

**DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT**

HOUSING COUNSELING PROGRAMS

HOUSING COUNSELING - LOCAL HOUSING
COUNSELING AGENCIES (LHCA)

HOUSING COUNSELING - NATIONAL AND
REGIONAL INTERMEDIARIES

HOUSING COUNSELING - STATE HOUSING
FINANCE AGENCIES (SHFA)

Housing Counseling Program

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-5100-N-09; OMB Approval number is: 2502-0261.

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

F. Dates: The application deadline date is May 17, 2007. Applications submitted through <http://www.grants.gov> must be received and validated by grants.gov no later than 11:59:59 p.m. eastern time on the application deadline date. See Section IV of the General Section, regarding application submission procedures and timely filing requirements.

G. Available Funds: Approximately \$41.08 million is made 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 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. Applicants funded through this program may also provide Home Equity Conversion Mortgage (HECM) 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. Grant Applicant Categories. HUD will award a single comprehensive grant

to qualified applicants through one of three categories:

(1) Local Housing Counseling Agencies (LHCAs);

(2) National and Regional Intermediaries (Intermediaries); and

(3) State Housing Finance Agencies (SHFAs).

Supplemental funding is available to qualified intermediaries for counseling and educational activities in conjunction with HUD's Home Equity Conversion Mortgage (HECM) Program.

C. 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).

The Home Equity Conversion Mortgage (HECM) Program is authorized by section 255 of the National Housing Act (12 U.S.C. 1715z-20).

D. Definitions.

1. Affiliate. An affiliate is a separately incorporated or organized housing counseling agency connected with an intermediary or SHFA for the purposes of its housing counseling program. To be eligible for a sub-grant an affiliate must be: (1) Duly organized and existing as a nonprofit, (2) in good standing under the laws of the state of its organization, and (3) authorized to do business in the states where it proposes to provide housing counseling services.

2. Applicant. "Applicant" refers to 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. "Branch" or "Branch Office" refers to an organizational and subordinate unit of an LHCA or Intermediary not separately incorporated or organized. A Branch or Branch Office must be in good standing under the laws of the state where it is authorized to do business and where it proposes to provide housing counseling services. A Branch or Branch Office cannot be an applicant, affiliate or sub-grantee.

4. Grantee. "Grantee" refers to the HUD-approved housing counseling agencies or SHFAs that receive housing counseling funds from HUD through this NOFA. The term "Grantee" includes the agency's branch or branch offices identified in its application.

5. HUD HECM Network Counselor. A "HUD HECM Network Counselor" is a housing counselor that has passed the HECM exam administered by HUD and/

or its agent, and is approved by HUD to provide HECM counseling nationally by telephone.

6. Intermediary. "Intermediary" refers to a HUD-approved national or regional organization that provides housing counseling services through its branches or affiliates.

7. Local Housing Counseling Agency (LHCA). "LHCA" refers to a HUD-approved Local Housing Counseling Agency. LHCAs must be approved by one of HUD's four HOCs. Affiliates of HUD-approved Housing Counseling intermediaries are not HUD-approved LHCAs by virtue of their affiliation with the intermediary. They are, however, eligible to individually apply for HUD approval as an LHCA.

8. State Housing Finance Agency (SHFA). For the purpose of this NOFA, a "SHFA" is the unique public body, agency, or instrumentality created by a specific act of a state legislature and empowered to finance activities designed to provide housing and related facilities and services, for example through land acquisition, construction or rehabilitation, throughout a state. 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.

9. Sub-grantee. "Sub-grantee" refers to an organization to which the grantee awards a sub-grant, and which is accountable to the grantee for the use of the funds provided. A Sub-grantee may be separately incorporated or organized, but connected with an intermediary or SHFA for purposes of this NOFA.

All Sub-grantees must be identified in the grantee's application. Under certain conditions, grantees may amend their Sub-grantee list after awards are made.

II. Award Information

A. Amount Allocated. Of the approximately \$41.5 million appropriated for housing counseling in FY2007 under the Revised Continuing Appropriations Resolution, 2007 (Pub. L. 110-5, approved February 15, 2007), approximately \$41.08 million is available for eligible applicants under this NOFA. Approximately \$38.08 million is available for comprehensive counseling. Approximately \$3.0 million is available for HECM counseling.

B. Specific Allocations. Comprehensive counseling funding is distributed over three applicant categories, as shown below.

Applicant categories	Who is eligible	Total amount available
Category 1—LHCAs	HUD-approved Local Housing Counseling Agencies	\$14,748,800
Category 2—Intermediaries	HUD-approved National and Regional Intermediaries	21,054,720
Category 3—SHFAs	State Housing Finance Agencies	2,276,480

1. Category 1—Local Housing Counseling Agencies (LHCAs). For the grant period October 1, 2007 through September 30, 2008, approximately \$14,748,800 is available from HUD to directly fund HUD-approved LHCAs. A LHCA can only request funding for its main office and branches located in the same state as the main office and/or located in one other contiguous state.

2. Category 2—Intermediaries. For the grant period October 1, 2007 through September 30, 2008, approximately \$24,054,720 is available from HUD to directly fund HUD-approved Intermediaries, including \$21,054,720 for comprehensive counseling and \$3.0 million for HECM counseling.

3. Category 3—State Housing Finance Agencies (SHFAs). For the grant period October 1, 2007 through September 30, 2008, approximately \$2,276,480 is available to fund SHFAs that provide housing counseling services directly or serve as intermediaries to Affiliates who offer housing counseling services.

