through implementation of housing, economic development or community development programs in other areas such as health, education, safety, self-sufficiency, transportation, sustainability and increased economic and racial diversity in the community or region being served through the HUD program. To receive points for this policy priority, the applicant must have established a partnership with the college or university and determined what data will be collected and analyzed and the documentation provided to HUD for review and approval prior to dissemination (*these activities relate to HUD Strategic Goal 4E*).

The logic model contains output and outcome options for projecting and reporting relative to this priority – for example, applicant partners that agree to capture and track outcome data for the program activities directly funded through the 2010 NOFA award, and the spin-off or secondary impacts that result. See logic model for a full listing.

**c. Rating Factor 3: Soundness of Approach / Scope of Housing Counseling Services (45 Points).** This factor addresses the quality and effectiveness of the applicant’s historical and proposed housing counseling activities.

**(1) Historical Performance-Quality and Complexity of Services (4 Points)**

In scoring this section, HUD will evaluate the quality of, the variety of, and the level of effort and time associated with the housing counseling services provided by the applicant from all funding sources during the period October 1, 2008 through September 30, 2009. Responses should contain "Historical Performance" as part of the heading for the response. Applicants must provide the following information:

**(a) Average Hours.** Provide the average amount of time spent, per household, for the following services types, if applicable. Include only direct housing counseling and education service provision, including follow-up and screening. Do not include preparation, reporting, and any other activities not involving the direct provision of counseling services. Intermediaries, SHFAs and MSOs must provide an average for the entire network of affiliates and branches, if applicable, included in their application. Counseling is defined as counselor to client assistance that addresses unique financial circumstances and housing issues. Educational services are defined as formal classes, with established curriculum and instructional goals provided in a group or classroom setting. Do not provide a range of hours. The service types are:

- (i) Pre-purchase Counseling
- (ii) Homebuyer Education
- (iii) Delinquency/Default Counseling
- (iv) Non-Delinquency Post-Purchase Counseling
- (v) Reverse Mortgage Counseling
- (vi) Non-Delinquency Post-Purchase Education
- (vii) Rental Counseling
- (viii) Homeless/Displacement Counseling
- (ix) Fair Housing Education

Scoring will be based on the degree to which the applicant demonstrates, as compared to other applicants, that sufficient time and resources were devoted to ensure that clients received quality counseling.

**(b) Group Education and One-On-One Counseling.** For applicants that provided homebuyer education and pre-purchase counseling, and/or foreclosure prevention counseling and foreclosure prevention education, for the period October 1, 2008, through September 30, 2009, ***indicate the percentage of education recipients that also received one-on-one counseling.*** In addition to the percentage, also indicate the actual numbers. Describe how clients come to participate in one or the other, the relationship between the two, and the role that each plays in the applicant's overall service, including how it contributes to improved efficiency and effectiveness. The scoring in this section is designed to reward applicants that effectively use group education to complement counseling. If a high percentage of homebuyer education clients do not return for one-on-one counseling, indicate why.

Applicants that did not provide homebuyer education or foreclosure prevention education must explain how group education activities complement the individual counseling they do provide, if applicable. Applicants that do not provide group education must justify that approach.

**(2) Historical Performance - Impact/Outcomes (5 points).** To score this Section, HUD will evaluate the applicant's efforts to educate persons in need regarding the availability of counseling services and critical housing issues. HUD will also analyze performance for the period October 1, 2008, to September 30, 2009 as reported on the HUD 9902, "All Counseling Activities" column. The quantity of clients the applicant served will be compared to similar

applicants providing similar services. HUD will also use this data to evaluate the applicants' success in conducting outreach and providing services to diverse racial and ethnic groups.

**(a) Marketing and Outreach.** Describe outreach and marketing efforts, including events, with particular emphasis on foreclosure prevention, combating loan scams, pre-purchase counseling, loan document review services, and diverse, emerging, and vulnerable markets, for example, to first time homebuyers in minority communities and limited English proficient persons in the target area. For example, grant funds may be utilized to purchase and disseminate materials related to the Loan Modification Scam Alert Campaign: <http://www.loanscamalert.org/>

***Indicate the total dollar value of all marketing and outreach conducted by, or on behalf, of the applicant,*** including the amount spent by the applicant itself on marketing and outreach, event staging, and marketing and outreach conducted with other sources of funding. For example, indicate if public service announcements and other forms of free or reduced price advertising and other exposure were secured, and estimate the dollar value using local prevailing rates for such services. Estimate what percentage of clients learns about the agency's services through marketing and outreach, events, etc., and provide the basis used to substantiate the estimate. For full credit, applicants providing default counseling must describe marketing, outreach, and events in conjunction with the *Making Home Affordable* Program, if applicable.

Other possible marketing and outreach activities include providing general information and materials about housing opportunities and issues, conducting informational campaigns, advocating with lenders for non-traditional lending standards, and raising awareness about critical housing topics, such as fair housing rights and remedies, lending discrimination, predatory lending, mortgage fraud, other fair lending issues, or energy efficiency options to reduce homeowner energy costs.

Other activities include outreach to potential participants, including providing information on the benefits of moving to a diverse community of opportunity; outreach and recruitment of landlords, owners and developers of housing units in diverse communities of opportunity and outreach to community organizations that can provide support to families to solicit their involvement, identify available housing, and link families to services and other support in diverse communities of opportunity.

If applicable, describe efforts to market to the populations least likely to be aware of the agency's housing counseling services, including those of racial, ethnic or religious groups not normally served by the applicant, persons with limited English Proficiency and those with disabilities. These activities may include translation and interpretive services in languages other than English for persons with limited English Proficiency and providing information in alternative formats for persons with disabilities. Indicate the specific language, the specific outreach activities, and describe and quantify the impact of outreach activities to populations least likely to be aware of the agency's housing counseling services, as described in this paragraph.

