

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5600-N-25]

**Notice of Funding Availability (NOFA) for HUD's Fiscal Year 2012
Housing Counseling Program**

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

ACTION: Notice of Funding Availability for HUD's Fiscal Year (FY) 2012 Housing Counseling Program.

SUMMARY: Today's posting provides information and instructions for the FY 2012 Housing Counseling program. This Notice is comprised of both the Notice of HUD's Fiscal Year (FY) 2012 Notice of Funding Availability (NOFA), Policy Requirements and General Section (General Section) to HUD's FY 2012 NOFAs for Discretionary Programs, and this program section to the NOFA.

HUD's Housing Counseling Program is authorized by Section 106 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x), and the Housing Counseling program regulations at 24 CFR Part 214. In addition to the application requirements set forth in this document, applicants must also comply with the requirements established in HUD's FY2012 Notice of Funding Availability (NOFA) Policy Requirements and General Section to HUD's FY2012 NOFAs for Discretionary Programs (General Section). The authority for this NOFA is the Department of Housing and Urban Development Appropriations Act, 2012.

APPLICATION RECEIPT DEADLINE DATE: The application deadline date is **January 12, 2012**. Applications must be received 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 procedures, timely filing requirements, and grace period policy.

FOR FURTHER INFORMATION CONTACT: Questions regarding specific program requirements should be directed to the agency contact identified in this program NOFA. Questions regarding the 2012 General Section should be directed to the Office of Departmental Grants Management and Oversight at 202-708-0667 (this is not a toll-free number) or the NOFA Information Center at 800-HUD-8929 (toll-free). Persons with hearing or speech impairments may access these numbers via TTY by calling the Federal Relay Service at 800-877-8339. The NOFA Information Center is open between the hours of 10:00 a.m. and 6:30 p.m. Eastern time, Monday through Friday, except federal holidays.

OVERVIEW INFORMATION:

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

B. Funding Opportunity Title: Housing Counseling Program.

C. Announcement Type: Initial Announcement.

D. Funding Opportunity Number: FR-5600-N-25. 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 is 11:59:59 p.m. eastern time on **January 12, 2012**. Applications must be received by Grants.gov no later than 11:59:59 p.m. eastern time on the application deadline date.

G. Available Funds. Approximately \$40.05 million is available for eligible applicants under this program NOFA.

FULL TEXT OF ANNOUNCEMENT.

I. FUNDING OPPORTUNITY DESCRIPTION.

A. Program Description. This program supports the delivery of a wide variety of housing counseling services to homebuyers, homeowners, low- to moderate-income renters, and the homeless. The primary objectives of the program are to improve financial literacy, expand homeownership opportunities, improve access to affordable housing and preserve homeownership. Counselors provide guidance and advice to help families and individuals improve their housing conditions and meet the responsibilities of tenancy and homeownership. Additionally, counselors may provide counseling services to homeowners to prevent or resolve mortgage delinquency, default, and foreclosure, with the primary objective to preserve homeownership. Counselors provide guidance and advice to help families and individuals meet the responsibilities of homeownership and modify or refinance their loans. 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. Counselors can also assist homeowners with inquiries related to mortgage scams, and reporting instances of potential mortgage scam victimization.

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

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

1. Local Housing Counseling Agencies (LHCAs);
2. National and Regional Intermediaries (Intermediaries);
3. State Housing Finance Agencies (SHFAs); and

4. Multi-State Organizations (MSOs).

C. Supplemental Funding for Reverse Mortgage Counseling. Also, supplemental funding is available to LHCAs, Intermediaries, SHFAs and MSOs for Reverse Mortgage Counseling.

D. Authority. The authority for this NOFA is the Department of Housing and Urban Development Appropriations Act, 2012. HUD's Housing Counseling Program is authorized by Section 106 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x). Housing Counseling regulations are codified in the Code of Federal Regulations (CFR) at 24 CFR Part 214. The Home Equity Conversion Mortgage (HECM) Program is authorized by Section 255 of the National Housing Act (12 U.S.C. 1715z-20). HUD's Home Equity Conversion Mortgage (HECM) Counseling Standardization and Roster final rule is codified at 24 CFR Part 206.

E. Definitions.

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

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

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

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

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

a. Budget/Financial Analysis. A review of a client's income, expenses, spending habits, and use of credit in order to evaluate their unique financial situation relative to their housing needs.

b. Action Plan. Except for Reverse Mortgage Counseling, housing counselors and clients must establish an action plan that outlines what the housing counseling agency and the client will do in order to meet the client's housing goals and, when appropriate, addresses the client's housing problem(s).

c. Discuss Alternatives. Identify and discuss with the client at least 3 alternatives and options available to the client, including FHA programs and products if applicable, relevant to the specific housing need. For example, if a particular company, loan product, property, etc. is discussed, the counseling must also include a detailed discussion of alternative companies, loan products, properties, etc.

d. Follow-up. Efforts made by the counselor to have follow-up communication with the client, to assure that the client is progressing toward his or her housing goal(s), to modify or terminate housing counseling services, and to learn and report outcomes.

5. Delinquency/Default Counseling. Counseling provided to homeowners, who are presently in default or at risk of default, to prevent or resolve mortgage delinquency, mortgage default, or foreclosure. This includes counseling senior homeowners with HECM loans that may be delinquent and/or in danger of default.

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

7. Mediation Assistance. Non-legal counselor assistance provided to a client during a designated process for bringing about an agreement or reconciliation between opponents in a housing dispute that will benefit the client's overall housing situation.

8. Grantee. A HUD-approved housing counseling agency or SHFA that receives housing counseling funds from HUD through this NOFA. The term "Grantee" includes the agency's branch or branch offices identified in its application.

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

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

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

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

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

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

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

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

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

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

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

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

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

II. AWARD INFORMATION

A. Amount Allocated. Of the approximately \$45 million appropriated for housing counseling in FY2012, approximately \$ 40.05 million is available for eligible applicants under this NOFA. Approximately \$36.05 million is available for Comprehensive Counseling. Approximately \$4

million is available for Reverse Mortgage Counseling. Available funding may also include carryover and recaptured funds, in addition to the appropriations.

