

**DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT**

HOUSING COUNSELING

Billing Code 4210-32-C

FUNDING AVAILABILITY FOR THE HOUSING COUNSELING PROGRAM PROGRAM OVERVIEW

Program Purpose. 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 expand homeownership opportunities and improve access to affordable housing. Counselors provide guidance and advice to help families and individuals improve their housing conditions and meet the responsibilities of tenancy and homeownership.

Agencies funded through this program may also provide Home Equity Conversion Mortgage (HECM) counseling to elderly homeowners who are looking to convert equity in their homes into income that can be used to pay for home improvements, medical costs, living expenses, or other expenses.

Available Funds. Approximately \$18.25 million.

Eligible Applicants. (1) HUD-approved local housing counseling agencies (LHCAs); (2) HUD-approved national and regional intermediaries; and (3) State housing finance agencies (SHFAs).

Application Deadline. May 17, 2002.

Match. No specific ratio 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 grants to cover all costs incurred by an applicant.

ADDITIONAL INFORMATION

I. Application Submission, Further Information and Technical Assistance

Application Submission. In addition to reviewing the applicable instructions below, all applicants should consult the General Section of this SuperNOFA and review the new security procedures that affect application submission.

Local Housing Counseling Agencies (LHCAs) and State Housing Finance Agencies (SHFAs) applying under Categories 1 and 3 must submit an original and two copies of a complete application to the Homeownership Center (HOC) whose jurisdiction includes the geographic area in which the applicant is proposing to work (see Appendix B.) *Applications submitted to a HOC must be mailed via the United States Postal Service.* HUD will not accept hand delivered applications. Your application will be considered

timely if it is postmarked on or before 12 midnight on May 17, 2002 and received by the designated HUD office on or within fifteen (15) days of the application due date. *All applicants must obtain and save a Certificate of Mailing* showing the date when you submit your application to the United States Postal Service (USPS). The Certificate of Mailing will be your documentary evidence that your application was filed on time. Applications should be sent to the attention of the Program Support Division Director, and the envelope should be clearly marked "FY 2002 Housing Counseling Grant Application."

National and regional housing counseling intermediaries applying under Category 2 must submit an original and two copies of a complete application to Director, Program Support Division, Room 9166, Office of Single Family Housing, HUD Headquarters, 451 Seventh Street, SW., Washington, DC 20410. HUD will not accept hand delivered applications. Applications may be mailed using the United States Postal Service (USPS) or may be shipped via the following delivery services: United Parcel Service (UPS), FedEx, DHL, or Falcon Carrier. *No other delivery services are permitted into HUD Headquarters without escort. You must, therefore, use one of the four carriers listed above.* The envelope should be clearly marked, "FY 2002 Housing Counseling Intermediary Application."

Mailed Applications. Your application will be considered timely if it is postmarked on or before 12 midnight on May 17, 2002 and received by the designated HUD office on or within fifteen (15) days of the application due date. All applicants must obtain and save a *Certificate of Mailing* showing the date when you submit your application to the United States Postal Service (USPS). The Certificate of Mailing will be your documentary evidence that your application was filed on time.

Applications Sent by Overnight/Express Mail Delivery. If your application is sent to HUD Headquarters by overnight delivery or express mail, your application will be considered on time if it is received before or on May 17, 2002, or when you submit documentary evidence that your application was placed in transit with the overnight delivery/express mail service by no later than the application due date. Again, you must use one of the four carrier services listed above. Delivery by these services must be made during HUD Headquarters' business

hours, between 8:30 AM and 5:30 PM Eastern Time, Monday to Friday. If these companies do not service your area, you should submit your application via the United States Postal Service.

Grant Application—Colonias. Applicants applying under Category 4 must submit an original and two copies of a complete application to the Santa Ana HOC (see Appendix B.) The Santa Ana HOC will be evaluating all applications submitted from across the country. Applications should be sent to the attention of the Program Support Division Director, and the envelope should be clearly marked "FY 2002 Housing Counseling—Colonias Application". Applications submitted to a HOC must be mailed *via the United States Postal Service.* HUD will not accept hand delivered applications. Your application will be considered timely if it is postmarked on or before 12 midnight on May 17, 2002 and received by the Santa Ana HOC on or within fifteen (15) days of the application due date. *All applicants must obtain and save a Certificate of Mailing* showing the date when you submit your application to the United States Postal Service (USPS). The Certificate of Mailing will be your documentary evidence that your application was filed on time.

Application Kits. There is no application kit. Specific application submission requirements are outlined in Section V.

Further Information. Local housing counseling agencies and State housing finance agencies should call the HOC serving their area (See Appendix B for the contact information for the HOCs). National and regional intermediaries should contact HUD Headquarters, Program Support Division at (202) 708-0317 (this is not a toll-free number). Persons with hearing or speech impairments may access any of these numbers via TTY by calling the toll-free Federal Information Relay Service at 1-800-877-8339. These are not toll free telephone numbers.