**(b) Capacity.** In scoring this section HUD will evaluate the number of education participants and housing counseling clients served by the applicant, during the period October 1, 2008, to September 30, 2009, with all sources of funding.

**(3) Projected Performance - Work Plan (17 points).** This section involves information on the housing counseling services and other activities to be conducted during the period October 1, 2010, through September 30, 2011. In scoring this Section, HUD will consider the types and variety of housing counseling and education services being offered, and other activities occurring

in support of the applicant's housing counseling program. Default counseling and Reverse Mortgage Counseling qualify for full credit, as does a combination of other counseling services.

HUD will also evaluate the quality of the applicant's proposed housing counseling services, and level of effort associated with providing the proposed counseling services. Scoring will be based on the quality, complexity and accessibility of those services, and the degree to which the proposed budget is justified and represents a responsible spending proposal.

Applicants must provide the following information, which will be used in conjunction with responses in Rating Factor 5, as a basis to support the scoring of the sub-factors below. There should be consistency between Rating Factor 3 and the projected outputs and outcomes in Rating Factor 5. Responses must contain "Projected Performance" as part of the heading for the response.

**(a) Counseling and Education Services.** Describe the various types of housing counseling and education services, and if applicable, intermediary activities, applicant proposes to undertake. Indicate for each type of counseling and education service, the languages in which the service is available. The proposed work plan must be consistent with the most current work plan on file with the appropriate HUD office, i.e., an applicant cannot propose to provide services which are not currently approved by HUD. Also, describe planned follow-up and marketing activities, if applicable. Proposed services and activities must relate to the needs identified in Rating Factor 2. Scoring of the variety of housing counseling services offered is weighted to provide the most points for Reverse Mortgage and Delinquency/Default Counseling.

*Applicants for supplemental funding for Mortgage Modification and Mortgage Scam Assistance must also describe proposed marketing and outreach activities regarding the availability of their mortgage modification services, and assistance programs such as Making Home Affordable.*

*Applicants for supplemental funding for Mortgage Modification and Mortgage Scam Assistance must also describe plans to conduct outreach to raise awareness regarding the loan scam alert campaign: <http://www.loanscamalert.org> and to report suspected cases of loan modification scams with the Loan Modification Scam Prevention Network:*

*<http://www.preventloanscams.org> Additionally, report suspected cases should be referred to the HUD Office of Inspector General (OIG) Hotline:*

- toll-free at - 800-347-3735
- fax - 202 708-4829
- e-mail - [hotline@hudoig.gov](mailto:hotline@hudoig.gov)

*Both activities are required to be eligible for Mortgage Modification and Mortgage Scam Assistance supplemental funding under this NOFA.*

**(b) Affirmatively Further Fair Housing** - Successful applicants are obliged to affirmatively further fair housing in their use of Housing Counseling grant funds. Therefore, eligible applicants must take reasonable steps to overcome barriers to fair housing choice in their proposed service area. To be eligible for this NOFA, applicants must describe how they will do at least one of the following activities, or describe another activity they will do that affirmatively furthers fair housing. See section III.C.2.k for more examples of affirmatively furthering fair housing activities. Applicants must describe how they propose to document the results of their efforts to affirmatively furthering fair housing – including but not limited to keeping records on the race, ethnicity, disability status, and family status of the beneficiaries of housing counseling services. Housing counseling activities that affirmatively further fair housing include, but are not limited to:

- making persons aware of discriminatory practices;
- making persons aware of innovative housing design or construction to increase access for persons with disabilities;
- making available language assistance services to persons with limited English proficiency (on the basis of national origin). For example, describe plans to take reasonable steps to provide meaningful access to persons with limited English proficiency (LEP), pursuant to Title VI of the Civil Rights Act of 1964, for example, materials that are available in languages other than English. Applicants may refer to the Department's January 22, 2007 Final Guidance to Federal Financial assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons (72 FR 2732);
- affirmative fair housing marketing, including making persons aware of new or rehabilitated housing in a manner that provides greater housing choice or mobility for persons in classes protected by the Fair Housing Act;
- providing households with information, counseling and/or education regarding rights and remedies available under Federal, state and local fair housing and civil rights laws;
- where there are instances suggesting that violations of such laws have occurred or are occurring, reporting/providing information to HUD or local Fair Housing Assistance Program (FHAP) agencies to investigate;
- affirmatively marketing counseling and education services; and/or
- effectively serving and /or communicating with persons with disabilities, in accordance with Section 504 of the Rehabilitation Act of 1973 and its implementing regulations at 24 CFR parts 8 & 9, and Title III of the Americans with Disabilities Act, for example, materials that are available in large print or Braille.

**(c) Level of Services.** For each of the applicable proposed counseling and education services, describe what the service entails/includes. Indicate which, if any, of the following bulleted items are part of the applicant's delivery of the particular type of counseling or education, as well as any activities not specifically listed. Answer any related questions:

**(i) Pre-purchase counseling:**

- *Real Estate Settlement Procedures Act (RESPA)* - Are closing costs and settlement procedures explained to potential buyers? Are they made aware of the various disclosures they should receive during the loan transaction process., including the HUD-1 settlement sheet?
- *Loan Document Review services* - Indicate what percentage of pre-purchase counseling and homebuyer education recipients, respectively, will have their loan documents reviewed, for example in the short period before they close on their loan, even if a significant amount of time has passed since their counseling. Describe steps taken to encourage homebuyers to utilize these services, and the steps the agency takes, if applicable, to ensure that these services are available on demand so that borrowers can have their loan documents reviewed in the short window of time they have between issuance of final loan documents and the actual settlement. Describe the proposed loan document review process, including: how households would learn about the availability of, and request, these services; what documents will be reviewed; what criteria or information counselors will look for; what questions would be asked of the homeowner or homebuyer; and the corresponding counseling. Additionally, describe efforts

through the loan document review to identify and counsel regarding possible mortgage fraud or fair lending abuse.