C. Individual Awards

1. Category 1. No individual LHCA may be awarded more than \$150,000. HUD anticipates that the average total award for LHCAs will be approximately \$36,000.

2. Category 2. Awards for individual HUD-approved intermediaries may not exceed \$5.5 million, which includes any HECM supplemental funding. The limit for Comprehensive Counseling is \$2.5 million and the limit for HECM counseling is \$3.0 million. HUD anticipates that the average total award for Intermediaries will be \$1.2 million.

3. Category 3. No individual SHFA may be awarded more than \$450,000. HUD anticipates that the average total award for SHFAs will be approximately \$135,000.

D. Grant Period. Funds awarded shall be available for a period of 12 calendar months.

E. 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 include: HUD-approved Local Housing Counseling Agencies (LHCAs); HUD-approved national and regional intermediaries (Intermediaries);

and State Housing Finance Agencies (SHFAs).

B. Cost Sharing or Matching. No specific ratio is 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.

C. Other. 1. Eligible Activities for 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/Homebuying*. This includes: evaluating mortgagor readiness; search assistance/mobility; fair housing, 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; and home inspection. This also may include guidance on: alternative sources of mortgage credit; how to apply for special programs available to potential homebuyers; how to identify and avoid predatory lending practices; locating housing that provides universal design and visitability; locating sources and methods to help pay for accessibility modifications; how to purchase a home using the Section 8 Homeownership Voucher Program; 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, obtaining re-certification for mortgage subsidy, establishing reinstatement plans, seeking loan forbearance, and managing household finances. This can also include helping clients affected by predatory lending, homeownership preservation and foreclosure prevention strategies, explaining the foreclosure

process, providing referrals to other sources, and assisting clients with locating alternative housing, or pursuing loss mitigation strategies.

(3) *Non-Delinquency Post-Purchase, Including Improving Mortgage Terms and Home Improvement*. This includes information and advice on finding favorable mortgage loan terms, personal money management, and relations with lenders. It also includes: 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; visitability and universal design; 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. 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; budgeting for rent payments; educating clients on landlords' and renters' rights; 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 referrals to social, community, and homeless services such as emergency shelter or transitional housing.

b. HECM Counseling. This includes providing the statutorily-required counseling to individuals/families that may be eligible for, or are interested in obtaining, an FHA-insured Home Equity Conversion Mortgage (HECM). This counseling 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.

c. **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 predatory lending or fair housing issues. (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).

d. **Training.** Training to increase the capacity of housing counselors and program managers.

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

f. **Administrative Costs.** For intermediaries and SHFAs, administrative costs associated with managing a network of housing counseling agencies and providing technical assistance.

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.** Applications must contain a request for *comprehensive* funds of not less than \$20,000 from LHCA's, not less than \$50,000 from SHFAs and not less than \$200,000 from Intermediaries. Applications for lesser amounts will not be considered. Intermediaries must request a minimum of \$500,000 for HECM supplemental funding. HUD will consider the amount of the comprehensive counseling grant being requested to be the value entered into box 18a on form SF-424. For intermediaries also requesting HECM supplemental funding, box 18a of form SF-424 should reflect the total of the comprehensive request and the HECM supplemental request. For these

intermediaries requesting both, the narrative response to Factor 3 must make clear the exact comprehensive and supplemental amounts being requested.

c. Only HUD-approved Housing Counseling Agencies and SHFAs may apply. Applicants must be currently approved by HUD as an LHCA or as a housing counseling intermediary, 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.

d. **Applicants Requesting Supplemental HECM Funding.** No separate application is needed to apply for supplemental funding. However, applicants requesting supplemental HECM funding must meet the following requirements:

(1) Request the supplemental funding by identifying in box 18a of form SF-424 the total of the comprehensive request and the HECM supplemental request, and making clear in the narrative response to Factor 3 the exact comprehensive and supplemental amounts being requested;

(2) Identify HECM-related needs in the target community in its response to Rating Factor 2;

(3) Respond to all HECM-related requests for information throughout the NOFA;

(4) Include counseling and other related activities targeted at HECM clients over and above the proposed comprehensive counseling activities listed in response to the Rating Factors; and

(5) Indicate in the Rating Factors how many individuals will be served specifically with the requested supplemental funding for HECM counseling in addition to those served under the comprehensive counseling award. 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.

3. Other Program Requirements

a. To receive a grant or subgrant under this Housing Counseling NOFA, all applicants and subgrantees (except SHFAs) must be:

(1) In good standing under the laws 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 make counseling offices and services 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.

b. Limits on Applications

1. **HUD-approved LHCA's.** HUD-approved LHCA's may apply for and receive: one grant under Applicant Category 1; or one sub-grant from an intermediary or SHFA under Applicant Category 2 or 3, but not both. The only exceptions to this rule are: (a) HUD-approved LHCA's with one or more HUD HECM Network Counselors may receive a sub-grant or be reimbursed exclusively for HECM counseling activities from a HUD-approved intermediary administering the HECM supplemental funds made available through this NOFA or by another entity designated by HUD; and/or (b) HUD-approved LHCA's may also receive a sub-grant or be reimbursed for default counseling activities by a HUD-approved intermediary that is dedicated to foreclosure prevention exclusively.

Funded LHCA's may not make sub-grants to other HUD-approved LHCA's or non-HUD-approved entities.

2. **HUD-approved Intermediaries.** HUD approved intermediaries may only apply for a grant under Applicant Category 2. HUD-approved intermediaries are also eligible for supplemental funding for HECM counseling.