Satellite Broadcast. HUD will hold an informational broadcast via satellite for potential applicants to learn more about the program and the application. For more information about the date and time of the broadcast, consult the HUD web site at <http://www.hud.gov/grants>.

II. Amount Allocated

Under this SuperNOFA, approximately \$18.25 million of the \$20 million appropriated in FY 2002 is made available for eligible applicants, including \$250,000 for counseling services that specifically target Colonias.

An allocation of up to \$1 million of the \$20 million total in program funding has been set aside for housing counseling support which may include continuation of the Housing Counseling Clearinghouse, tuition assistance for housing counselors, and/or other HUD counseling initiatives and activities. An allocation of up to \$750,000 of the \$20 million appropriated is available for the

Home Equity Conversion Mortgage (HECM) Program, as provided in section 255(k) of the National Housing Act (12 U.S.C. 1715z-20).

III. Grant Categories/Eligible Applicants

Grant Categories—Under the Housing Counseling Program, HUD awards grants to qualified public or private

nonprofit organizations to provide housing counseling services through four grant categories: (1) Local Housing Counseling Agencies (LHCA); (2) National and Regional Intermediaries; (3) State Housing Finance Agencies (SHFA); and (4) Agencies Serving Colonias.

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<i>Grant Categories</i>	<i>Who Eligible</i>	<i>Total Amount Available</i>
Category 1 – LHCAs	HUD-approved LHCAs	\$6.6 million
Category 2 – Regional and National Intermediaries	HUD-approved regional and national intermediaries	\$10.4 million
Category 3 – SHFAs	SHFAs	\$ 1 million
Category 4 – Colonias	HUD-approved LHCAs, HUD-approved regional and national intermediaries, and SHFAs	\$250,000

Eligibility—HUD-approved LHCAs,
HUD-approved national or regional

intermediaries, and SHFAs are eligible
for funding under Category 4, Colonias,

as described below. Applicants applying
under Category 4 may also apply under

one of the other three categories, as described below. A separate application must be submitted for Category 4, in addition to an application for funding under any other category. See Section I, 'Application Submission,' above for details on where to submit applications.

HUD-approved LHCA's may only apply for and receive grants under Categories 1 and/or 4, or Category 4 and/or one sub-grant from an intermediary under Category 2 or 3. HUD-approved LHCA's that apply under Category 1 are prohibited from also applying for a sub-grant from an intermediary under Category 2 or 3. LHCA's that are not HUD-approved, but are affiliates or branches of SHFA's or national or regional intermediaries, may apply for and receive only one sub-grant from an intermediary under Category 2 or 3, but not both, and/or a sub-grant from an intermediary under category 4, Colonias. They are not, however, eligible to apply directly under Category 4.

HUD-approved national and regional intermediaries may only apply for grants under Categories 2 and/or 4.

SHFA's may only apply for grants under Categories 3 and/or 4.

Category 1—Local Housing Counseling Agencies (LHCA's).

Approximately \$ 6.6 million is available from HUD to directly fund HUD-approved LHCA's.

Eligible applicants include private and public nonprofit organizations that secure HUD-approval as of the publication date of this SuperNOFA, and retain such approval through the term of any grant awarded. For information on securing HUD-approval as a LHCA, contact the HOC within whose jurisdiction you are located (see Appendix B).

Award: No individual LHCA may be awarded more than \$100,000. HUD anticipates that the average award will be approximately \$18,500.

Funding allocation: Funding is allocated to each HOC jurisdiction by a formula that reflects the increased emphasis on the expansion of homeownership opportunities for first-time homebuyers and HUD's intent to ensure appropriate geographical distribution of program funds.

Allocations for use in local agency programs by HOC are as follows:

HOC	Funding allocation
Philadelphia HOC	\$1,861,698
Atlanta HOC	1,924,468
Denver HOC	1,469,281
Santa Ana	1,344,553
Total	\$6.6 million

Category 2—National and Regional Intermediaries. Approximately \$10.4 million is available from HUD to directly fund HUD-approved national and regional intermediaries.

Eligible applicants include private and public nonprofit organizations that secure HUD-approval as national or regional intermediaries as of the publication date of this SuperNOFA, and retain such approval through the term of any grant awarded. For information on securing HUD approval as an intermediary, contact the HUD Headquarters Program Support Division at (202) 708-0317.

Intermediaries provide sub-grants to affiliates. Eligible sub-grantees are not required to be HUD-approved, although HUD-approved LHCA's may apply to an intermediary as a sub-grantee. Intermediaries that award sub-grants to affiliates that are not HUD-approved must assure that said affiliates meet or exceed the standards, as specified in paragraph 2-1 of HUD Handbook 7610.1, Rev-4, CHG-1, for HUD-approved LHCA's. To be eligible for a sub-grant, affiliates must certify in the sub-grant agreement that they have not applied for or received a grant under Category 1, or a sub-grant from another intermediary under Category 2, or a sub-grant from a SHFA under Category 3.