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

Applicant Categories	Who is Eligible	Total Amount Available
Category 1 – LHCAs	HUD-approved Local Housing Counseling Agencies	\$10,250,000
Category 2 – Intermediaries	HUD-approved National and Regional Intermediaries	\$25,800,000
Category 3 – SHFAs	State Housing Finance Agencies	\$2,800,000
Category 4 – MSOs	Multi-State Organizations	\$1,200,000

1. Category 1 – Local Housing Counseling Agencies (LHCAs). For the grant period October 1, 2011 through September 30, 2012, approximately \$10.25 million is available from HUD to directly fund HUD-approved LHCAs, including approximately \$9.05 million for Comprehensive Counseling, and approximately \$1.2 million for Reverse Mortgage Counseling. An LHCA can only request funding for its main office and branches located in no more than two contiguous states.

2. Category 2 – Intermediaries. For the grant period October 1, 2011 through September 30, 2012, approximately \$25,800,000 is available from HUD to directly fund HUD-approved Intermediaries, including approximately \$23,200,000 for Comprehensive Counseling, and approximately \$2.6 million for Reverse Mortgage Counseling.

3. Category 3 -- State Housing Finance Agencies (SHFAs). For the grant period October 1, 2011 through September 30, 2012, approximately \$2,800,000 is available to fund SHFAs that provide housing counseling services directly or serve as intermediaries to Affiliates who offer housing counseling services, including \$2,700,000 for Comprehensive Counseling, and \$100,000 for Reverse Mortgage Counseling supplemental funding.

4. Category 4 – Multi-State Organizations (MSOs). For the grant period October 1, 2011 through September 30, 2012, approximately \$ 1.2 million is available to fund MSOs to provide housing counseling services directly through branch offices throughout their HUD-approved multi-state service area, including approximately \$ 1.1 million for Comprehensive Counseling, and approximately \$100,000 for Reverse Mortgage Counseling supplemental funding.

C. Maximum Awards. The period of performance will be for a period of 12 calendar months. Should sufficient funds be available, the maximum award amounts are outlined below. HUD reserves the right to increase or decrease the maximum award amount based on the availability of funds.

1. Category 1. No individual LHCA may be awarded more than \$90,000 which may include supplemental funding for Reverse Mortgage Counseling. The maximum amount for the Reverse

Mortgage Counseling supplemental funding is \$45,000. The maximum amount for Comprehensive Counseling is \$45,000. HUD anticipates that the average total award for LHCA's will be approximately \$20,500.

2. Category 2. Awards for individual HUD-approved intermediaries may not exceed \$3 million, which includes any Reverse Mortgage Counseling supplemental funding. The limit for Comprehensive Counseling is \$2.3 million, the maximum amount for Reverse Mortgage Counseling is \$700,000. HUD anticipates that the average total award for Intermediaries will be \$990,000.

3. Category 3. No individual SHFA may be awarded more than \$600,000, which includes Comprehensive Counseling and Reverse Mortgage Counseling supplemental funding. The maximum amount for Comprehensive Counseling is \$500,000. The maximum amount for Reverse Mortgage Counseling is \$100,000. HUD anticipates that the average total award for SHFAs will be approximately \$150,000.

4. Category 4. No individual MSO may be awarded more than \$600,000 which includes Reverse Mortgage Counseling supplemental funding. The limit for Comprehensive Counseling is \$500,000 and the limit for Reverse Mortgage Counseling is \$100,000. HUD anticipates that the average total award for MSOs will be approximately \$240,000.

D. Minimum Grant Requests

1. Minimum Grant Request for Comprehensive Funds. LHCA applicants must request a minimum of \$15,000. SHFAs and MSOs must request a minimum of \$30,000 and Intermediaries must request a minimum of \$200,000. For applicants requesting only Comprehensive Counseling funding, HUD will consider the amount of the Comprehensive Counseling grant being requested to be the value entered into box 18a on form SF424.

2. Minimum Grant Request for Reverse Mortgage Counseling Supplemental Funds. Intermediaries must request a minimum of \$50,000 for Reverse Mortgage Counseling supplemental funding. LHCA's must request a minimum of \$10,000 for Reverse Mortgage Counseling supplemental funding. MSOs and SHFAs must request a minimum of \$15,000 for Reverse Mortgage Counseling supplemental funding.

E. Total Grant Request. Box 18a of Form SF 424 should reflect the total award being requested, including any supplemental funds. For applicants requesting supplemental funding, box 18a of Form SF 424 should reflect the total of the Comprehensive and Reverse Mortgage Counseling funds requested, if applicable. For those applicants requesting supplemental funding, the narrative response to Factor 3 must make clear the exact Comprehensive and supplemental amounts being requested.

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

III. ELIGIBILITY INFORMATION

A. Eligible Applicants. Eligible applicants for Comprehensive Counseling grants include: HUD-approved Local Housing Counseling Agencies (LHCAs); HUD-approved national and regional intermediaries (Intermediaries); State Housing Finance Agencies (SHFAs); and HUD-approved Multi-State Organizations (MSOs). Grantees and sub-grantees that were previously awarded HUD MMMSA counseling funds for FY 2012 are also eligible for FY 2012 funding through this NOFA covering the same period of performance.

B. Cost Sharing or Matching. No specific matching funds are required. However, in order to receive points under Rating Factor 4, applicants are required to demonstrate the commitment of other private and public sources of non-federal funding to supplement HUD funding for the applicant's counseling program. HUD does not intend for its Housing Counseling grant to cover all costs incurred by an applicant. 24 CFR Part 214 explains the conditions under which agencies participating in HUD's Housing Counseling Program are permitted to charge fees to counseling recipients. While agencies are strongly encouraged to aggressively leverage funds from other private and public sources, fee income can be used to help satisfy this requirement. Agencies participating in HUD's Housing Counseling Program are not permitted to charge fees for default counseling or homeless counseling.