3. **SHFAs.** SHFAs may only apply for grants under Applicant Category 3 for comprehensive counseling funds.

c. Sub-Grantees of Intermediaries and SHFAs

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

(2) Intermediaries 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.

(3) Sub-grantees must also be in compliance with all civil rights threshold requirements. 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.

(4) To be eligible for funding under Categories 2 or 3, proposed sub-grantees or 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 or SHFA under Category 2 or 3 of this NOFA. Sub-

grantees or branches may apply for and receive funding from only one intermediary or SHFA under Category 2 or 3, but not both. The only exceptions to this rule are: (a) Sub-grantees or branches that have one or more HUD HECM Network Counselors that receive a sub-grant or funding from an intermediary or SHFA under Category 2 or 3 may also receive a sub-grant or funding or be reimbursed exclusively for HECM counseling activities, from a HUD-approved intermediary administering the HECM supplemental funds made available through this NOFA or by another entity designated by HUD; and/or (b) sub-grantees or branches may also receive a sub-grant or be reimbursed for default counseling activities by an intermediary that is dedicated to foreclosure prevention.

(5) 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 and SHFAs have wide discretion to decide how to allocate their HUD Housing Counseling funding among sub-grantees, with the understanding that a written record must be kept documenting and justifying funding decisions. This record must be made available to sub-grantees and to HUD.

d. List of HUD-approved 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 and their branches, and all sub-grantees and branches that receive funding under Applicant Categories 2 and 3 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.

e. Non-Discrimination Requirement

(1) Grant recipients and sub-grantees are prohibited from discriminating on behalf of or against any segment of the population 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-funded programs or services.

f. 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 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 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.gov/omb. Applicants can review Indirect Cost Training on www.hud.gov at: <http://www.hud.gov/offices/adm/grants/training/training.cfm>.

g. Economic Opportunities for Low- and Very Low-Income Persons (Section 3). Section 3 does not apply to Housing Counseling Grants.

h. Ensuring the Participation of Small Businesses, Small Disadvantaged Businesses, and Woman-Owned Businesses. See the General Section for information on this topic.

i. Subcontracting. Grantees and sub-grantees must deliver all of the counseling activities set forth in the applicant's work plan provided in Factor 3 of this NOFA. Subcontracting with other entities is permitted only in geographical areas where no HUD-approved housing counseling agency exists; however, the subcontractor must meet or exceed the standards for a HUD approved agency.

j. Conflicts of Interest. See the General Section. In addition, a grantee or sub-grantee that is using grant funds to pay a subcontractor for housing counseling services pursuant to a housing counseling sub-agreement is prohibited from having a controlling interest in that subcontractor or vice versa. In other words, a grantee or sub-grantee cannot use grant funds to pay for housing counseling services by a subcontractor,

if the subcontractor is partially or fully-controlled by the grantee or sub-grantee, or affiliate or vice versa.

k. Accessible Technology. See the General Section.

l. Participation in HUD Sponsored Program Evaluation. See the General Section.

IV. Application and Submission Information

A. Receiving an Application Package. Applicants may download the instructions to the application found on the Grants.gov Web site at www.Grants.gov. The instructions contain the General Section and Program Section of the published NOFA as well as forms that you must complete and attach as a zip file to your application submission. If you have difficulty accessing the information you may call the Grants.gov Support desk toll free 800-518-GRANTS or e-mail your questions to Support@Grants.gov.

B. Content and Form of Application Submission. Please be sure to read the General Section for application deadline and timely receipt requirements as HUD is using electronic application submission via www.Grants.gov. In addition to the instructions in the General Section follow the instructions below:

1. Size Limitations and Format for Narrative Statements. Applicants must be as specific and direct as possible. For LHCA, the narrative portion (responses to all factors) must be limited to 50 double-spaced, 12-point font, single-sided pages. Intermediaries and SHFAs 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.

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

Housing Counseling NOFA Application Checklist

a. SF-424, Application for Federal Assistance

b. SF-424 Supplement—Survey on Ensuring Equal Opportunity for Applicants (“Faith Based EEO Survey (SF-424 SUPP)” on Grants.gov) (optional)

c. HUD 424 CB, Grant Application Detailed Budget (“HUD Detailed Budget Form” on Grants.gov);

d. SF-LLL, Disclosure of Lobbying Activities (if applicable)

e. HUD-27300, Questionnaire for HUD's Initiative on Removal of Regulatory Barriers ("HUD Communities Initiative" on Grants.gov) (optional regarding eligibility, but mandatory to receive credit in Factor 2 for the Regulatory Barriers policy priority)

f. HUD-2880, Applicant/Recipient Disclosure/Update Report ("HUD Applicant Recipient Disclosure Report" on Grants.gov)

g. HUD-2990, Certification of Consistency with the RC/EZ/EC-II Strategic Plan (LHCAs only, if applicable)

h. HUD-2991, Certification of Consistency with the Consolidated Plan (optional)

i. HUD-2994, You Are Our Client Grant Applicant Survey (optional)

j. HUD-96010, Program Outcome Logic Model

k. HUD-96011 Third Party Documentation Facsimile Transmittal ("Facsimile Transmittal Form" on Grants.gov) (to be used to transmit third party documents as part of your electronic application)

l. HUD-9902, Housing Counseling Agency Fiscal Year Activity Report For the Period October 1, 2005 through September 30, 2006 (only required for Applicants who did not electronically submit to HUD a form HUD-9902 for the period October 1, 2005 through September 30, 2006, for example, applicants that received approval as a HUD housing counseling agency after September 30, 2006.) HUD will utilize the 9902 data in HUD's Housing Counseling System. However, HUD will consider a revised 9902 submitted with this application if it is accompanied by an acceptable explanation regarding why the data was revised.

m. 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.

n. Organization Description. Applicants must provide a brief description, no more than 225 words, of their organizational history and proposed grant activities, as they would like them to appear in the press release issued by HUD in the event that the applicant is funded through this NOFA.

o. Narrative statements as required in this NOFA.