Awards for HUD-approved national and regional intermediaries may not exceed \$1.5 million and \$500,000, respectively.

Category 3—State Housing Finance Agencies (SHFA). Approximately \$1 million is available to fund SHFA's that provide housing counseling services directly or serve as intermediaries to affiliates who offer housing counseling services.

Eligible applicants are entities that satisfy the definition in 24 CFR 266.5 of a "housing finance agency." SHFA's and eligible sub-grantees/affiliates do not need HUD-approval in order to receive these funds. HUD-approved LHCA's may apply to a SHFA as a sub-grantee. SHFA's that award sub-grants to affiliates that are not HUD-approved must assure that said affiliates meet or exceed the standards, as specified in paragraph 2-1 of HUD Handbook 7610.1, REV-4, CHG-1, for HUD-approved LHCA's. To be eligible for a sub-grant, affiliates must certify in the sub-grant agreement that they have not applied for or received a grant under Category 1, or a sub-grant from a HUD-approved intermediary under Category 2, or a sub-grant from another SHFA.

Award: There is no cap on the award amount that a SHFA, or its affiliates, may receive.

Funding Allocation: The amount of funding available to each of the four HUD Homeownership Center jurisdictions is as follows:

HOC	Funding allocation
Atlanta, GA	\$254,285
Denver, CO	254,285
Philadelphia, PA	267,145
Santa Ana, CA	224,285
Total	1,000,000

Category 4—Colonias. Approximately \$250,000 is available for housing counseling services that specifically target Colonias.

Eligible applicants include LHCA's and national or regional intermediaries that secure HUD-approval as of the date of the SuperNOFA publication, and retain such approval through the term of any grant awarded. SHFA's are also eligible.

Intermediaries provide sub-grants to affiliates. Eligible sub-grantees are not required to be HUD-approved, although HUD-approved LHCA's may apply to an intermediary as a sub-grantee. Intermediaries that award sub-grants to affiliates that are not HUD-approved must assure that said affiliates meet or exceed the standards, as specified in paragraph 2-1 of HUD Handbook 7610.1, REV-4, CHG-1, for HUD-approved LHCA's.

Award: There is no cap on the award amount.

IV. Eligible Activities

(A) Grantees or sub-grantees directly providing housing counseling services under Categories 1 through 4 may use their HUD housing counseling funds for one or more of the following eligible activities:

(1) *Pre-Occupancy Counseling.* This includes the following types of one-on-one counseling: pre-purchase, pre-rental, search assistance/mobility, fair housing, budgeting for mortgage or rent payments, money management, and housing care and maintenance. This also may include guidance on how to apply for housing assistance, how to identify and avoid predatory lending practices, as well as referrals to community or homeless services.

(2) *Homebuyer Education Programs.* These programs are housing related education programs in which educational materials are used in training sessions for multiple participants, including HUD's Homebuyer Education and Learning Program (HELP). For a typical homebuyer education program, participants complete eight to twelve

course hours. Agencies that provide this service must also offer individual counseling to complement group sessions.

(3) *Post-Purchase/Mortgage Default and Rent Delinquency Counseling*. This includes counseling on how to: restructure debt, obtain recertification for rent subsidy, establish reinstatement plans, seek loan forbearance, and manage household finances. This counseling can also include helping victims of predatory lending, educating clients on renter's and landlord's rights, explaining the eviction process, providing referrals to other sources, and assisting clients with locating alternative housing or pursuing loss mitigation strategies.

(4) *Post-Purchase/Post-Occupancy Counseling*. This includes education programs and counseling activities on property maintenance, personal money management, and relations with lenders and landlords.

(5) *Home Equity Conversion Mortgage (HECM) Counseling*. HECM counseling assists clients who are 62 years or older with the opportunity to convert the equity in their homes into income to pay living, medical or other expenses.

(6) *Home Improvement and Rehabilitation Counseling*. This counseling includes educating the client about: their loan and grant options, the loan and/or grant application processes, what housing codes and housing enforcement procedures apply for the intended activity, how to specify and bid construction work, how to enter into construction contracts, and how to manage construction contracts, including actions to address the non-performance of contractors.

(7) *Displacement and Relocation Counseling*. This counseling includes helping clients understand their rights when faced with displacement, explaining the responsibility of the entity causing displacement, assisting clients with understanding eviction proceedings, providing assistance with locating alternate housing, and referring clients to homeless services.

(8) *Marketing and Outreach Initiatives*. This includes providing general information about housing opportunities, conducting informational campaigns, and raising awareness about critical housing topics, such as predatory lending or fair housing issues.

Note: For each of the eight general activities you propose, you must be prepared to meet the needs of all individuals requesting services, including the disabled, regardless of the complexity of the services involved.