C. Other.

1. Eligible Activities for Comprehensive Counseling Awards under all Applicant Categories. Grantees and sub-grantees will only be reimbursed for the applicable activities outlined in this Section. HUD reserves the right to reject funding requested for any costs that are outside the scope of housing counseling services listed below:

a. Individual Counseling or Group Education/Classes regarding the following topics:

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

Protection Get a Home Inspection”, (HUD Form 92564), and “Ten Important Questions to Ask A Home Inspector.” Both documents can be found at http://portal.hud.gov/hudportal/HUD?src=/i_want_to/buy_a_home

(2) Resolving or Preventing Mortgage Delinquency or Default. This includes: restructuring debt; financial literacy; obtaining re-certification for mortgage subsidy; establishing reinstatement plans; seeking loan forbearance, and managing household finances. This can also include: helping clients affected by or reporting lending discrimination, predatory lending and mortgage fraud; homeownership preservation and foreclosure prevention strategies; explaining the foreclosure process; loan document review; providing referrals to other sources; assisting clients with locating alternative housing; pursuing loss mitigation strategies; counseling senior homeowners with reverse mortgages that may be delinquent and/or in danger of default; or providing non-legal counselor assistance to a client during a third party meeting between a lender/servicer and homeowner to achieve loss mitigation and/or avoid foreclosure.

Where applicable, HUD encourages applicants to ask the following two questions of each homeowner to whom they provide default and/or non-delinquency post-purchase counseling in order to help identify possible loan scams and, if applicable, address the process for doing so in the grant proposal:

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

(3) Non-Delinquency Post-Purchase. This includes information and advice on finding favorable mortgage loan terms, personal money management and financial literacy, and relations with lenders. It also includes information and advice on home improvement and rehabilitation; property maintenance; loan and grant options; the loan or grant application processes; what housing codes and housing enforcement procedures apply for the intended activity; accessibility codes and how to design features to provide accessibility for persons with disabilities; non-discriminatory lending and funding for persons who modify their dwellings to accommodate disabilities; and physical accessibility. 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; fair housing rights; how to recognize discrimination; locating housing that provides physical accessibility for persons with disabilities; locating sources and methods to help pay for accessibility modifications; financial literacy; budgeting for rent payments; educating clients on landlords’ and renters’ rights; Lead Disclosure Rule requirements; lead safety awareness, toxic mold, radon and other conditions that affect the living environment; explaining the eviction process; ensuring clients understand their rights when faced with displacement; explaining the responsibility of the entity causing displacement; providing

non-legal counselor assistance to a client during a designated process for bringing about an agreement or reconciliation between opponents in a housing dispute in order to benefit the client's overall housing situation; and providing assistance with locating alternate housing.

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

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

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

NOTE: Marketing and outreach initiatives should follow affirmative marketing principles and be directed at those populations least likely to seek counseling services or the information marketed, including those of racial, religious or national origin 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 (e.g., Braille, large type, sign language interpreters, audio, assistive listening devices, etc.)

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

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

e. Administrative Costs. This includes administrative costs associated with managing a network of housing counseling agencies and/or branch offices.

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

g. Audit Costs and Related Services. This includes costs associated with audits required by, and performed in accordance with the Single Audit Act, as implemented by OMB Circular A-133.

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

- toll-free at 800-347-3735
- fax 202-708-4829
- e-mail hotline@hudoig.gov

2. Threshold Requirements. Applications that do not meet all of the following relevant Threshold Requirements are not eligible to receive funding under this NOFA.

a. FY2012 General Section Thresholds. Applicants and sub-grantees must meet the Threshold Requirements in Section III.C.2 of the FY 2012 *General Section*. Each applicant and sub-grantee must meet the threshold set forth at Section III.C.2.d of the FY 2012 General Section - “Resolution of Outstanding Civil Rights Matters.”

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

c. Client Management System. The applicant, and all affiliates and branches, if applicable, must utilize a client management system that interfaces, or is working to interface, with HUD’s databases and must describe the system in Rating Factor 1, Sub-factor 2(c). Information on client management systems and interfacing with HUD’s database is found on HUD’s website: <http://www.hud.gov/offices/hsg/sfh/hcc/hccprof21.cfm>.

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

e. Applicants Requesting Supplemental Reverse Mortgage Counseling Funding. LHCAs, SHFAs, MSOs and Intermediaries are eligible to apply for Reverse Mortgage Counseling supplemental funding. Applicants who apply for Reverse Mortgage Counseling Supplemental funding must also apply for Comprehensive funding with the exception of LHCAs and MSOs

included in the Comprehensive Counseling application of an intermediary organization or SHFA. Only LHCAs and MSOs meeting these criteria can apply for Reverse Mortgage Counseling Supplemental Funding exclusively; however, they are still required to submit a complete application. For applicants applying for both Comprehensive Counseling and Reverse Mortgage Counseling supplemental funding, a separate application is not needed to apply for the supplemental funding, **but each rating factor response must also address the supplemental funding**. Applicants requesting supplemental Reverse Mortgage Counseling funding must also meet the following requirements:

(1) HUD HECM Roster Counselor. LHCAs must have at least one HUD HECM Roster counselor; Intermediaries must have at least 10 HUD HECM Roster counselors within their network of affiliates or branches. MSOs and SHFAs must have at least 2 HUD HECM Roster counselors within their network of branches or affiliates. In order to be eligible, the HECM Counselor(s) must be approved and listed on the HECM Roster no later than the NOFA application deadline date.

(2) Request the Supplemental Funding. Request the supplemental funding by identifying in box 18a of Form SF 424 total of the Comprehensive request and any supplemental funding request, and making clear in the narrative response to Rating Factor 3 the exact Comprehensive and Reverse Mortgage Counseling supplemental amounts, if applicable, being requested.