- *Specific Loan Products Options* – Indicate if the provision of pre-purchase counseling and homebuyer education, respectively, include a discussion of specific loan product options and/or specific lenders. If specific loan products or lenders are discussed, indicate how many alternatives/options are offered, how they are selected, etc.
- *Federal Housing Administration (FHA)* - Indicate if the provision of pre-purchase counseling and homebuyer education, respectively, include a discussion of FHA programs and products. Describe what FHA products and programs are covered, what material is shared, and how the agency stays current regarding FHA policies and procedures.
- *Affirmatively Furthering Fair Housing* - Indicate if and how the counseling the applicant proposes will affirmatively further fair housing. This activity must be in addition to, and distinct from, the activity reported in Factor 3 (3)(b) to meet the eligibility requirement, and any activity described in Factor 2 regarding the policy priority related to affirmatively furthering fair housing. For example, are clients made aware of rights and remedies available under fair housing and civil rights laws?
- *Inspection* - Are potential borrowers made aware of the benefits and advantages of a third party home inspection?

**(ii) Foreclosure Prevention Counseling:**

- *Oral Representation Budget* – Does the applicant develop a budget for the client based on an oral representation of expenses, debts and available sources of income?
- *Budget Verification* – In developing and analyzing the budget, does the applicant collect supporting budget documentation, including two most recent bank statements, most recent pay stubs or alternative documentation of income (e.g., social security), and other evidence of anticipated income?
- *Action Plan* – Describe what is involved in the creation of an action plan and the role the document serves in the service provision.
- *Local Resources and Assistance* – Does the applicant complete and submit application for local assistance options, including refinance programs or rescue funds?
- *Making Home Affordable (MHA) Eligibility Screening* – Does the applicant screen for eligibility for the Making Home Affordable Program (MHA), regardless of whether or not the homeowner seeking counseling inquires about it? Is the determination documented?
- *MHA Counseling* - Indicate if the applicant provides counseling services in conjunction with the *Making Home Affordable* Program, the Administration's loan modification and refinancing initiative. To learn more about Making Home Affordable, visit <http://www.makinghomeaffordable.gov/>
- *Hardship Letter* – Does the applicant draft and submit to the servicer a hardship letter that describes the borrower's situation, outlines the reason for default, factors that should be considered when developing a recommended work out solution, and an estimate of the housing cost the borrower can afford to pay.



- *Contact Servicer* – Does the applicant attempt to contact the servicer or lender to facilitate communication and encourage servicer activity, and, if a work out is possible, fill out and submit required forms to move forward with workout plan?
- *Borrower Follow-up* – Describe ongoing follow up with the borrower, if applicable, to reinforce budget assumptions, update financial verification, collect additional documents, etc.
- *Work Out Resolution* – Does the applicant review proposed work out resolution with borrower to ensure borrower fully understands terms and obligations and that the solution is sustainable over the long-term?
- *Mortgage Scam Identification* – Does the applicant ask questions or conduct analysis designed to identify potential victims of mortgage scams? If so, describe the questions and/or analysis. Does the applicant assist clients in reporting suspected cases of mortgage scams? To where are suspected cases reported?
- *Fair Lending / Mortgage Fraud Identification, Referral and Reporting* - Are cases suspected to involve mortgage fraud or fair lending abuse referred to appropriate sources for expert follow-up? Describe criteria utilized to flag suspicious cases and organizations to which cases are referred.

**(iii) Reverse Mortgage Counseling:**

- *Information Sharing* - Indicate what, if any, documents are shared with potential borrowers prior to the counseling session, and how the counseling session utilizes those materials.
- *Follow-up* - describe follow-up with counseled borrowers. Indicate how follow-up is conducted, what questions are posed, and how long follow up typically takes.
- *Face to Face Counseling* - indicate what percentage of Reverse Mortgage Counseling clients you project will receive face to face counseling, and what percentage will receive counseling over the phone.
- *Live Phone answering* - Indicate if the proposed work plan includes a live person answering the agency phone on a regular basis, or if an answering machine is used.

**(iv) Non-delinquency Post Purchase Counseling/Education:**

- *Energy Efficiency* – Are homeowners counseled and/or educated regarding how to reduce utility bills and make their homes more energy efficient? Describe what information is presented and materials made available, if applicable.

**(v) Rental Counseling:**

- *Mobility Counseling* – Are households counseled and assisted in a manner that promotes opportunities to not be confined to affordable housing choices in areas of high poverty or areas which are not racially or ethnically diverse? Does the counseling instruct and educate regarding practical, social and other supports for households considering or undertaking a cross-racial or cross-ethnic move to high opportunity communities?

**(d) Budget Explanation.** Explain the proposed budget in detail. Indicate why the proposed expenditures of the requested grant funding, and associated costs, are necessary and justified, and contribute to improved efficiency and effectiveness of service delivery. In scoring this section, HUD will evaluate the degree to which the budget and the narratives clearly explain how all requested grant funds will be spent, and whether those proposed expenditures represent an appropriate and responsible use of the grant funding.