(B) *Intermediaries and SHFAs* can directly provide the housing counseling

services described above in Section A, or distribute and administer grant funds and provide technical assistance and other services to affiliates, who are eligible to undertake any or all of the eligible housing counseling activities outlined above.

Intermediaries and SHFAs have wide discretion to decide how to allocate their HUD Housing counseling and leveraged funding among their affiliates, with the understanding that a written record must be kept documenting and justifying funding decisions. This record must be made available to affiliates and to HUD. Intermediaries and SHFAs must also execute sub-grant agreements with their affiliates and branches that clearly delineate the mutual responsibilities for program management, including appropriate time frames for reporting results to HUD.

V. Application Submission Requirements

All applicants must meet the requirements listed in Section II of the General Section of the SuperNOFA. Because applications will be handled by various staff members, applications must be bound or secured in a binder, tabbed, and organized as instructed in the General Section of this SuperNOFA, and materials must be submitted in the order in which they appear in this NOFA. Use the checklist below to organize your application.

(A) *All applicants*. Unless indicated below, all applicants must submit the following:

(1) *The standard forms, certifications, and assurances* listed in Section II(H) of the General Section of the SuperNOFA (collectively, referred to as the "standard forms").

(2) *HUD-approval*. Each applicant is required to submit evidence of HUD-approval as a housing counseling agency, unless the applicant is a SHFA that satisfies the definition of a "housing finance agency" in 24 CFR 266.5.

(3) *Form HUD-9902, Housing Counseling Agency Fiscal Year Activity Report*, for fiscal year October 1, 2000 through September 30, 2001. If you did not participate in HUD's Housing Counseling Program during October 1, 2000 through September 30, 2001, this report should be completed to reflect your counseling workload during that period. A copy of this form is included in Appendix A of this SuperNOFA.

(4) *The Congressional District(s), including the names of the current Senators and Representatives*, in which your proposed activities are to occur.

(5) *Narrative statements* addressing the following five Rating Factors. Responses to the rating factors should provide HUD with detailed quantitative and qualitative information and relevant examples regarding the housing counseling work of your organization. For applicants applying under Category 4, Colonias, narrative statements must address how you will meet the needs of the Colonias you target.

Please be as specific and direct as possible. Responses to each factor should be limited to 10 double-spaced, single-sided pages. However, if you feel you need to include more information to make your case, you should feel free to do so.

Rating Factor 1: Capacity—Readiness and Effectiveness (30 Points)

This factor addresses the readiness and ability of an applicant to immediately begin the proposed work program, as well as the potential for an applicant to cost-effectively and successfully implement the proposed activities indicated under rating factor 3. In rating this factor, HUD will consider the degree to which the applicant, and, if applicable, affiliates:

(1) (10 points) Has sufficient personnel with the relevant knowledge and experience to implement the proposed activities in a timely and effective fashion. Experience is relevant if it corresponds directly to projects of a similar scale and purpose. Please submit:

—Names and titles of employees, including subcontractors and consultants, allocated to each proposed activity, as well as the corresponding staff hours for each task. Clerical staff should not be listed.

—Descriptions of each employee's, subcontractor's, or consultant's relevant professional background and experience related to the tasks they are to perform. Individual descriptions should be limited to one page.

(2) (20 points) Provide quality services in a cost-effective manner. Provide an overview, and submit any supporting data/evidence, of your organization's (and, if applicable, your affiliate organizations') prior fiscal year performance. At a minimum, responses should:

—Describe your prior fiscal year's counseling results, as they relate to your last year's goals. Include total number of clients served, the major types of counseling conducted, the outcomes for clients as a result of the counseling.

- Identify all of the sources and amounts of funds for counseling in the previous fiscal year.
- Identify specific uses of counseling funds in the previous year, such as staff costs, and the total costs for each use. Justify your expenses from the previous fiscal year to show that they were reasonable, allowable, and appropriate for the counseling activities identified above.

Characterize your performance in the past fiscal year at meeting the grant requirements for your housing counseling activities. Specifically indicate your performance at satisfying reporting requirements (such as Form HUD 9902)—indicate timeliness and completeness of your past reporting. Also indicate whether or not you fully expended grant awards for the past fiscal year. If not fully expended, provide an explanation as to why the funds were not fully expended and the steps you have taken to ensure that future funding will be expended in a timely manner.

HUD may also rely on information from performance reports, financial status information, monitoring reports, audit reports and other information available to HUD in making its determination under this factor.

Rating Factor 2: Need/Extent of the Problem (15 Points)

This factor addresses the extent to which there is a need for funding your proposed activities described under rating factor 3.