3. Other Program Requirements.

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

- (1) In good standing under the laws and regulations of the state of their organization; and
- (2) Authorized to do business in the states where they propose to provide housing counseling services.
- (3) All grantees and sub-grantees must use counseling and education facilities and services that are accessible to persons with disabilities or provide other means of accommodation for persons with disabilities, in accordance with Section 504 of the Rehabilitation Act of 1973 and its implementing regulations at 24 CFR Parts 8 & 9, and Title III of the Americans with Disabilities Act. In addition, counseling services must comply with effective communication requirements pursuant to Section 504 of the Rehabilitation Act of 1973 and its implementing regulations at 24 CFR 8.3 and 8.6. All grantees and sub-grantees must help persons with disabilities locate suitable housing in locations throughout the applicant's community, target area, or metropolitan area, as defined by the applicant.
- (4) All applicants must have an active registration in CCR. All sub-awardees must have a DUNS number.

b. Limits on Applications. Except as provided below, applicants and sub-grantees are limited to choosing one grant applicant category to apply for and access Comprehensive funds and

supplemental funding. Applicants and their sub-grantees may not “double-dip”. In other words, applicants and sub-grantees are prohibited from accessing these types of funding from multiple sources and or through multiple grant applicant categories.

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

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

(b) Be included in the respective application of, and receive one sub-grant for Comprehensive Counseling, and supplemental funding, if applicable, from, an intermediary, MSO or SHFA under Applicant Category 2, 3, or 4. The only exceptions to this rule are:

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

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

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

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

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

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

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

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

(b) Be included in the respective application of, and receive sub-grants for, Comprehensive Counseling, and supplemental funding, if applicable, from a single intermediary or SHFA under

Applicant Categories 2 or 3.

The only exceptions to this rule are:

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

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

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

(5) Sub-grantees of Intermediaries and SHFAs.

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

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

(c) Sub-grantees must also be in compliance with all civil rights threshold requirements and other civil rights related program requirements. For a listing of civil rights threshold and program requirements, refer to Section III.C.2.d. and III.C.5 of the FY 2012 General Section. Intermediaries that do not ensure their sub-grantee's compliance with HUD standards may be prohibited from participating in the Housing Counseling Program. HUD will monitor sub-grantees.

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

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

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

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

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

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

d. Compliance with Fair Housing and Civil Rights Law. Applicants and their sub-grantees must comply with all applicable fair housing and civil rights requirements found in 24 CFR 5.105(a), including, but not limited to, the Fair Housing Act, Section VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title III of the Americans with Disabilities Act, and Section 109 of the Housing and Community Development Act of 1974. Refer to Section III.C.5. of the FY 2012 General Section for more information.

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

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 their cognizant federal agency. If the grantee does not have an established indirect cost rate, it will be required

to develop and submit an indirect cost proposal to HUD, or the cognizant federal agency as applicable, for determination of an indirect cost rate that will govern the award. Applicants that do not have a previously established indirect cost rate with a federal agency shall submit an initial indirect cost rate proposal to their cognizant federal agency immediately after the applicant is advised that it will be offered a grant and, in no event, later than three months after the start date of the grant. OMB Circular A122 can be located at 2 CFR Part 230. Applicants can review Indirect Cost Training on www.hud.gov at: <http://www.hud.gov/offices/adm/grants/training/odgmotraining.cfm>

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

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

i. Conflicts of Interest. See the **General Section** and 24 CFR Part 214.

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

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

l. Home Inspection Materials. If grantee provides pre-purchase counseling and/or homebuyer education the client(s) **must** be provided a copy of the following materials: "For Your Protection Get a Home Inspection", (HUD Form 92564), and "Ten Important Questions to Ask A Home Inspector" (both documents can be found at http://portal.hud.gov/hudportal/HUD?src=/i_want_to/buy_a_home).

m. Affirmatively Furthering Fair Housing. Under Section 808(e)(5) of the Fair Housing Act, HUD has a statutory duty to affirmatively further fair housing. HUD requires the same of its funding recipients. See Section III.C.5.b. of the FY 2012 General Section for additional information on this requirement. To meet this requirement, in the narrative responses to the Rating Factor 3 (3)(b), applicants must describe the organization's counseling, education, outreach, and other activities that affirmatively further fair housing. Examples include, but are not limited to, the following:

- Make persons aware of discriminatory practices;
- Make persons aware of innovative housing design or construction to increase access for persons with disabilities;
- Make available language assistance services to persons with Limited English Proficiency (on the basis of national origin). For example, describe plans to take reasonable steps to provide meaningful access to persons with Limited English Proficiency (LEP), pursuant to Title VI of the Civil Rights Act of 1964, for example, materials that are available in languages other than English. Applicants may refer to the Department's January 22, 2007 Final Guidance to Federal Financial assistance Recipients Regarding Title VI Prohibition

Against National Origin Discrimination Affecting Limited English Proficient Persons (72 FR 2732);

- Affirmative fair housing marketing, including making persons aware of new or rehabilitated housing in a manner that provides greater housing choice or mobility for persons in classes protected by the Fair Housing Act;
- Provide households with information, counseling and/or education regarding rights and remedies available under Federal, state and local fair housing and civil rights laws;
- Where there are instances suggesting that violations of such laws have occurred or are occurring, report/provide information to HUD or local Fair Housing Assistance Program (FHAP) agencies to investigate, and/or provide clients with contact information for local fair housing enforcement agencies in case the individual wants to pursue the claim on their own;
- Affirmatively market counseling and education services; and/or effectively serving and /or communicating with persons with disabilities, in accordance with Section 504 of the Rehabilitation Act of 1973 and its implementing regulations at 24 CFR Parts 8 & 9, and Title III of the Americans with Disabilities Act, for example, providing written materials that are available in large print or Braille, sign language interpreters, audio, and assistive listening devices, etc.