**(4) Projected Performance – Cost per Client (4 points).** In scoring this Section, HUD will evaluate the proposed outputs from the logic model, specifically the number of clients that the applicant estimates will be served under the proposed HUD grant, by the applicant and sub-grantees, if applicable, for the grant period October 1, 2010, to September 30, 2011. Scoring will be based on the cost per client, compared to historical averages of similar services and similar applicants. Proposed clients served numbers will also be analyzed in the context of budget, costs, spending decisions, the types of services provided, level of effort expended, etc.

So that HUD can separately calculate cost per client for one-on-one counseling and group education, for the total HUD housing counseling grant requested, indicate:

- the dollar value that corresponds to one-on-one counseling
- the number of households to be served via one-on-one counseling
- the dollar value that corresponds to group education
- the number of households to be served via one-on-one counseling

The dollar values for each must add up to the total housing counseling grant requested.

Provide a context for, or qualify the number of clients the applicant projects to serve with the proposed HUD grant. Indicate how location, counseling and client types, and expenses may affect client volume, whether the impact will be short-term or long-term.

**(5) Projected Performance/Work Plan – Coordination (10 points).** HUD will evaluate the extent to which, as compared to similar applicants, the applicant can demonstrate it will coordinate proposed activities with other organizations, if applicable, with other services and products offered by the applicant's organization in a manner that benefits their clients. Scoring will also be based on the degree to which the applicant takes steps to avoid conflicts of interest, and discloses to clients that they have a choice in matters such as the loan they choose and the house that they purchase.

**(a) Partnerships / Multi-service Organizations.** Identify and describe partnerships and efforts to coordinate proposed activities with other organizations, including, but not limited to loan servicers, emergency and social services providers, lending organizations, homeowner insurance providers, down payment and closing cost assistance programs, nonprofit housing providers, and local or state government. No points will be given for simply a list of other organizations. Examples must be provided and described. SHFAs and MSOs should describe plans to integrate existing counseling agencies/systems within their state or states within which they operate.

Applicants should also describe internal products and functions, if applicable, such as loan products available to clients, down payment and closing cost assistance programs, as well as internal affordable housing programs that can be a resource for clients.

*Applicants requesting supplemental funding for Mortgage Modification and Mortgage Scam Assistance must identify and describe partnerships and efforts to coordinate proposed foreclosure intervention and outreach activities with other organizations, including, but not limited to loan servicers, local government, and emergency and social services providers.*

*Applicants requesting Reverse Mortgage Counseling supplemental funding should highlight the partnerships or internal products that are relevant to Reverse Mortgage Counseling activities.*

**(b) Complementing Other HUD Programs.** Indicate what other HUD programs that your counseling services complement or support. For example, indicate involvement, if applicable, in conjunction with state or local government in HUD's Neighborhood Stabilization Program (NSP), downpayment assistance programs, or FHA Programs. For additional

information about NSP, visit <http://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/>, or for information on FHA visit <http://www.fha.gov>

**(c) Conflict of Interest.** Describe plans to avoid conflicts of interest, such as methods for disclosing to participants that they are free to choose lenders, loan products, and homes, regardless of the recommendations made by counselors. Also describe personnel policies and practices regarding conflict of interest. To receive full credit in this Section, the applicant must submit the disclosure forms used by the applicant, for example to communicate to clients that, while affordable homes, lending products and other forms of assistance might be available through the applicant, and partnerships in which the applicant has entered, the client is under no obligation to utilize these services. These plans and disclosures will also be reviewed by HUD staff as a part of the biennial reviews and on-site monitoring visits.

**(6) Projected Performance - Capacity/Efficient Use of Resources (5 points).** In scoring this Section, HUD will evaluate the capacity of the applicant and the applicant's proposed spending decisions.

**(a) Sufficient Staff (LHCAs only).** LHCAs must indicate the names and titles of employees allocated to each proposed activity, as well as the corresponding staff hours for each task, and demonstrate that the applicant has the human resources to accomplish the proposed activities and serve the number of individuals the applicant proposes to serve. The staff information should include who from Factor 1 will be involved, and any new staff that will be hired for the October 1, 2010 - September 30, 2011 grant period.

**(b) Percentage of Grant Funding To Be Passed Through.** Intermediaries, MSOs and SHFAs must indicate what percentage of their proposed award will be passed through directly to sub-grantees and branches, and explain how funds passed through will be spent. LHCAs that apply under Applicant Category 1 must indicate what percentage of their proposed award will be spent on the salaries and benefits of housing counselors and project directors. Explain in detail how other proposed funds will be spent.

**(c) Network Capacity.** Intermediaries, MSOs and SHFAs must identify the sub-grantees and branches, and corresponding states, the applicant proposes will receive funding through this grant award. Applicants unable to precisely identify proposed sub-grantees and branches to receive funding through the proposed grant must identify the most likely sub-grantees and branches, based on past experience, and explain what process will be used to select actual sub-grantees and branches and to determine sub-funding levels. Pursuant to the applicable regulations at 24 CFR 84.82(d)(3)(iii) and 85.30(d)(4), grantees must receive HUD's prior approval for sub-grants. Intermediaries, SHFAs and MSOs must describe plans to identify and rectify service delivery deficiencies within their states, regions, or the states and regions within which their sub-agencies operate. Intermediaries, MSOs and SHFAs must:

Describe the housing counseling and education activities to be provided by proposed sub-grantees and branches, explicitly stating the types of services to be offered, preferably in a chart.

Describe the applicant's legal relationship with sub-grantees (i.e. membership organization, field, or branch office, subsidiary organization, etc.)

**d. Rating Factor 4: Leveraging Resources (10 Points).** HUD housing counseling grants are not intended to fully fund an applicant's housing counseling program, or that of its sub-grantees. All organizations that use housing counseling grant funds are expected to seek other private and public sources of funding for housing counseling to supplement HUD funding. Any agency that

does not have other resources available will receive no points for this factor.