(1) (10 points) Applicants must provide recent economic and demographic data, and any other evidence, that demonstrates need relevant to the target area and your proposed activities. Applicants that fail to identify objective data will receive no points for this factor. Responses to this factor must reference data sources that demonstrate the level of need for your proposed program of activities. To the extent that the community you serve has documented need in its Consolidated Plan, Analysis of Impediments to Fair Housing Choice (AI), or other planning documents, reference these in your response. Economic and demographic data must include persons with disabilities 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 address: <http://www.census.gov/hhes/www/disability.html>

(2) (5 points) Listed below are 6 FHA priorities that complement the Departmental priorities listed in Section VI of the General Section of the

SuperNOFA. Please indicate which, if any, of the FHA or Departmental priorities your counseling activities will address and provide the data, and source of data, that supports the need in your target community for addressing this priority. You will receive one point for each FHA or Departmental priority you adequately address in your application, up to a total of 5 points.

- Retaining homeownership.
- Serving areas with concentrations of high default and foreclosure rates.
- Predatory lending.
- HECM.
- Fair housing.
- Serving areas underserved by financial institutions.

Rating Factor 3: Scope of Housing Counseling Services/Soundness of Approach (40 Points)

This factor addresses the quality and effectiveness of your proposed housing counseling work plan, which describes all housing counseling activities to be performed. Work plans should include:

- (1) (10 points) Your goals and objectives, geographic coverage / target areas, and the proposed housing counseling services and / or intermediary activities you propose to undertake. There must be a clear relationship between the proposed activities, community needs as outlined in Rating Factor 2, and the purposes of the proposed program for an applicant to receive points for this factor.
- (2) (15 points) Benefits to be achieved, and indicators by which to measure performance, including the number of clients who will be served. If the number of clients you propose to serve exceeds by 25% or more the number of clients you served in your last reporting year (October 1, 2000 through September 30, 2001), you must demonstrate that you have the financial and human resources to adequately serve the additional clients.
- (3) (15 points) Costs, time and resources associated with providing the proposed activities. Describe the level of effort you anticipate is required to meet the needs of your clients. Applicants should carefully document the variety and complexity of the services to be provided. Provide the hourly-labor rate and counseling time per client for proposed tasks to demonstrate the cost-effectiveness of the specific services provided.

Rating Factor 4: Leveraging Resources (10 Points)

HUD housing counseling funding is not intended to fully fund either an organization’s housing counseling program, or that of its local affiliates. All

organizations that use housing counseling grant funds and their local affiliates 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 provide evidence that they have obtained additional resources for their housing counseling activities, including: direct financial assistance; 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 you assistance.

In order to obtain points under this factor, the applicant must demonstrate leveraging by providing letters from entities and/or individuals committing resources to the project that include:

- The identity of the entity or individual committing resources to the project.
- Dollar value of the resources to be committed.
- Types of resources to be committed.
- Time period for which the resources will be provided. Commitment letter must demonstrate that funds will be available during the grant period pertaining to this NOFA, October 1, 2002 “ September 31, 2003.
- Responsibilities as they relate to your proposed program.
- The signature of an official of the entity legally able to make commitments on behalf of the entity.
- No conditions that would nullify the commitment. (It is, however, acceptable for the commitment to be conditional on HUD funding.)

Points for this factor will be awarded based on the satisfactory provision of evidence of leveraging and financial sustainability, as described above, and the ratio of requested HUD housing counseling funds to total budget, as follows:

Percentage	Points
1–10	10
11–15	9
16–20	8
21–25	7
26–30	6
31–35	5
36–40	4
41–45	3
46–50	2
51–99	1

Rating Factor 5: Coordination, Self-Sufficiency, and Sustainability (5 Points)

This factor addresses the extent to which the applicant is working towards addressing identified needs in a holistic and comprehensive manner through linkages with other organizations / activities in the community to help clients move to self-sufficiency. Sustainability refers to the potential for an applicant organization to become financially self-sustaining, and the potential of a specific project or activity to be sustained into the future absent of any HUD funding. In evaluating this factor, HUD will consider the extent to which applicants can demonstrate they have and will:

(1) Coordinate proposed activities with those of other groups or organizations, including, but not limited to, HUD funded housing counseling agencies, to coordinate the use of housing counseling and support services in your target area. Any written agreements or memoranda of understanding in place should be described and copies provided. The activities undertaken with other entities must be described in detail.

(2) Share information on solutions and outcomes with others. Any written agreements or memoranda of understanding in place should be described and copies provided.

(3) Actively participate in your community's Consolidated Planning process and the Analysis of Impediments to Fair Housing Choice (AI).

(4) Develop linkages to coordinate comprehensive solutions through meetings, information networks, planning processes or other mechanisms with other:

(a) HUD-funded projects/activities outside the scope of those covered by the target area's Consolidated Plan; and
(b) Federal, State or locally funded activities, including those proposed or on-going in the target area.

(B) *National and Regional Intermediaries and State Housing Finance Agencies* must provide the following:

(1) Identification of which affiliates will receive funding through this grant award. Applicants unable to identify which affiliates will receive sub-grants must explain why this is the case and what process will be used to select grantees. Pursuant to the applicable regulations at 24 CFR 84.82(d)(3)(iii) and 85.30(d)(4), grantees must receive HUD's written approval for sub-grants.