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

IV. APPLICATION AND SUBMISSION INFORMATION.

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

B. Content and Form of Application Submission.

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

You must submit narratives as an electronic file in Microsoft Word Office 2007 (or earlier) (.doc or docx), Microsoft Excel 2007 (or earlier) (.xls or xlsx), or in Adobe (.pdf) format that is compatible with Adobe Reader 9.4 or the latest version available from Grants.gov. **If HUD receives a file in a format or software other than those specified or that is not compatible with HUD software, HUD will not be able to read the file, and it will not be reviewed.** Each response to a Rating Factor for Award should be clearly identified and can be incorporated into a single attachment or all attachments can be zipped together into a single attached ZIP file. However, HUD advises applicants that files zipped within zipped files cause problems and can result in the application attachments not able to be opened or read. Applicants should develop files, then zip the files together, and then place them as an attachment to the application. If you have any questions, you can contact the NOFA Information Center or the HUD program contact listed in the program NOFA. Documents that applicants possess in electronic format, e.g., narratives they have written, must be submitted as Microsoft documents; graphic images (such as computer aided design (CAD) files from an architect) must be saved in PDF format. The documents must be compatible with Adobe Reader 9.4 or above and attached using the "Attachments" form included in the application package downloaded from Grants.gov.

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

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

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

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

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

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

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

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

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

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

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

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

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

a. SF424, Application for Federal Assistance. NOTE: In block 8.d of the form, you must include a 9 digit number for your organization’s zip code (zip plus 4). Please be sure to check your DUNS number and ensure that it is listed on CCR with an active registration, and that the person submitting the application has an ID and password for the Grants.gov system and has been authorized to submit the application on behalf of the applicant organization named in box 8a. of the SF424 by the eBiz Point of Contact listed in the CCR registration for the applicant organization.)

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

c. HUD424CB, Grant Application Detailed Budget. On the form HUD424CB, clearly specify the proposed HUD housing counseling grant amount for Comprehensive Counseling. Submit a separate budget on Form HUD424CB for supplemental Reverse Mortgage Counseling funds, if applicable. Clearly specify the proposed supplemental grant amount and itemize proposed expenses for the supplemental grant. NOTE: This amount should be consistent with the figure shown in Rating factors 3, 4 & 5, Form SF 424, Form HUD424CB and HUD 2880. Also, if all budget line items could not be itemized using the Form HUD 424 CB, *in addition* to the Form HUD424CB, submit a more detailed, Comprehensive budget itemizing all proposed expenses under the grant. For supplemental funding, submit separate, more detailed budgets that itemize expenses under the proposed supplemental grant, if applicable. At a minimum, if applicable, the budget(s) must include salaries, fringe and other benefits, training, travel, rent, phone, postage, supplies, technology/equipment, and indirect costs. Intermediaries, MSOs and SHFAs that reimburse branches and sub-agencies at a fixed cost per counseling/education activity, and type, or per office, are not exempt from this requirement.

Intermediaries, MSOs and SHFAs that pass through funds to sub-agencies must also itemize how administrative funds are spent, if applicable, and submit a separate budget reflecting only administrative expenses.

Omission of this form for Comprehensive and/or each supplemental funding request is not a curable document during the technical review process.

d. SFLLL, Disclosure of Lobbying Activities (if applicable).

e. HUD2880, Applicant/Recipient Disclosure/Update Report

f. HUD2990, Certification of Consistency with the RC/EZ/EC II Strategic Plan (LHCAs only, if applicable) (Must be signed by the official authorized to certify the RC/EZ/EC II).

g. HUD2995, Certification of Consistency with Sustainable Communities Planning and Implementation (LHCAs only, if applicable) (Must be signed by the Designated Point of Contact for designated Preferred Sustainability Status Community or the HUD Regional Administrator in cases where the applicant would otherwise be self-certifying. See the General Section for details.)

h. HUD2991, Certification of Consistency with the Consolidated Plan (optional).

i. HUD96010, Program Outcome Logic Model (submit a separate Logic Model for Comprehensive Counseling funding, and each supplemental funding category for which the applicant is applying). **Omission of this form for Comprehensive and/or each supplemental funding request is not a curable document during the review process.**

j. HUD9902, Housing Counseling Agency Fiscal Year Activity Report, for the Period October 1, 2010 through September 30, 2011 (only required for Applicants who did not electronically submit to HUD a form HUD9902 for the period October 1, 2010 through September 30, 2011, for example, applicants that received approval as a HUD housing counseling agency after September 30, 2011.) HUD will utilize the HUD9902 data in HUD's Housing Counseling System (HCS). However, HUD will consider a revised HUD9902 submitted with this application if it is accompanied by an acceptable explanation regarding why the data was revised. If the structure of the applicant is different than the structure of the organization for which a HUD9902 exists in HCS, for example an organization that was previously approved as an LHCA, but has subsequently been approved and is applying to this NOFA as an MSO, the applicant must submit with the application a form HUD9902 reflecting the activity of the new network/structure reflected in the application. An LHCA receiving supplemental funding for Reverse Mortgage Counseling, or funding for Default Counseling under Section III C 3b from an intermediary, must submit a HUD9902 for its activity funded by the sub-grant from the MSO, SHFA or intermediary for the period October 1, 2010 through September 30, 2011.

k. 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.

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

m. Narrative Statements as required in this NOFA.

C. Timely Receipt Requirements. The application deadline is 11:59:59 p.m. eastern time on **January 12, 2012**. Applications must be received by Grants.gov no later than 11:59:59 p.m. eastern time on the application deadline date. Received means that the application has been successfully uploaded to the Grants.gov server and the applicant has received confirmation of successful submission to Grants.gov. Applicants should be aware that hitting the “sign and submit” button to transmit the application does not mean the application has been successfully uploaded to Grants.gov. Only when the upload is complete is the application date and time stamped by the Grants.gov system.

Following receipt the application will go through a validation process. If the application fails the Grants.gov validation process, it will be rejected. Please see the FY 2012 **General Section** for instructions for timely receipt, including actions to take if the application is rejected. Applicants should carefully read the section titled “INSTRUCTIONS ON HOW TO DOWNLOAD AND APPLICATION PACKAGE AND APPLICATION INSTRUCTIONS” in the FY2012 **General Section**. This section contains information on using Adobe Reader, registration requirements, HUD’s timely receipt policies, including grace period policy, and other application information.