Applicants will be evaluated based on their ability to show that they have obtained additional resources for their housing counseling activities, for the period October 1, 2010 – September 30, 2011, including: direct financial assistance; fees; in-kind contributions, such as services, equipment, office space, labor; etc. Resources may be provided by governmental entities, public or private nonprofit organizations, for-profit private organizations, or other entities committed to providing assistance. Grantees will be required to maintain evidence that leveraged funds were actually provided to the agency. Files will be reviewed by HUD staff as a part of the biennial reviews and on-site monitoring visits.

(1) All applicants must provide a comprehensive list of all leveraged funds and in-kind contributions for their entire housing counseling program. Include the total amount and the source of funds. Applicants are required to list the names of the organizations providing the funds, the sources of those funds, and amounts of the funds to be devoted to the proposed program. Applicants that fail to provide this information may not receive any points for this factor. Intermediaries and SHFAs must itemize the list of leveraged resources by each proposed sub-grantee and/or funded branch office. All leveraged resources claimed by an applicant, including cash and third party in-kind, must meet all of the criteria set forth in 24 CFR 84.23 and must be accounted for in the budget form HUD424CB. Responses should be consistent with the leveraged funds amount shown on the SF424, HUD424CB and the documentation for this rating factor.

*Applicants requesting supplemental funding for Mortgage Modification and Mortgage Scam Assistance must identify and describe other sources of foreclosure prevention and loan scam assistance funding, including any fee for service or other agreements through which servicers pay for foreclosure prevention counseling.*

(2) Additionally, for Category 1 – Local Housing Counseling Agencies (LHCAs), in order to obtain points under this factor, the applicant must demonstrate leveraging by providing letters and, if applicable, copies of relevant grant agreements, from entities or individuals, or both, committing resources to the project, that include:

- (a) The identity of the entity or individual committing resources to the project.
- (b) Dollar value of the resources to be committed. For in-kind resources with no clear total dollar value indicated, Applicants should estimate their value and describe in detail how the estimate was determined. Values for recipient contributions of services and property shall be established in accordance with the applicable cost principles.
- (c) The type of resources to be committed.
- (d) An indication that the resources will be available during the grant period pertaining to this NOFA, October 1, 2010 – September 30, 2011.
- (e) An indication that the award, or a specific portion of it, is intended for housing counseling.
- (f) The signature of an official of the entity legally able to make commitments on behalf of the entity.
- (g) No conditions that would nullify the commitment. (It is, however, acceptable for the commitment to be conditional on HUD funding.)
- (h) If a LHCA has a history of funding over the past two years from a particular source the applicant can provide a verification of the receipt of the grant in the past and make a statement that they have applied for and expect to receive the grant during the period October 1, 2010 – September 30, 2011.

(3) Additionally, resources provided by the applicant may count as leveraged resources. These amounts must include only funds that will directly result in the provision of housing counseling services, but not resources for activities as down payment and closing cost assistance, IDA programs, and emergency services. These funds must be reflected in the SF424 and HUD424CB, and be described in the narrative, including the source, and proposed use, of funds.

(4) 24 CFR part 214 explains the conditions under which agencies participating in HUD's Housing Counseling Program are permitted to charge fees to counseling recipients. Agencies participating in HUD's Housing Counseling Program are not permitted to charge fees for default counseling or homeless counseling. While agencies are strongly encouraged to aggressively leverage funds from other private and public sources, fee income can be counted as leveraged resources. Fee income would be identified as program income on required budget forms. Applicants claiming fee income must project the number of households that will be charged fees, explain why that projection is reasonable, and indicate their fee structure, in other words a description of fee charges for relevant service types, sliding scale if applicable, etc.

(5) Intermediaries, MSOs and SHFAs should include information on leveraged resources by the main office, and by only anticipated sub-grantees and branches that will be funded with this application.

(6) Points for this factor will be awarded based on the amount of leveraging that meets the criterion in this section and the percentage of the applicant's total housing counseling budget that the requested HUD housing counseling funds would represent. The amount of grant funds requested will impact the ratio to score this factor, as this factor evaluates the proposed HUD grant as a percentage of the total counseling budget. For example, a LHCA requesting the maximum Comprehensive grant amount of \$90,000 with leveraged funds equaling that grant will only receive 7 points. If that same LHCA requests only \$50,000 with the same leveraged funds of \$90,000 the score will be 9. Depending on organization type, the following scales will be used to determine scores for this factor:

**LHCAs, MSOs and SHFAs**

1 – 25% -- 10 points  
 26 – 40% -- 9 points  
 41 – 48% -- 8 points  
 49 – 55% --7 points  
 56 – 65% --6 points  
 66 – 75% -- 5 points  
 76 – 85% -- 4 points  
 86 – 91% --3 points  
 92 – 95% --2 points  
 96 – 99% --1 point

**Intermediaries**

1 – 20 % -- 10 points  
 21 – 26% -- 9 points  
 27 – 32% -- 8 points  
 33 – 41% -- 7 points  
 42 – 47% -- 6 points  
 48 – 53% -- 5 points  
 54 – 59% -- 4 points  
 60 – 65% -- 3 points  
 66 – 71% -- 2 point

72 – 99% --1 point

**e. Rating Factor 5: Achieving Results and Program Evaluation (10 points).** This factor emphasizes HUD's determination to ensure that applicants meet commitments made in their applications and grant agreements and assess their performance in achieving agreed upon performance goals. This reflects HUD's Strategic goal to embrace high standards of ethics, management and accountability.