(2) Description of the activities of those affiliates, explicitly stating the types of services to be offered.

(3) Brief description of your relationship with your affiliates (i.e. membership organization, field or branch office, subsidiary organization, etc.).

(4) Brief description of the process that will be used to determine affiliate funding levels, distribute funds, and monitor affiliate performance, including compliance with the civil rights requirements outlined in the General Section of the SuperNOFA.

(C) *National and Regional Intermediaries* must provide a list of, and certify to, the states in which they maintain offices, including the national office and all affiliates or branch offices.

(D) *State Housing Finance Agencies* must submit evidence of their statutory authority to operate as a SHFA, and apply for, and use, any funds awarded.

VI. Application Selection Process/ Funding Policies

(A) *General*. Applications will be evaluated competitively, and ranked against all other applicants that applied in the same funding category. For Category 2, applications by national and regional intermediaries will be rated and ranked in HUD Headquarters. For Category 1, LHCAs, and Category 3, SHFAs, applications will be rated and ranked by the relevant HOC. The Santa Ana HOC will rate and rank all applications under Category 4, Colonias. The funding formula described below will be used to calculate award amounts.

(B) *Factors For Award Used to Rate and Rank Applications*. The Factors for Award, and maximum points for each factor, are outlined above in Section V (A)(5). These factors will be used to evaluate applications and the maximum number of points for each applicant is 100.

(C) *Applicant Debriefing*. Beginning not less than 30 days after the awards for assistance are announced in the **Federal Register**, and for not less than 120 days, HUD will, upon receiving written requests from the applicant, provide a debriefing to the requesting applicant. Materials provided during a briefing will be the applicant's final scores for each rating factor, final evaluator comments for each rating factor, and the final assessment indicating the basis upon which assistance was provided or denied. Applicants requesting to be debriefed must send a written request to the person listed as the *Contact for further information and technical assistance* in Section I above.

(D) *Funding Methodology*. Only applicants who receive at least 70 points out of the 100 will be considered

eligible for funding. All eligible applicants will then be funded in proportion to the score they receive.

This year's formula will work as follows for each category: every agency that receives a score of 70 points will receive a base award of \$5,000, then will receive additional funds for every point above the 70 point cutoff. The total number of agencies with scores above 70 will be multiplied by \$5,000 and that amount will be subtracted from the total available under the category, or in the cases of Categories 1 and 3, to the HOC. Then, the remaining balance will be divided by the total number of points each agency scores that are above the 70 point cutoff. The division will result in a dollar value for each point. The number of points that each agency scores above the 70 point base will be multiplied by that dollar value. The result of that multiplication will be added to the \$5,000 base for the total award amount. For example, an agency with a score of 85 would receive \$5,000 plus the dollar value for each point times 15 (15 being the number of points above the 70 point cutoff).

(E) *Grant Period*. Funds awarded shall be available for a period of twelve (12) calendar months. Applicants selected for award must receive prior HUD approval to incur costs prior to the date of the grant agreement. Grantees may incur pre-award costs ninety (90) calendar days prior to the effective date of the grant agreement. All pre-award costs are incurred at the applicant's risk and HUD has no obligation to reimburse such costs if the award is inadequate to cover such costs or the award offer is withdrawn because of the applicant's failure to satisfy the requirements of this NOFA.

(F) *Award Instrument*. HUD expects to use a grant agreement, but it reserves the right to use the award instrument it determines to be most appropriate. All Housing Counseling Program awards shall be made on a cost reimbursement basis in accordance with the requirements in OMB Circular A-87, Cost Principles for State and Local Governments and Indian Tribal Governments; or OMB Circular A-122, Cost Principles for Non-Profit Organizations, as applicable to your organization; and the administrative requirements established in OMB Circular A-102, which was implemented by 24 CFR part 85 (Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments and Indian Tribal Governments); OMB Circular A-110, which was implemented by 24 CFR part 84 (Grants and Agreements with Institutions of

Higher Education, Hospitals and Other Non-Profit Organizations); and OMB Circular A-133 which was implemented by 24 CFR parts 84 and 85. If you receive an award you are also required to ensure that any sub-recipients also comply with the above requirements. OMB circulars can be found at www.whitehouse.omb.gov.

(G) *Financial Management Systems.* Applicants selected for funding must provide documentation demonstrating that the applicant's financial management systems satisfy the requirements in the applicable regulations at 24 CFR 84.21(b) and 85.20. Consistent with the requirements of the Single Audit Act Amendments of 1996 (31 U.S.C. §§ 7501-07), when the applicant expended \$300,000 or more in Federal awards in its most recent fiscal year, such documentation must include a certification from, or most recent audit by, the applicant's Independent Public Accountant that the applicant maintains internal controls over Federal awards; complies with applicable laws, regulations, and contract or grant provisions; and prepares appropriate financial statements. The applicant will have at least thirty (30) calendar days to respond to this requirement. If an applicant does not respond within the prescribed time or responds with insufficient documentation, then HUD may determine that the applicant has not met this requirement and may withdraw the grant offer.