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

E. Funding Restrictions. Funding is limited to the eligible activities described in Section III.C.1 of this NOFA. Moreover, this NOFA seeks to minimize duplication with the National Foreclosure Mitigation Counseling (NFMC) Program administered by NeighborWorks America, and to prioritize funding for counseling activities not supported by NFMC. Specifically, grantees and sub-grantees are prohibited from using HUD housing counseling grant funds under this NOFA to reimburse counseling activity costs for any counseling recipient for which the specific grantee or sub-grantee received NFMC reimbursement. For example, a grantee receiving reimbursement from NFMC for counseling John Doe, cannot also bill the HUD housing counseling grant for costs related to counseling John Doe that may have exceeded NFMC reimbursement.

F. Other Submission Requirements.

Applications must be received by Grants.gov no later than the established deadline date and time. See the Section IV of the **General Section** for further information on timely receipt and grace period policy. Applicants interested in applying for funding under this NOFA must submit their

applications electronically or request a waiver from the electronic application requirement.

Applicants must submit their waiver requests in writing using email. Waiver requests must be submitted no later than 15 business days prior to the application deadline date and should be submitted to Joel.R.Ibanez@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. The approval to submit a waiver request will provide detailed information on where to submit the application, the number of copies and the time the application has to be received. (Applications coming to HUD Headquarters have to be received in time to allow for scanning of mail on the HUD loading dock. That facility closes at 5pm Eastern time so it is advised that program offices take into account traffic at the scanning site and allow some extra time. Field offices generally close at 4 or 4:30 pm local time.)

V. APPLICATION REVIEW INFORMATION

A. Criteria. The Factors for Award, and maximum points for each factor, are outlined below. These factors will be used to evaluate all applications. The maximum number of points available for the Rating Factors is 104 for LHCAs and 100 for all other applicants.

1. Bonus Points.

a. "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 HUD2990 must be signed by the organization head of the RC/EZ/EC II, not by the representative of the jurisdiction in which the RC/EZ/EC II exists, nor by a representative of the applicant.

b. "Preferred Sustainable Communities Status." ONLY LHCAs are eligible for 2 bonus points. See the Section V of the General Section for information regarding "Preferred Sustainable Communities Status" bonus points. To be eligible to receive bonus points, an applicant is required to obtain a certification from the Designated Point of Contact for designated Preferred Sustainability Status Community or the Regional Administrator using form HUD2995 which verifies that the applicant has met the required criteria.

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

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

In response to the various factors and sub-factors, intermediaries, MSOs and SHFAs should *not* submit a separate response for each proposed sub-grantee and branch, but should provide a brief profile of each and a summary response for their entire network, highlighting

individual activities, partnerships, needs and/or results when appropriate.

4. Streamlined Application. New in this NOFA, HUD is providing certain qualified, high performing applicants with an opportunity to submit in response to this NOFA a streamlined application. The list of high performing applicants that are eligible to submit a streamlined application is attached as appendix A. Only applicants appearing on this list, and meeting all other eligibility criteria, are permitted to submit the streamlined application. The criteria to determine this list of high performing applicants eligible to submit a streamlined application include:

- Scores of 92 or better on the past two housing counseling NOFAs, HUD's FY 2010 Mortgage Modification and Mortgage Scam Assistance (MMMSA) NOFA published 5/18/2011, if applicable, and HUD's FY 2010 Housing Counseling NOFA posted on the grants.gov website, with an opening date of 7/27/2010. Applicants that did NOT qualify or participate in the HUD FY2010 MMMSA NOFA published on 5/18/2011 will be rated for eligibility based on the HUD Housing Counseling NOFAs for FY2010 posted on 7/27/2010, and FY2009 published on 6/16/2009. Except for the 2010 MMMSA NOFA, HUD will use the comprehensive counseling application score, not supplemental category scores, if applicable.
- No findings related to management of the housing counseling grant funds in the last two fiscal years (FY2010-FY2011). To be eligible, HUD must have completed a performance review of the applicant, or one or more of its affiliates or branches, in the past 2 years preceding the publication of this NOFA.
- All comprehensive HUD Housing Counseling grant funds with a period of performance including FY 2009, FY2010 and/or FY2011, where applicable, have been expended, unless an extension has been approved by HUD, or the relevant grant agreement doesn't require all funds to be expended by the date of publication of this NOFA. Applicants eligible to submit a streamlined application (see Appendix A) need only respond to the Rating Factors in Section V.A.6. of this NOFA.

Applicants not on the list in Appendix A and therefore not eligible to submit a streamlined application must submit responses to the Standard Application Rating Factors found in Section V.A.5. of this NOFA.

5. Standard Application Rating Factors. The following Rating Factors are applicable to applicants not eligible to submit a streamlined application.

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) Knowledge, Experience and Capacity (12 points).

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

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

- Number of full-time (35 hours + per week) housing counselors applicant proposes to fund, including proposed sub-grantees and/or branches, if applicable;
- Number of part-time housing counselors (less than 35 hours per week) applicant proposes to fund, including proposed sub-grantees and/or branches, if applicable;
- Number of bilingual housing counselors, including housing counselors proficient in American Sign Language (ASL), appropriate to the demographic to be served, for the applicant and, if applicable, proposed sub-grantees or branches;
- Average years of housing counseling experience for all housing counselors applicant proposes to fund, including proposed sub-grantees and/or branches, if applicable. Intermediaries, SHFAs and MSOs must also provide the Mode if one exists;
- Average years of housing counseling program management experience for the project director(s) for the applicant and, if applicable, proposed sub-grantees or branches. Intermediaries, SHFAs and MSOs must also provide the Mode if one exists;
- Average years of related experience, such as experience in mortgage lending, for counselors and project managers. Experience is related if it corresponds directly to projects of a similar scale and purpose, for example, real estate or housing finance. Intermediaries, SHFAs and MSOs must also provide the Mode if one exists;
- Proposed average hourly labor-rate for housing counselors and project managers, including benefits;
- Percentage and total number of housing counselors that have participated in 2 or more formal housing counseling related trainings in the past 2 years.
- Indicate if the applicant receives funding, directly or indirectly, through the National Foreclosure Mitigation Counseling (NFMC) Program administered by NeighborWorks America (yes/no).