The purpose of this factor is for the applicant to identify projected outputs and outcomes corresponding to the proposed work plan in Factor 3. The developed logic model submitted with the application will serve as a reporting tool for applicants selected to receive an award, allowing HUD to compare proposed program outputs and outcomes with actual results. In scoring this Factor, HUD will consider the appropriateness of the goals given the award the applicant is applying for and evaluate the proposed outputs and outcomes for their effectiveness and efficiency in delivering housing counseling services to the population to be serviced.

Applicants must submit a separate logic model for Comprehensive counseling and for *each* category of supplemental funding. Indicate in *a separate logic model* exactly how many households you project to serve exclusively with each category of supplemental funding, and how many you project to serve exclusively with the Comprehensive Counseling grant.

The Logic Model submission is valued at up to 10 points. The point structure for review of the Logic Model is contained in the General Section. Applicants must select appropriate outputs and outcomes from a series of “pick lists” for the Housing Counseling Program. The pick lists can be found in the form HUD96010. Using the pick lists, for each column of the logic model, applicants can select and insert their outputs and outcomes in the appropriate columns of the logic model. Each housing counseling and education related output and outcome should only be selected once, not multiple times throughout the form.

The pick lists also provide for an associate unit of measure for each output and outcome, and applicants must utilize the measure provided that is associated to the activity. Applicants must identify projected output and outcome values that correspond to the unit of measure. For example, insert whole numbers, not percentages, when the unit of measure is ‘Households’.

These amounts should represent results to be achieved entirely as a result of the HUD housing counseling funding. If, in reality, various funding sources will contribute to the services provided each individual, the applicant must only project, and subsequently report, activity for which HUD housing counseling grant funding supports the majority of the cost of the service delivery.

The logic model collects essentially the same data fields, with a few exceptions, as the HUD9902. While the HUD9902 collects all counseling activity with all sources of funding, the logic model is the form on which applicants project and report regarding activity specifically under the HUD Housing Counseling Grant requested through this NOFA.

Applicants should use the same methodology to complete the logic model as they do form HUD9902. For example, the logic model is not designed to record the exact number of clients projected or served, but rather the number of unique counseling or education services provided. So an individual or household that receives multiple, distinct types of counseling or education in a reporting period is recorded on the logic model multiple times. For example, if an individual comes in for one type of counseling (e.g. pre-purchase), they are recorded. If, later in the reporting period, the same individual comes in for another type of counseling, for example default counseling, record this new activity. By contrast, if multiple topics are covered in one

counseling session, it is only recorded as one activity. Moreover, the form is designed to capture participation in each complete course on a unique education topic. For example: whether or not the course is completed in one 8 hr session, or four 2 hour classes, it is counted as one course.

In addition, HUD has provided a series of management questions, which awardees will be expected to respond to in final reporting back to HUD. The management questions place a framework around the data you will be reporting to HUD. The management questions are included in the logic model and applicants should use them as a guide to understanding what HUD is interested in learning about regarding the major elements of your program.

The Logic Model requires applicants to identify the zip code of the location of the office of the applicant, as well as the zip code where services are provided. Should an applicant serve multiple zip codes, choose a single zip code, for example the zip code of the location of the office of the applicant, which receives a large percentage of the services provided.

Applicants must complete and submit Form HUD96010 reflecting projected outputs and outcomes under the proposed HUD Housing Counseling grant.

The Form HUD 96010 must identify the following:

(1) Services / Outputs. Outputs are the direct products of the applicant's activities that lead to the ultimate achievement of outcomes. Based on the proposed work plan in Factor 3 and the amount being requested through this NOFA, applicants should select the appropriate outputs and their associated units of measure from the choices provided in the pick list, and provide the corresponding number to be achieved for each proposed output.

If requesting supplemental funding, indicate in the narrative the specific number of households the applicant projects it, or if applicable, sub-grantees and branches, will serve under the Comprehensive Counseling portion of the requested award and with requested supplemental funding. If applying for both Comprehensive Counseling funds and supplemental funding, submit a separate logic model for each.

(2) Outcomes. Outcomes are benefits accruing to the households as a result of participation in the program. Outcomes are performance indicators the applicant expects to achieve or goals it hopes to meet over the term of the proposed grant. Using the pick lists provided, applicants should select each appropriate outcome and associated unit of measure related to the proposed work plan, and provide the corresponding number to be achieved for each proposed outcome. Projected outcomes should reflect the number you expect to report in the HUD Housing Counseling Grant Activities column on the Form HUD9902.

(3) Projections. In scoring this section, HUD will evaluate the degree to which projected output activity is realistic and justified, and the degree to which the logic model corresponds to the work plan described in the narrative. Applicants should make sure their entries reflect all proposed counseling and education activity under the grant. The mix of services described in the narratives should be consistent with the completed logic model. The outputs and outcomes projected in the logic model must be consistent with the projected number of clients proposed in the narrative responses to the Rating Factors.

(4) Evaluation Tools. The applicant must also include in the logic model, and address in the narrative response, an evaluation plan that explains how they are going to track actual accomplishments against anticipated achievements and ensure that the program can provide the services projected to be delivered and outcomes projected to be achieved. The evaluation plan should identify what an applicant is going to measure, how an applicant is going to measure it, and the steps in place to make adjustments to its work plan if performance targets are not met within established timeframes. HUD will also evaluate how the applicant will manage change,

when needed. Applicants must indicate how they track actual accomplishments against anticipated achievements and ensure that the program can provide the services projected to be delivered and outcomes projected to be achieved. See the Logic Model Evaluation Matrix in the General Section.

**B. Review and Selection Process.** Two types of reviews will be conducted.

**1. Technical Review.** First, each application will be reviewed for technical sufficiency, in other words, whether the application meets the threshold requirements set out in this NOFA and the **General Section** and whether all required forms have been submitted. The **General Section** provides the procedures for corrections to deficient applications.