(H) *Indirect Cost Rate.* You must also submit documentation establishing your organization's indirect cost rate. Such documentation may consist of a certification from, most recent audit, or indirect cost rate agreement by, the cognizant Federal agency or an Independent Public Accountant. If your organization does not have an established indirect cost rate, you 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 your award. Applicants that do not have a previously established indirect cost rate with a Federal agency shall submit an initial indirect cost rate proposal immediately after the applicant is advised that it will be offered a grant and, in no event, later than three months after the effective date of the grant. OMB Circular A-122 established the requirements to determine allowable direct and indirect costs and the preparation of indirect cost proposals, and can be found at www.whitehouse.omb.gov.

VII. Corrections to Deficient Applications

The General Section of the SuperNOFA provides the procedures for corrections to deficient applications. Applications will be declared ineligible for any of the following reasons:

- If you do not meet the Civil Rights Threshold Requirements set forth in Section II(B) of the General Section of this SuperNOFA.
- If you are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions from any Federal department or agency.

VIII. Program Requirements

Agencies selected as grantees or sub-grantees must comply with the following requirements:

(A) *General Requirements.* The requirements listed in Section II of the General Section of the SuperNOFA apply to this program.

(B) *Specific Requirements.* Programmatic requirements are outlined in detail in HUD Handbook 7610.1, REV-4, CHG-1, dated October 27, 1997, which can be viewed on HUD's website at http://www.hud.gov/offices/hsg/sfh/hcc_home.cfm. Additionally, the following also apply:

(1) *List of Agencies.* Pursuant to section 106 (C)(5) 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, which interested persons can access. All grantees under Categories 1 and 4, and sub-grantees under Categories 2 and 3, will be placed on this list and must accept subsequent referrals, or when they do not provide the services sought, refer the person to another agency in the area that does provide the services.

(2) *Accessibility*—All grant recipients and sub-recipients must make counseling offices and services reasonably accessible to persons with a wide range of disabilities and help persons locate suitable housing in locations throughout the applicant's community, target area, or metropolitan area, as defined by the applicant.

(C) *Religious Discrimination.* Grant recipients and sub-recipients are prohibited from:

(1) Discriminating on behalf of or against any segment of the population in the provision of services or in outreach, including those of other religious affiliations.

(2) Requiring religious instruction or religious counseling, conducting mandatory religious services or worship, engaging in religious proselytizing, and exerting religious influence in the provision of assistance under your housing counseling program.

(D) Entities that are subject to 24 CFR parts 84 and 85 (most nonprofit organizations and State, local and tribal governments or government agencies or instrumentalities who receive Federal awards of financial assistance) are required to develop and maintain a written code of conduct (*See* Section 84.42 and 85.36(b)(3)). Consistent with regulations governing housing counseling programs, your code of conduct must prohibit real and apparent conflicts of interest that may arise among employees, officers or agents; prohibit the solicitation and acceptance of gifts or gratuities by your officers, employees and agents for their personal benefit in excess of minimal value, and outline administrative and disciplinary actions available to remedy violations of such standards. If awarded assistance under this SuperNOFA, you will be required, prior to entering into a grant agreement with HUD, to submit a copy of your code of conduct and describe the methods you will use to ensure that all officers, employees and agents of your organization are aware of your code of conduct.

(E) *Performance Measurement.* Grant recipients are required to complete and submit a form HUD-9902, Fiscal Year Activity Report (APPENDIX A). The information compiled from this report provides HUD with its primary means of measuring your program performance.

(F) *Environmental Requirements.* In accordance with 24 CFR 50.19(b)(9) and (12) 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.

IX. 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), and is generally governed by HUD Handbook 7610.1, REV-4, CHG-1, dated October 27, 1997.

Appendix A—Form HUD-9902, Fiscal Year Activity Report

Appendix B

Homeownership center	States
<i>Philadelphia Homeownership Center</i> , Mr. John Niebieszczanski Patrick V. McNamara Building SF Program Support Branch 4, 477 Michigan Ave. Rm. 1600, Detroit, MI 48226, For technical questions Contact: Robert Wright (215) 656-0527 x3406.	Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia.
<i>Atlanta Homeownership Center</i> , Ms. Gayle Knowlson, 40 Marietta Street, 8th Floor, Atlanta, GA 30303-2806, Contact: Fellece Sawyer-Coleman, (404) 331-5001, x2675.	Alabama, Puerto Rico, Florida, Georgia, Illinois, Indiana, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee
<i>Denver Homeownership Center</i> , Ms. Irma Devich, Wells Fargo Building, 633 17th Street, Denver, CO 80202-3607, Contact: Irma Devich, (303) 672-5216 x1980.	Arkansas, Colorado, Iowa, Louisiana, Minnesota, Missouri, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, Utah, Wisconsin, Wyoming
<i>Santa Ana Homeownership Center</i> , Mr. Jerrold Mayer, 1600 N. Broadway, Suite 100, Santa Ana, CA 92706-3927, Contact: Rhonda J. Rivera, Chief 1-888-827-5605, (714) 796-1200 x3210.	Alaska, Arizona, California, Hawaii, Oregon, Idaho, Nevada, Washington