- Indicate if any of the proposed sub-grantees or Branches of the applicant, if applicable, receives funding, directly or indirectly, through the National Foreclosure Mitigation Counseling (NFMC) Program administered by NeighborWorks America (yes/no).

Intermediaries, MSOs and SHFAs must also identify the sub-grantees and branches, and corresponding states, the applicant proposes to receive funding for through this grant award. Applicants unable to precisely identify proposed sub-grantees and branches to receive funding through the proposed grant must identify the most likely sub-grantees and branches, based on past experience, and explain what process will be used to select actual sub-grantees and branches and to determine sub-funding levels. Pursuant to the applicable regulations at 24 CFR 84.82(d)(3)(iii) and 85.30(d)(4), grantees must receive HUD's prior approval for sub-grants. Intermediaries, MSOs and SHFAs must describe initial and on-going procedures for selecting and verifying the compliance status of new network affiliates, along with procedures for identifying and rectifying service delivery deficiencies and non-compliance issues within their states, regions, or the states and regions within which their sub-agencies operate. Intermediaries, MSOs and SHFAs must:

- Describe the housing counseling and education activities to be provided by proposed sub-grantees and branches, explicitly stating the types of services to be offered, preferably in a chart.
- Describe the applicant's legal relationship with sub-grantees (i.e. membership organization, field, or branch office, subsidiary organization, etc.)
- Indicate which proposed sub-grantees or funded branches receive funding, directly or indirectly, through the National Foreclosure Mitigation Counseling (NFMC) Program administered by NeighborWorks America.

Applicants must indicate the names and titles of employees allocated to each proposed activity, as well as the anticipated 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 any new staff that the applicant plans to hire for the October 1, 2011 - September 30, 2012 grant period.

LHCAs must provide individual descriptions of staff (not including clerical staff) limited to one page per counselor and program manager or program director included in the proposed work plan. These descriptions do not count toward narrative page limitations. Describe in detail all major duties performed as a housing counselor or program director. For those program managers or directors that also provide direct counseling or education services, indicate separately the number of hours per week dedicated to counseling or education activities and hours to program management duties. Provide the number of years of experience for each position listed, including starting and ending dates and indicate:

- Where and when each position was held;

- Whether the position was full-time or part-time;
- In the case of part-time positions, the number of hours per week; and
- Bilingual language skills appropriate to the community(ies) to be served, including proficiency in American Sign Language, if applicable.

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

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

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

Do not include the Social Security Numbers (SSN) of any staff members.

(a) Program Director/Manager. Identify each program director or program manager the applicant proposes to fund that will have direct oversight of the proposed work plan in Rating Factor 3 including proposed sub-grantees and/or branches, if applicable. Indicate the number of hours per week program managers or directors will allocate to the proposed work plan in Rating Factor 3. If applying for supplemental funding, separately indicate the program managers or directors and number of hours per week for each individual attributable to the request for Comprehensive Counseling funding, and the request for Reverse Mortgage Counseling supplemental funding, if applicable;

(b) Counselors. Identify each housing counselor the applicant proposes to fund for the proposed work plan in Rating Factor 3 including branches, if applicable. Indicate the number of hours per week each housing counselor will allocate to the proposed work plan in Rating Factor

3. If applying for supplemental funding, separately indicate the housing counselors and number of hours per week for each individual attributable to the request for Comprehensive Counseling funding, and the request for Reverse Mortgage Counseling supplemental funding, if applicable; *NOTE: Counselors funded under this grant opportunity must be directly employed by the applicant agency except in cases applicable to 24 CFR 214.103(i).*

(c) Years of Experience – Counselors and Program Managers. Scoring will be based on the number of years of experience of Housing Counseling Program project directors and housing counselors.

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

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

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

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

Indicate which housing counselors are certified housing or financial counselors. Describe what type of certification is held, who provided it, when certification was received, whether or not the certification has an expiration date and, if applicable, the date the certification expires. *Please note, receiving a "certificate of completion" for training does not constitute certification in a specific area of counseling services.*

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

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

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

In scoring this Section, HUD will evaluate how well the applicant met the Program requirements, including reporting and grant document execution, if applicable, for the period October 1, 2010, to September 30, 2011, and its ability to spend all grant funds allotted. If HUD identifies issues relating to the applicant's performance in any of these areas, scoring will be based on the degree of performance problems, which could result in a score of zero for this sub factor.

If the applicant did not receive a HUD Housing Counseling grant for that period, it must provide a response, with sufficient detail for HUD to evaluate compliance, timeliness and reporting 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. If the applicant did not receive HUD housing counseling funding for this period, indicate whether or not other sources of funding were expended in the time frame dictated by the relevant grant agreement. If not, indicate the reason(s) why. Describe steps the applicant has taken and will take to ensure that the proposed HUD funds will be expended according to time frames of the relevant HUD grant agreement. 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 and Expending Grant Funds. (4 points) HUD will evaluate the applicant's performance, with regard to the timeliness and completeness with which the applicant satisfied requirements, including grant document execution, and grant reporting requirements including quarterly (if applicable), mid-term and final reports, and a Logic Model (form HUD96010) during the period October 1, 2010 through September 30, 2011.

If grant awards were not fully expended during the grant period October 1, 2010 through September 30, 2011, 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.

(b) Performance Reviews / Audits. (7 points) Significant findings on performance reviews and audits conducted by HUD staff or HUD's Inspector General 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 Housing Counseling program requirements, including waste, fraud and abuse of grant funds. HUD will develop and apply a scoring scale based on the number of significant findings documented during a review(s) and/or audit(s), and incidence of repeat findings.