**2. General Review.** The second review considers the responses to the rating factors outlined above and other relevant information. Applications will be evaluated competitively, and ranked against all other applicants that applied in the same funding category.

**3. Rating Panels.** Detailed information on the rating review panels appears in the **General Section**.

**4. Minimum Score for Fundable Applications.** The minimum score for fundable applications is 75 points.

**5. Funding Methodology**

**a. Comprehensive Counseling.** Only applicants who receive a score of 75 points or above will be considered eligible for funding. All eligible applicants will then be funded in proportion to the score they receive. Regarding the Comprehensive Counseling portion of an award, all grantees will receive the lower of either the Comprehensive award amount determined with the formula, or the amount actually requested by the applicant. HUD will consider the amount of the Comprehensive counseling grant being requested to be the value entered into box 18a on form SF424. The minimum Comprehensive award is \$35,000 for LHCAs; \$60,000 for SHFAs and MSOs; and \$300,000 for intermediaries.

**b. Supplemental Funding.** The same methodology described above in section “a” will be used to distribute the available supplemental funds for Reverse Mortgage Counseling and Mortgage Modification and Mortgage Scam Assistance. Regarding supplemental funding, all grantees will receive the lower of either the supplemental award amount determined with the formula, or the specific amount of supplemental funding actually requested by the applicant.

For applicants requesting supplemental funding, box 18a of Form SF424 should reflect the total of the Comprehensive request and the supplemental funding request. The narrative response to Factor 3 must make clear the exact Comprehensive and supplemental amounts being requested. Only applicants scoring 75 points or above are eligible for supplemental funding. HUD may award one or more supplemental grants per category. With the exception of Mortgage Modification and Mortgage Scam Assistance supplemental funding for intermediaries, supplemental grant funds are awarded based upon scores beginning with the highest until the funds are expended. A single intermediary will receive supplemental funding for Mortgage Modification and Mortgage Scam Assistance.

Applications that receive 75 points or more will not necessarily receive supplemental funding.

Each applicant will submit only one application, even if applying for both Comprehensive and supplemental funding.

**(1) Both Comprehensive and Supplemental.** For applicants applying for both



Comprehensive and supplemental counseling grants, Comprehensive Counseling funds will be allocated based on the funding methodology in Section “a” above. Subsequently, for supplemental funding, responses to each rating factor will be evaluated on a yes/no, adequate/inadequate basis. An adequate response will result in a score for the supplemental funding identical to the Comprehensive score on each respective rating factor. An inadequate supplemental response will result in up to a 5 point deduction from the Comprehensive score.

After all five rating factors have been evaluated the adjusted ratings will result in a distinct score for the supplemental funds. This method will result in scores for supplemental funding, that may be equal to the Comprehensive score, or up to twenty five points less than the Comprehensive score. In no case can an applicant receive a higher score on an application for supplemental funding than it received on its Comprehensive application.

**(2) Supplemental Funding Only.** Applicants requesting supplemental funding only will be scored based on the methodology funding in Section a above, similar to the Comprehensive application.

**(3) Base Awards.** The base award for the Reverse Mortgage Counseling supplemental funding will be \$300,000 for intermediaries, \$50,000 for MSOs and SHFAs, and \$10,000 for LHCA’s.

The base award for the Mortgage Modification and Mortgage Scam Assistance supplemental funding is \$20,000 for LHCAs, and \$1 million for intermediaries.

**6. Reallocation of Unallocated Funds.** If funds designated for a specific grant Category, HOC, or for supplemental funding, remain unallocated after the formulas have been run and award recommendations are determined, HUD may, at its discretion, reallocate those funds to any other funding Category or supplemental funding area under this NOFA or the Housing Counseling Training NOFA. If authorized, HUD may also reallocate unspent funds for housing counseling support activities. Any reallocation will be based on demand and unmet need.

**7. Funds Recapture.** HUD may recapture any funds unspent in the time allotted. Grantees are required to cooperate with recapture requests, including any paperwork requests. HUD may utilize recaptured funds in subsequent NOFAs, or utilize the funds in other ways authorized by the Program’s appropriation. Recaptured funds will be awarded on a competitive basis.

## **VI. Award Administration Information**

**A. Award Notices:** Following selection, applicants will receive notification from HUD regarding their application.

**1. Publication of Recipients of HUD Funding.** HUD’s regulations at 24 CFR Part 4 provide that HUD will publish a notice in the Federal Register to notify the public of all decisions made by the Department. Please see the **General Section** for more information on this topic.

**2. Publication of Logic Models.** The logic models of applicants selected for award and their subsequent logic model reports will be made available to the public on HUD’s website or via a link on HUD’s website.

**3. Debriefing.** Applicants may receive a debriefing on their application submission. Please see the **General Section** for a further discussion of the time frame in which the debriefing request may be submitted.

### **B. Administrative and National Policy Requirements:**

**1. Environmental Requirements.** In accordance with 24 CFR 50.19(b)(2), (3), (4), (9), (12),

(13) of the HUD regulations, activities assisted under this program are categorically excluded from the requirements of the National Environmental Policy Act and are not subject to environmental review under the related laws and authorities.

**2. Audit Requirements.** Grantees that expend \$500,000 or more in federal financial assistance in a single year (this can be program year or fiscal year) must be audited in accordance with the OMB requirements as established in 24 CFR part 84. Additional information regarding this requirement can be accessed at the following website: <http://harvester.census.gov/sac>

**3. Other Matters.**

**a. Relocation.** See the **General Section**.

**b. OMB Circulars and Government-wide Regulations Applicable to Financial Assistance Programs.** See the **General Section**.