C. Submission Dates and Times. 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 to 72 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. Please note that validation may take up to 72 hours. Please be sure to read the General Section for timely submission and receipt. 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. 1. Funding is limited to the eligible activities described in Section III.C.1 of this NOFA.

2. Pre-award Costs. Grantees may incur pre-award costs not more than 90 calendar days prior to the effective date of the grant agreement and only with prior approval from HUD. 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, the grant agreement or program requirements.

F. Other Submission Requirements. Applications must be submitted via the Grants.gov Web site at 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 e-mail. Waiver requests must be submitted no later than 15 days prior to the application deadline date and should be submitted to Miriam_Torres@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.

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 LHCAs and 100 for all other applicants.

1. Bonus Points—"RC/EZ/EC-II." ONLY LHCAs are eligible for 2 bonus points. See the General Section for information regarding "RC/EZ/EC-II" bonus points. Form HUD-2990 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 HECM funding.

In responses to the various factors and sub-factors, intermediaries 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.

(1) Applicants must provide the following information to support evaluation of this Rating Factor. Information must be provided in a chart or table.

(a) Number of full-time (35 hours + per week) housing counselors working for the applicant and, if applicable, proposed sub-grantees or branches;

(b) Number of part-time housing counselors working for the applicant and, if applicable, proposed sub-grantees or branches;

(c) Number of bilingual housing counselors working for the applicant and, if applicable, proposed sub-grantees or branches;

(d) Average years of housing counseling experience for housing counselors working for the applicant and, if applicable, proposed sub-grantees or branches;

(e) Average years of housing counseling program management experience for the project director(s) for the applicant and, if applicable, proposed sub-grantees or branches;

(f) Average years of related experience, such as experience in mortgage lending, for counselors and project managers;

(g) Proposed average hourly labor-rate for housing counselors and project managers, including benefits.

(2) *Knowledge and Experience* (11 points). Using the information provided above, demonstrate that 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.

Specifically, for LHCA's, scoring will be based on the number of years of recent and relevant experience of Housing Counseling Program project directors and recent housing counseling and relevant experience of housing counselors.

For intermediaries and SHFAs, scoring will be based on:

- The number of years of recent and relevant experience of project directors of proposed sub-grantees and branches;
- The number of years of recent housing counseling and relevant experience of counselors in proposed sub-grantees and branches;

- The number of years, for key intermediary or SHFA personnel, of recent 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;
- 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;

- HUD will also factor in other information that demonstrates the capacity of the applicant, such as relevant staff trainings and certifications.

In scoring this section, HUD will evaluate whether the applicant has experience providing the proposed

services. HUD will award higher scores to applicants with staff and management that have the greatest combination of experience, training and demonstrated competency.

(a) LHCA's may provide individual descriptions of staff limited to one page. These descriptions do not count toward narrative page limitations.

Intermediaries and SHFAs acting as intermediaries should summarize in a single chart, for each applicable employee, subcontractor, and consultant of proposed sub-grantees or branches, the number of years of direct counseling or counseling program management experience, and the number of years of relevant experience. Total each column. Do not submit individual resumes for sub-grantee staff. HUD staff will verify experience information submitted during monitoring reviews. The following must be included in each person's description:

- 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;
- Experience in providing one-on-one and group counseling (describe each separately);

- Relevant professional background and experience, and;

- Bilingual language skills, if applicable.

- Experience is relevant if it corresponds directly to projects of a similar scale and purpose. Provide the number of years of experience for each position listed 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.

Applicants for HECM supplemental funding must specify the HECM experience of project directors, HUD HECM Network Counselors and the organization. They must also indicate the number of HUD HECM Network Counselors that are in the applicant's network at the time of application, and that the applicant proposes to fund with the requested award;

(b) Also indicate in the chart for all housing counselors and project directors the specialized trainings received within the last two years relevant to the proposed activities, including specific trainings regarding FHA programs.

Include when the training was received and who provided it. Do not include on-the-job training. Applicants that seek

supplemental funds for HECM counseling must indicate what relevant training counselors received to prepare them as HECM counselors.

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

(d) Identify the Client Management System utilized by the applicant, affiliates, and branches, if applicable, during the grant period October 1, 2005, to September 30, 2006. Applicants that used a system during this period that interfaces or will interface with HUD's database will be awarded more points than applicants that did not utilize a web-based system.

If the applicant does not currently use an on-line or web-based system but plans to in the coming grant period, October 1, 2007 through September 30, 2008, indicate which system will be used, and how its use will be implemented in terms of training employees to use it and its ability to improve client services and generate reports.

(3) *Grant and Program Requirement Compliance* (14 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, 2005, to September 30, 2006, and its ability to spend all grant funds allotted.

If the applicant did not receive an FY2005 HUD grant, 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*. 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, grant reporting requirements including quarterly (if applicable), mid-term and final reports.

(b) *Form HUD-9902*. HUD will deduct points if the applicant was required to submit a form HUD-9902 for the period October 1, 2005 through September 30,

2006, but failed to do so in a timely manner.

(c) *Expending Grant Funds.* If grant awards were not fully expended during the grant period October 1, 2005, to September 30, 2006, 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.* 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.

