

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**[Docket No. FR-5415-N-43A]**

**Announcement of Anticipated Availability of Funds for HUD's Fiscal Year 2010 Mortgage Modification and Mortgage Scams Assistance under Housing Counseling Program**

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

**ACTION:** Notice.

**SUMMARY:** This notice announces that HUD anticipates making approximately \$10 million available under its Fiscal Year (FY) 2010 Mortgage Modification and Mortgage Scams Assistance (MMMSA) under the Housing Counseling Program Notice of Funding Availability (NOFA). HUD expects to post its FY2010 MMMSA NOFA on [www.Grants.gov](http://www.Grants.gov) later this year. The MMMSA NOFA will establish the deadline for applications and all thresholds and selection factors governing the competitive distribution of this assistance. In addition to the application requirements set forth the NOFA, applicants will also be required to comply with applicable requirements established in HUD's FY2010 Notice of Funding Availability (NOFA) Policy Requirements and General Section to HUD's FY2010 NOFAs for Discretionary Programs (General Section) posted on Grants.gov on June 7, 2010.

**SUPPLEMENTARY INFORMATION**

**I. Funding Opportunity Description**

**A. Program Description.**

The MMMSA NOFA supports the delivery of counseling services to homeowners to prevent or resolve mortgage delinquency, default, and foreclosure, with the primary objective to preserve homeownership. Counselors will provide guidance and advice to assist families and

individuals meet the responsibilities of homeownership and modify or refinance their loans to avoid unreasonably high interest rates, unaffordable repayment terms, and other conditions that can result in a loss of equity, increased debt, default, and eventually foreclosure. Counselors will also assist homeowners with inquiries related to mortgage scams, and reporting instances of potential mortgage scams victimization.

**B. Mortgage Modification and Mortgage Scams Assistance Housing Counseling Grant Applicant.**

HUD expects to award grants to qualified Local Housing Counseling Agencies (LHCAs) located in the 100 Metropolitan Statistical Areas (MSA) with the highest rate of home foreclosures, so they can assist homeowners with inquiries regarding mortgage modification assistance and mortgage scams. The list of MSAs will be made available with the posted NOFA.

**C. Authority.**

HUD's MMMSA NOFA is part of the Housing Counseling Program, and authorized by section 106 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x). Housing Counseling regulations are codified at 24 CFR Part 214.

**D. Eligible Applicants.**

Eligible applicants under this NOFA will be HUD-approved Local Housing Counseling Agencies (LHCAs) or any funded branch(es), if applicable, that are currently approved to provide mortgage default/foreclosure prevention counseling and/or education, and which are located in the 100 MSAs with the highest rate of home foreclosures as identified in the attached list. Agencies that were already awarded funding under the Housing Counseling NOFA issued July 26, 2010 are eligible to apply for this NOFA provided they meet location requirement.

Applicants will be expected to be able to provide client assistance that addresses unique financial circumstances or housing issues and focuses on ways of overcoming specific obstacles to achieving a housing goal such as assisting homeowners with inquiries regarding mortgage modification assistance and mortgage scams, avoiding foreclosure, or resolving a financial crisis. To be considered housing counseling and eligible for reimbursement under the MMMSA NOFA, a housing counselor must, at a minimum, perform and perform budget/financial analysis to review the client's income, expenses, spending habits, and use of credit in order to evaluate the client's unique financial situation relative to their housing needs. Housing counselors must also establish an action plan that outlines what the housing counseling agency and the client will do in order to meet the client's housing goals and, when appropriate, addresses the client's housing problem(s), discuss alternatives with and available to the client, including FHA programs and products if applicable, relevant to the specific housing need, and conduct some follow up with the client, to assure that the client is progressing toward his or her housing goal, to modify or terminate housing counseling, and to learn and report outcomes.

## **II. Future Posting**

This notice only announces HUD's intent to post its MMMSA NOFA, it is not a request for applications for assistance. The FY2010 Notice of Funding Availability requesting applications for assistance for the MMMSA housing counseling program will be made available to the public at the federal website [www.Grants.gov](http://www.Grants.gov), with a corresponding Federal Register notice indicating where the notice can be found on Grants.gov. The posted NOFA will provide the application requirements, deadline date for applications, the Code of Federal Domestic Assistance (CFDA) number, and other information required to submit a completed application.

Applicants wishing to be notified when the full MMMSA NOFA and application is

posted to Grants.gov can sign up for the Grants.gov subscription service at

<http://www.grants.gov/search/subscribeAdvanced.do>

When signing up for the subscription services please make the following selections:

Select Category of Funding – Housing

Select Funding Instrument Type – All Funding Instrument Types

Select Eligible Applicants- All Eligibility Types

CFDA Number – 14.169

Select Agency – Department of Housing and Urban Development

You will be notified when the full funding opportunity for the MMMSA NOFA becomes available.

Date: 5/5/2011

  
Robert C. Ryan  
Acting Assistant Secretary for Housing –  
Federal Housing Commissioner

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