**c. Prohibition Against Lobbying Activities.** See the **General Section**.

**d. Procurement of Recovered Materials.** See the **General Section**.

**f. Executive Order 13279 Equal Protection of the Laws for Faith-Based and Community Organizations.** See the **General Section**.

**g. Salary Limitation for Consultants.** See the **General Section**.

**h. Executive Order 13132, Federalism.** See the **General Section**.

**C. Reporting.**

**1. Fiscal Year Activity Report.** Grantees are required to submit Form HUD9902, Housing Counseling Activity Report, quarterly via HUD's web-based Housing Counseling System (HCS). The information compiled from this report provides HUD with its primary means of measuring program performance.

**2. Program Outcome Logic Model.** If the actual award amount differs from the proposed award, Grantees are required to submit an updated Form HUD96010\_Program\_Outcome\_Logic\_Model, and a corresponding budget, before the grant agreement will be executed. Additionally, Grantees will be required to submit an updated Form HUD96010\_Program\_Outcome\_Logic\_Model, reflecting actual achievements, with each quarterly, midterm and final report, in accordance with the reporting requirements of the grant agreement. The information in this form provides the primary means through which HUD will monitor the ongoing performance of the grantee.

**VII. Agency Contact(s)**

**A. Technical Assistance and Programmatic Information.** For program related information, LHCAs, MSOs and SHFAs should contact the HOC serving their area, as indicated below. Intermediaries should contact HUD Headquarters, Program Support Division at 202 708-0317 (this is not a toll-free number). **Hearing and speech challenged persons** may access the telephone numbers listed below by calling the Federal Information Relay Service at 800 877-8339.

<b><u>Homeownership Center</u></b>	<b><u>States</u></b>
<p><b><u>PHILADELPHIA HOMEOWNERSHIP CENTER</u></b>  Ms. Brenda Bellisario  Director, Program Support Division  Wanamaker Building  100 Penn Square East, 12<sup>th</sup> Fl Philadelphia,  PA 19107-3389  <a href="mailto:Brenda.Bellisario@hud.gov">Brenda.Bellisario@hud.gov</a>  For programmatic information  contact: Robert Wright  <a href="mailto:robert.wright@hud.gov">robert.wright@hud.gov</a>  215 861-7268</p>	<p>Connecticut, Delaware, District of Columbia,  Maine, Maryland, Massachusetts, Michigan, New  Hampshire, New Jersey, New York, Ohio,  Pennsylvania, Rhode Island, Vermont, Virginia,  West Virginia</p>
<p><b><u>ATLANTA HOMEOWNERSHIP CENTER</u></b>  Ms. Gayle Knowlson  Director, Program Support Division  40 Marietta Street, 9th Floor  Atlanta, GA 30303-2806  <a href="mailto:Gayle.F.Knowlson@HUD.GOV">Gayle.F.Knowlson@HUD.GOV</a>  For programmatic information  contact: Carolyn Hogans  E.Carolyn.Hogans@hud.gov  678 732-2129</p>	<p>Alabama, Puerto Rico, Florida, Georgia, Illinois,  Indiana, Kentucky, Mississippi, North Carolina,  South Carolina, Tennessee</p>
<p><b><u>DENVER HOMEOWNERSHIP CENTER</u></b>  Program Support Division  1670 Broadway  23<sup>rd</sup> floor  Denver, CO 80202-4801  For programmatic information Contact: Vic  Karels  <a href="mailto:Victor.E.Karels@hud.gov">Victor.E.Karels@hud.gov</a>  303 675-1640</p>	<p>Arkansas, Colorado, Iowa, Kansas, Louisiana,  Minnesota, Missouri, Montana, Nebraska, New  Mexico, North Dakota, Oklahoma, South Dakota,  Texas, Utah, Wisconsin, Wyoming</p>

<p><u>SANTA ANA</u>  <u>HOMEOWNERSHIP CENTER</u>  Mr. Jerrold Mayer  Director, Program Support Division  Santa Ana Federal Building  34 Civic Center Plaza, Room 7015  Santa Ana, CA 92701-4003  <a href="mailto:jerrold.h.mayer@hud.gov">jerrold.h.mayer@hud.gov</a>  For programmatic information  contact: Rhonda J. Rivera,  <a href="mailto:rhonda.j.rivera@hud.gov">rhonda.j.rivera@hud.gov</a>  714 796-1200 x3210</p>	<p>Alaska, Arizona, California, Hawaii, Oregon,  Idaho, Nevada, Washington</p>
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### VIII. Other Information

**A. Satellite Broadcast.** HUD may hold an informational broadcast via satellite for potential applicants to learn more about the Program and the application. The Program Office will notify all eligible applicants regarding the timing of this broadcast and provide viewing information.

**B. Paperwork Reduction Act.** The information collection requirements contained in this document have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and assigned OMB control number 2502-0261. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number. Public reporting burden for the collection of information is estimated to average 68 hours per annum per respondent for the application and grant administration. This includes the time for collecting, reviewing, and reporting the data for the application, semi-annual reports and final report. The information will be used for grantee selection and monitoring the administration of funds. Response to this request for information is required in order to receive the benefits to be derived.

**C. Environmental.** This NOFA provides funding under 24 CFR part 214, which does not contain environmental review positions because it concerns activities that are listed in 24 CFR 50.19(b) as categorically excluded from environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4231) ("NEPA"). Accordingly, under 24 CFR 50.19(c)(5), this NOFA is categorically excluded from environmental review under NEPA.

Dated:           JUL 26 2010          



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David Stevens  
Assistant Secretary for Housing—  
Federal Housing Commissioner