(e) *Housing Counseling System (HCS).* HUD will evaluate applicant's timeliness and effectiveness in validating and updating agency information in HCS. Intermediaries 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.

(4) *Management—Goals and Results* (5 points). In scoring this section, HUD will compare applicant output and outcome goals and actual results for the period October 1, 2005 through September 30, 2006, and evaluate subsequent changes in approach resulting from any differences, if applicable. HUD's primary concern is how the applicant managed change, when needed, within the organization as well as a clear and reasonable explanation as to why goals were not met, or why they were exceeded, and what steps were taken organizationally to accommodate either scenario.

For applicants that received a FY2005 housing counseling grant covering the period October 1, 2005 to September 30, 2006, HUD will compare the projections made in the Program Outcome and Output Logic Model, Form HUD-96010 submitted with the FY2005 Housing Counseling NOFA, including any adjustments based on actual award amounts, to the corresponding actual results for that period reported by the applicant on the Form HUD-9902 submitted to HUD.

Applicants who did not receive a FY2005 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, 2005 through September 30, 2006, and are now applying for funding under the LHCA category must indicate the detailed, quantifiable goals

the organization set for itself for the period covering October 1, 2005 to September 30, 2006, or for the 12 month period ending December 31, 2006 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. The Logic Model Instructions, which is tab 1 of Form HUD-96010, provides information regarding measurement reporting tools and the evaluation process. If describing goals corresponding to other grant programs or sources of funding, 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.

b. Rating Factor 2: Need/Extent of the Problem (12 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* (6 points). Provide current or recent economic and demographic data, and any other evidence that demonstrates housing counseling need relevant to the target area. 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 tables.

To the extent that the community the applicant serves has documented need in its Consolidated Plan, Analysis of Impediments to Fair Housing Choice (AI), or other planning documents, provide these in the 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 Web site: <http://www.census.gov/hhes/www/disability/disability.html>. 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.

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 will not receive full points for this factor.

(2) *Departmental Policy Priorities* (6 points). The Departmental policy priorities are described in detail in the General Section. Of those listed, the following five apply to the Housing Counseling Program for the purpose of this NOFA. Indicate if and describe how the applicant's work plan substantively addresses each of these departmental policy priorities. Applicants are advised to review the policy priorities in the General Section, to assure they fully understand the meaning of each, prior to responding to this sub-factor.

In scoring this section, the applicant will receive one point for each of the departmental policy priorities (a)—(d) that the projected work plan in Factor 3 substantively addresses. Up to 2 points are available for priority (e). The General Section and HUD's Notices identify how policy priority points will be awarded. Copies of HUD's notices published on this issue, can be found on HUD's Web site at <http://www.hud.gov/grants/index.cfm>.

(a) Providing Increased Homeownership and Rental Opportunities for Low- and Moderate-Income Persons, Persons with Disabilities, the Elderly, Minorities, and Families with Limited English Proficiency.

(b) Providing Full and Equal Access to Grassroots, Faith-Based and Other Community-Based Organizations in HUD Program Implementation.

(c) Participation of Minority-Serving Institutions in HUD Programs. Identify partnerships with minority-serving institutions of higher learning such as colleges and trade schools.

(d) *Participation in Energy Star.* Applicants must provide information on how they promote or plan to promote Energy Star materials and practices and buildings constructed to Energy Star standards to homebuyers, renters and other applicable counseling clients. Describe any outreach activities previously conducted and/or planned to promote Energy Star products.

(e) *Removal of Regulatory Barriers to Affordable Housing.* Under this policy priority, higher rating points are available to (1) governmental applicants that are able to demonstrate successful efforts in removing regulatory barriers to affordable housing and (2) nongovernmental applicants that are associated with jurisdictions that have undertaken successful efforts in removing barriers. To obtain the policy

priority points for efforts to successfully remove regulatory barriers, applicants must complete form HUD-27300, "Questionnaire for HUD's Initiative on Removal of Regulatory Barriers." A limited number of questions on form HUD-27300 expressly request the applicant to provide brief documentation with its response. Other questions require that, for each affirmative statement made, the applicant supply a reference, URL or brief statement indicating where the back-up information may be found, and a point of contact, including a telephone number or e-mail address. Applicants that do not provide the required URL references, points of contact (POC) or other back-up documentation will not be eligible for the points associated with this policy priority. When addressing this policy priority, Intermediaries and SHFAs should complete a HUD-27300 that identifies the jurisdiction in which the preponderance of services will be performed if an award is made.

c. Rating Factor 3: Soundness of Approach/Scope of Housing Counseling Services (35 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 (8 Points).

In scoring this section, HUD will evaluate the quality of, the variety of, and the level of effort and time associated with all the housing counseling services provided by the applicant from all funding sources during the period October 1, 2005 through September 30, 2006. Responses should contain "Historical Performance" as part of the heading for the response. Applicants must provide the following information:

(a) Average hours of housing counseling per client, for the period October 1, 2005, through September 30, 2006, for each of the following service types, including follow-up, the applicant organization provides. Do not provide a range of hours.