BILLING CODE 4210-32-P

Public reporting burden for this collection of information is estimated to average 1.17 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

This information is collected in connection with HUD's Housing Counseling Program, and will be used by HUD to determine that the grant applicant meets the requirements of the Notice of Funding Availability (NOFA) and to assign points for awarding grant funds on a competitive and equitable basis. The information is required to obtain funding under Section 106 of the Housing and Community Development Act of 1974. The information is considered sensitive and is protected by the Privacy Act which requires the records to be maintained with appropriate administrative, technical and physical safeguards to ensure their security and confidentiality.

Instructions for Form HUD-9902, Housing Counseling Agency Fiscal Year Activity Report

This HUD Fiscal Year Activity Report enables a HUD-approved housing counseling agency to report all of its housing counseling activity for clients with housing needs and problems. Paragraph 1-7A of the HUD Housing Counseling Program Handbook 7610.1 provides the definition of "client," "housing need," and "housing problem."

1. **Counseling Agency Name & Address** - Enter the official name of your agency in the format you submitted to HUD. If the address you enter is a new address, check the box indicating this change.
2. **Enter Report HUD Fiscal Year** - This is an annual report covering the HUD Fiscal Year. Indicate the HUD Fiscal Year covered by the report. Even if your agency was approved by HUD for less than the full year report period, include clients counseling during the full report year.

General

Clients - Please remember that you report clients as defined in paragraph 1-7A of HUD's Housing Counseling Program Handbook 7610.1. You are **not** reporting the number of individual persons you counseled.

Examples:

- a. A husband and wife or a brother and sister or three friends who are mortgagors under the same note count as **one client**.
- b. Three renting families who experience the same problem with the same landlord and come to your agency together for assistance count as **one client**.

Columnar Entries - The report contains two data columns.

- a. **All Counseling Activities** - Enter data covering all housing counseling activities, including those performed under one or more HUD housing counseling grants.
 - b. **HUD Grant Activities** - Enter data covering only counseling provided under one or more HUD counseling grants during the report period. include this data in the "All Counseling Activities" column.
3. **Clients Counseled This Report Period** - Enter the number of clients to whom you provided counseling during the report period. This might include clients who entered your work load the previous report period but you carried over into and counseled during the current report period. Enter the client count in the box that best describes the status of the clients when they first entered your work load.

Disabled Person - A person reported on this line is defined in the Fair Housing Act, Sec. 802 (h) as follows:

Handicap means, with respect to a person -- (1) a physical or mental impairment which substantially limits one or more of such person's major life activities, (2) a record of having an impairment, or (3) being regarded as having such an impairment, but such term does not include current, illegal use of or addiction to a controlled substance (as defined in Section 102 of the Controlled Substance Act (21 U.S.C. 802))."

Homeless - A client reported on this line must meet the definition for "homeless" or "homeless individual" set forth in Section 103., General Definition of Homeless Individual, of the Stewart B. McKinney Homeless Assistance Act (Public Law 100-77).

Racial/Ethnic Categories - Enter number of clients to whom you provided counseling during this period.

- a. **White (Non Hispanic)** - A person having origins in any of the original peoples of Europe, North Africa, or the Middle East.
- b. **Black (Non Hispanic)** - A person having origins in any of the black racial groups of Africa.
- c. **Hispanic** - A person of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish Culture or origin, regardless of race.
- d. **American Indian or Alaskan Native** - A person having origins in any of the original peoples of North America, and who maintains, cultural identification through tribal affiliation or community recognition.
- e. **Asian or Pacific Islander** - A person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands. This area includes, for example, China, Japan, Korea, the Philippine Islands, and Samoa.

Other - Throughout the form, "other" provides a general category into which you place clients who do not fall under any specific category on the form.

4. **Results of Counseling** - You might achieve more than one result for the same client during the report year.
Example: A mortgagor in default enters into a **forbearance agreement** and later **sells the property**. Report both results on the appropriate lines.
5. **HUD Grant Activity - Summary Data** - Enter summary data from the "HUD Grant Activities" column for each grant under which you provided counseling during the report period. In the "Total" row, enter totals for the "No. of Clients" and the "Amount Invoiced" columns.
6. An authorized staff person must sign and date the report.