- (i) Pre-purchase Counseling
- (ii) Homebuyer Education
- (iii) Delinquency/Default Counseling
- (iv) Non-Delinquency Post-Purchase Counseling
- (v) Home Equity Conversion Mortgage (HECM) Counseling
- (vi) Post-Purchase Education
- (vii) Rental Counseling
- (viii) Homeless/Displacement Counseling
- (ix) Predatory Lending Counseling
- (x) Homeownership Voucher Counseling and Education
- (xi) Fair Housing Issues.
- (xii) Other (describe)

Describe the level of effort and time required to provide the housing counseling services described and to meet the needs of clients. Explain the average counseling time per client figures above. 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) *Types of Counseling and Services Offered*: HUD will retrieve this information from the HUD-9902, "All Counseling Activities" column, through the Housing Counseling System (HCS). Verify that the information from this source is accurate. Scoring of the variety of housing counseling services offered is weighted to provide the most points for HECM and Post Purchase Default/Loss Mitigation counseling.

(c) *Group Education and One-On-One Counseling*. For the period October 1, 2005, through September 30, 2006, HUD will retrieve from Section 6a-b of form HUD-9902, "All Counseling Activities" column, the number of clients that participated in Homebuyer Education Workshops or other types of classes offered as group sessions and will retrieve from Section 7a-e, the number of clients that participated in one-on-one counseling. Applicants should explain the figures provided in Form HUD-9902, "All Counseling Activities" column, regarding group session participation and one-on-one counseling. 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 provision. Estimate the percentage of clients participating in both group education sessions and one-on-one counseling. Scorers will evaluate the extent to which an agency encouraged and provided one-on-one counseling, which HUD considers the most effective form of housing counseling, instead of over-relying on homebuyer education workshops and other forms of group sessions.

(d) For intermediaries and SHFAs, HUD will evaluate the number and location of sub-grantees and branches that received funding from the applicant through a FY2005 HUD housing counseling grant(s), if applicable, covering the period October 1, 2005-September 30, 2006.

(2) *Historical Performance—Impact/Outcomes* (9 points). To score this Section, HUD will evaluate the applicant's performance for the period October 1, 2005, to September 30, 2006 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. Clients served numbers will also be analyzed in the context of the applicant's total housing counseling budget for the same period, FY2005. HUD will also consider the degree to which the services provided were time and resource intensive. Additionally, for intermediaries and SHFAs, HUD will evaluate the geographic coverage and scope of the applicant's activities for the period October 1, 2005, through September 30, 2006, including the number of states served by affiliates or branches, if applicable, and the overall size of the housing counseling network during that period.

(a) *Cost per client*. Clients served figures will be obtained from the Form HUD-9902, "All Counseling Activities" column, for the period October 1, 2005 through September 30, 2006, submitted to HUD by the applicant, which reflects activities funded both with HUD housing counseling grant funds, if applicable, and with other leveraged resources. Applicants that were not required to submit Form HUD-9902 for the period October 1, 2005 through September 30, 2006 must complete one as part of this application. In addition, the applicant must provide the following information.

(i) Total housing counseling budget for the period October 1, 2005-September 30, 2006, including HUD housing counseling grant(s) or sub-grants, if applicable, as well as other resources leveraged specifically for housing counseling. Do not include funds for down payment or closing cost assistance, Individual Development Accounts, emergency services, or other resources not used for the direct provision of housing counseling.

(ii) If projections for outputs and/or outcomes were not met, indicate how location, type of counseling, client type, and expenses may have affected client volume. Justify expenses and explain why they were reasonable, strategic, and appropriate.

(b) Percentage of Grant Funding Passed Through: Intermediaries and SHFAs that received one or more FY2005 HUD housing counseling grant, for the grant period October 1, 2005, to September 30, 2006, must also indicate what percentage of their grant(s) was passed through directly to sub-grantees or branches, and explain how funds not passed through were spent.

LHCAs applying under Applicant Category 1 that received one or more FY2005 HUD housing counseling grants for the grant period October 1, 2005, to September 30, 2006, must indicate what percentage of their grant(s) was spent on

the salaries and benefits of housing counselors and project directors. Explain how other funds were spent.

All Applicants must indicate the sources and amounts spent on formal staff training during the grant period October 1, 2005, to September 30, 2006. Do not include on-the-job training.

Applicants that did not receive a FY2005 HUD housing counseling grant must characterize their performance through other housing counseling funding sources, for example other federal, state or local government grants, providing as much detail, similar to that requested above, as possible.

(c) **Geographic Coverage:**

Intermediaries and SHFAs must identify the sub-grantees, affiliates and branches, and corresponding states, to which the applicant provided housing counseling funding, for the period October 1, 2005, through September 30, 2006, through:

(i) FY2005 HUD housing counseling grant funds, if applicable.

(ii) All housing counseling resources.

(3) *Projected Performance/Work Plan—Quality and Complexity of Services* (9 points). This section involves information on the housing counseling services and other activities to be conducted during the period October 1, 2007, through September 30, 2008. 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.

HUD will also evaluate the quality of the applicant's proposed housing counseling services, and level of effort and time associated with providing the proposed counseling services to the number of clients it estimates it will serve. Scoring will be based on the degree to which the applicant demonstrates, as compared to other applicants, that for each type of counseling service delivered, average, greater than average or less than average time and resources will be devoted to ensure that clients receive quality counseling.

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 must 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) Describe the various types of housing counseling and education services, and if applicable intermediary activities, the applicant proposes to undertake, and identify the geographic

area the services will cover. Also, describe planned follow-up 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 one-on-one counseling regarding HECM and Post Purchase Default/Loss Mitigation. To be eligible for the full points available for these service types, applicants proposing to provide HECM and/or Default/Loss Mitigation counseling must have prior HUD approval to provide these services.

Intermediaries and SHFAs acting as intermediaries should describe in detail their plans to train proposed sub-grantees and branches, provide technical assistance, and evaluate compliance with program requirements, for example through site visits.

(b) Average hours of housing counseling time the applicant estimates per client, for each of the activities listed in part (a), including follow-up. Do not provide a range of hours. If the projected average times are the same as those listed for the period covering October 1, 2005–September 30, 2006, the applicant may simply state so in lieu of listing them again here.

(c) Indicate the names and titles of employees, including subcontractors and consultants, 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 Rating Factor 1 will be involved and any new staff, subcontractors or consultants that will be hired for the October 1, 2007–September 30, 2008 grant period.

(d) Indicate proposed amount to be spent on formal staff training during the grant period October 1, 2007, to September 30, 2008 from all sources. Do not include on-the-job training.

(e) Describe plans to effectively serve and/or communicate with persons with limited English proficiency (LEP) and persons with disabilities who require alternative formats, for example materials that are available in languages other than English.

(f) Intermediaries and SHFAs must also:

(i) 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.

(ii) Describe the applicant's legal relationship with sub-grantees (i.e.

membership organization, field, or branch office, subsidiary organization, etc.)

(iii) Explain the process that will be used to determine sub-grantee funding levels and distribute funds. If applicable, indicate how sub-grantee funding levels are adjusted on an ongoing basis based on performance.

(4) *Projected Performance/Work Plan—Coordination* (5 points). HUD will consider the extent to which, as compared to similar applicants, the applicant can demonstrate it will coordinate proposed activities with other organizations, and 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 product they choose and the house that they purchase.

(a) Identify and describe partnerships and efforts to coordinate proposed activities with other organizations, including, but not limited to, 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. For example, describe agreements with lenders regarding non-traditional lending standards or participation in the Consolidated Planning process or the Analysis of Impediments. Any written agreements or memoranda of understanding in place should be described. These agreements and memoranda of understanding will be reviewed by HUD staff as a part of the biennial reviews and on-site monitoring visits.

Applicants should also highlight 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 HECM supplemental funding should highlight the partnerships or internal products that are relevant to HECM activities.

(b) 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. To receive full credit in this Section, the applicant must submit the disclosure forms and materials used by the applicant 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.

(5) *Projected Performance/Work Plan—Coverage/Efficient Use of Resources* (4 points). In scoring this Section, HUD will evaluate the geographic coverage of the applicant's proposed activities, and spending decisions.

(a) *Percentage of Grant Funding To Be Passed Through*: Intermediaries and SHFAs must indicate what percentage of their proposed award will be passed through directly to sub-grantees and branches, and explain how funds not passed through will be spent. LHCA's 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.

(b) *Geographic Coverage*: Intermediaries and SHFAs must identify the sub-grantees and branches, and corresponding states, the applicant proposes will receive funding through this grant award. Indicate which, if any proposed sub-grantees and branches, serve Colonias. In the event that an intermediary is also applying for HECM supplemental funding, indicate the agencies and corresponding states in which the HUD HECM Network counselors you propose to fund are located. 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. Pursuant to the applicable regulations at 24 CFR 84.82(d)(3)(iii) and 85.30(d)(4), grantees must receive HUD's prior written approval for sub-grants.

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, 2007—September 30, 2008, 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 assistance. Grantees will be required to maintain evidence that leveraged funds were actually provided to the agency. These 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 being claimed. Include the amount and the source, and total it. 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 424CBW.

(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, 2007—September 30, 2008.

(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.)

(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 such as down payment and closing cost assistance, IDA programs, and emergency services.

(4) Intermediaries and SHFAs should include information on leveraged resources for only anticipated sub-grantees and branches that will be funded through this application.

(5) Points for this factor will be awarded based on the amount of leveraging that meets the criteria 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 used 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 \$150,000 with leveraged funds equaling that grant will only receive 7 points. If that same LHCA requests only \$100,000 with the same leveraged funds of \$150,000, the score will be 9. Depending on organization type, the following scales will be used to determine scores for this factor:

LHCAs 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

1–15%	—10 points
16–20%	—9 points
21–26%	—8 points
27–32%	—7 points
33–41%	—6 points
42–47%	—5 points
48–53%	—4 points
54–59%	—3 points
60–65%	—2 points
66–99%	—1 point

e. *Rating Factor 5: Achieving Results and Program Evaluation* (13 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 workplan 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. Additionally, scorers will evaluate the extent to which an applicant's proposal includes one-on-one counseling or encourages affiliates to undertake one-on-one counseling. HUD considers one-on-one counseling the most effective form of housing counseling, as compared to homebuyer education workshops and other forms of group sessions.

(1) *Program Outcome Logic Model* (2 points). Applicants must select appropriate outputs and outcomes from a series of "pick lists" for the Housing Counseling Program. The pick list can be found in the form HUD-96010 in the Grants.gov Housing Counseling Program Instructions Download. Using the pick list, for each column of the logic model, applicants can select and insert their outputs and outcomes in the appropriate columns of the Logic Model.

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 prorate their response to reflect a figure representing services provided with only funding from the proposed grant.

Applicants should use the same methodology to complete the logic model as they do for form HUD-9902. 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-hour 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 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 the major element of your program. HUD will provide training on the Logic Model through webcasts and detailed step-by-step instructions for using the new form and format. The schedule for the webcasts and instructions can be found at <http://www.hud.gov/offices/adm/grants/fundsavail>. For FY2007, HUD is considering a new concept for the Logic Model. The new concept is a Return on Investment (ROI) statement. HUD will be publishing a separate notice on the ROI concept.

Applicants must complete and submit Form HUD-96010 reflecting projected outputs and outcomes under the proposed HUD Housing Counseling grant. The Form HUD-96010 must identify:

(a) *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 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 HECM supplemental funding.

(b) *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 HUD-9902.

The proposed outcomes the applicant provides will be compared to actual results in the measurement of grant performance and future grant application evaluations.

(2) *Projected Performance/Work Plan—Impact* (6 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, 2007, to September 30, 2008. Scoring will be based on the cost per client, compared to historical averages for 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.

(a) 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, and whether the impact will be short-term or long-term. Justify proposed expenses and explain why they are reasonable, strategic, and appropriate for the counseling activities identified above.

(3) *Projected Performance—Group Education and One-On-One Counseling*. (3 points). HUD will utilize logic model output projections to evaluate what percentage of total clients the applicant estimates will participate in group education, what percentage will participate in one-on-one counseling, and what percentage will participate in both group sessions and one-on-one counseling. Applicants must complete each of these output projections. Describe how clients are selected for one or the other, the relationship between the two, and the role that each will play in the overall service

provision. Scorers will evaluate the extent to which an agency plans to encourage and provide one-on-one counseling, which HUD considers the most effective form of housing counseling, instead of over-relying on homebuyer education workshops and other forms of group sessions.

(4) *Evaluation Plan*. (2 points).

Applicants must also submit an evaluation plan for 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.

(a) *Information Collection*. Describe the applicant's procedures for measuring outputs and outcomes. Describe follow-up activities with clients to collect outcome information.

(b) *Data Analysis and Work Plan Adjustments*. Indicate how the information will be evaluated, and the steps the applicant has in place to make adjustments to the work plan if performance targets are not met within established timeframes. National and regional intermediaries and SHFAs should indicate if and how the performance of sub-grantees and branch offices affects current and future sub-grants and allocations.

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 SF-424. For intermediaries also requesting HECM supplemental funding, box 18a of Form SF-424 should reflect the total of the comprehensive request and the HECM supplemental request. For those intermediaries requesting both, the narrative response to Factor 3 must make clear the exact comprehensive and supplemental amounts being requested. The minimum award is \$20,000 for LHCA's; \$50,000 for SHFAs; and \$200,000 for intermediaries.

b. *Supplemental Funding*. The same methodology described above in section a will be used to distribute the available HECM supplemental funds. 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. Each applicant will only submit one application and receive a score based on the application for the comprehensive counseling grant. Comprehensive counseling funds will be allocated based on this score. Subsequently, for HECM 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 a 1-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 HECM supplemental funds. This method will result in scores for supplemental funding that may be equal to the comprehensive score, or up to 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. An applicant will receive a separate score for its application for comprehensive counseling, and for HECM supplemental funding. The base award for the HECM supplemental funding will be \$40,000 for intermediaries. Only applicants scoring 75 points or above are eligible for supplemental funding. HUD may award one or more HECM supplemental grants to intermediaries. HECM supplemental

grant funds are awarded based upon scores beginning with the highest until the funds are expended. Applications that receive 75 points or more will not necessarily receive supplemental funding.

6. *Reallocation of Unspent Funds*. If funds designated for a specific grant Category, HOC, or for supplemental funding remain unspent 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. Additionally, HUD may reallocate unspent funds to any HOC jurisdiction or to HUD Headquarters for awards under this NOFA. HUD may also reallocate unspent funds for housing counseling support activities. Any reallocation will be based on demand and unmet need.

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. *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)(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.

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 Web site: <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 HUD-9902, 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 HUD-96010, 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 HUD-96010, 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. For technical assistance in downloading or submitting an application package using www.Grants.gov, contact the Grants.gov support desk at 800-518-Grants or by sending an e-mail to support@grants.gov.

B. Programmatic Information. For program related information, LHCAs 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.

Homeownership center	States
Philadelphia Homeownership Center: Ms. Brenda Bellisario, Director, Program Support Division, Wannamaker Building, 100 Penn Square East, 12th Floor, Philadelphia, PA 19107-3389. For programmatic information contact: Robert Wright, Robert.Wright@hud.gov , (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.
Atlanta Homeownership Center: Ms. Gayle Knowlson, Director, Program Support Division, 40 Marietta Street, 8th Floor, Atlanta, GA 30303-2806. For programmatic information contact: E. Carolyn Hogans, E_Carolyn_Hogans@hud.gov , (404) 331-5001, x2129.	Alabama, Puerto Rico, Florida, Georgia, Illinois, Indiana, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee.
Denver Homeownership Center: Ms. Irma Devich, Director, Program Support Division, 1670 Broadway, Denver, CO 80202-4801. For programmatic information contact: Vic Karels, 303-675-1640, Victor_E_Karels@hud.gov .	Arkansas, Colorado, Iowa, Kansas, Louisiana, Minnesota, Missouri, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, Utah, Wisconsin, Wyoming.
Santa Ana Homeownership Center: Mr. Jerrold Mayer, Director, Program Support Division, Santa Ana Federal Building, 34 Civic Center Plaza, Room 7015, Santa Ana, CA 92701-4003. For programmatic information contact: Rhonda J. Rivera, rhonda_j_rivera@hud.gov , 1-888-827-5605 x3210.	Alaska, Arizona, California, Hawaii, Oregon, Idaho, Nevada, Washington.

VIII. Other Information

A. Satellite Broadcast. HUD will hold an informational broadcast via satellite for potential applicants to learn more about the program, the FY2007 Logic Model requirements, and the application. For more information about the date and time of the broadcast, consult the HUD Web site at: <http://www.hud.gov/offices/adm/grants/fundsavail.cfm>.

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.

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