(c) Activity Data and Housing Counseling System (HCS). (2 points) HUD may not award points if the applicant was required to submit a form HUD9902, but failed to do so in a timely manner, or if the form was not completed, or the data was submitted incorrectly. Pursuant to *Section III.C.2(g)- Threshold Requirements* of this NOFA, applicant must provide the name of the Client Management System (CMS) used by the applicant for record-keeping and reporting purposes. All electronic CMS systems must be able to interface with HCS. If applicant is currently using a CMS that is not compatible with HCS, applicant must provide a detailed explanation of what measures are being taken to correct this. All applicants must describe procedures and quality control measures used to verify home office, and , if applicable, sub-grantee, branch or affiliate information is accurate in HCS.

(3) Management - Goals and Results (5 points). In scoring this section, HUD will compare applicant output goals and actual results for the period October 1, 2010 through September 30, 2011, and evaluate subsequent changes in approach resulting from any differences, if applicable. HUD's primary concern is outputs, specifically accomplishments

relative to the projected total number of households to be served, both for one-on-one counseling and education.

(a) Projections and Accomplishments. For applicants that received a HUD housing counseling grant covering the period October 1, 2010 to September 30, 2011, HUD will compare the HUD-grant specific projections made in the Program Outcome and Output Logic Model, Form HUD96010 submitted with the FY2010/2011 Housing Counseling NOFA, including any adjustments based on actual award amounts, to the corresponding actual HUD-grant specific results for that period reported by the applicant. The Logic Model Instructions, which is tab 1 of Form HUD96010, provide information regarding measurement reporting tools and the evaluation process.

Provide a clear explanation as to why goals were not met, if applicable. Applicants who did not receive a FY2010/2011 Housing Counseling Grant and therefore did not finalize outcome and output projections, who were recently approved, or who were a sub-grantee of an intermediary or SHFA for the period of October 1, 2010 through September 30, 2011, and are now applying for funding must indicate the detailed, quantifiable goals that were set for the period covering October 1, 2010 to September 30, 2011, or for the 12 month period ending December 31, 2011 if more appropriate to the applicant's or other grant-requiring reporting schedule. Also provide the actual results corresponding to these goals and explain any differences in goals versus actual results and indicate what measurement reporting tools were used as well as describe the evaluation process. Describe any sub-allocation, personnel or work plan adjustments that took place during the period October 1, 2010 through September 30, 2011 because goals were not being met, if applicable. Provide relevant contact information for the agencies or organizations administering those programs so HUD can verify that the goals and corresponding achievements reported are accurate. Provide a clear explanation as to why goals were not met, if applicable.

(b) Work Plan Adjustments/Counselor Oversight. Intermediaries, MSOs and SHFAs must also describe any specific sub-allocation or branch funding adjustments that took place during the period October 1, 2010 through September 30, 2011 due to performance issues, if applicable. LHCAs must describe any personnel or work plan adjustments that took place during the period October 1, 2010 through September 30, 2011 because goals were not being met, if applicable.

All applicants must describe the process through which counselors are monitored, and performance evaluated as required by 24 CFR 214.303 (h), Performance Criteria, Staff and Supervision. Provide specific examples, if applicable, of corrective action taken, during the year October 1, 2010 – September 30, 2011, to address inadequate counselor performance. Intermediaries, SHFAs and MSOs must indicate how sub-grantee and branch funding levels are evaluated and adjusted on an on-going basis, if necessary.

If the applicant is a SHFA, MSO, or Intermediary, indicate the procedures the applicant will take, as a parent agency, to review the grant funded work of sub-grantees and funded branches on an ongoing basis throughout the grant year with the purpose of evaluating and

ensuring the quality of service provision. LHCA applicants must describe the similar activities that supervisory staff will perform to evaluate the service provided by counselors.

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

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

(1) Needs Data. (2 points). Describe how the proposed program addresses the needs of the target community. Applicants will not obtain full points for this Rating Factor unless they provide the following in their narrative proposal.

(a) Needs Data. Provide current or recent economic and demographic data, and any other evidence, and reference supporting documentation, that demonstrates housing counseling need in the target area that your program addresses. Intermediaries, SHFAs and MSOs serving multiple communities should describe need as it relates to their network. All proposed activities in Rating Factor 3 must have corresponding need-related data. Sources for all data provided must be clearly cited. Do not submit copies of reports or articles. To the extent that the community that the applicant serves has documented need in its Consolidated Plan, Analysis of Impediments to Fair Housing Choice (AI), or other planning documents, these should be referenced in the response. Additionally, the HUD USER Research Information Service and Clearinghouse, available at <http://www.huduser.org/>, allows users to search over 800 HUD publications by subjects and keywords.

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

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

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

(2) Departmental Policy Priorities. (3 points). The Departmental policy priorities are described in detail in the General Section under Section I.B., Policy Priorities. The total number of points an applicant can receive under this sub-factor is three (3). Each policy priority addressed below has a point value of one (1) point. An applicant may address as few or as many of the policy priorities as they wish. It is up to the applicant to determine which combination of the policy priorities are addressed, if applicable, to be eligible for the three (3) points. Regardless of the combination selected, a maximum of three (3) points is available.

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

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

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

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

(b) Affirmatively Furthering Fair Housing (AFFH). HUD is interested in funding housing counseling and related services that seek to create diverse, integrated living patterns and afford residents an opportunity to live in a variety of neighborhoods and not be confined to affordable housing choices in areas of high poverty or areas which are not racially or ethnically diverse. Activities must focus on practical social and other supports for households considering or undertaking a cross-racial or cross-ethnic move to high opportunity communities. Activities must be directed to those in need of affordable housing and must provide assistance with finding and applying for housing in diverse communities, informing persons of their fair housing rights; and providing information on HUD and local Fair Housing Assistance Programs to investigate potential fair housing violations. Applicants must not only identify the specific activities to be undertaken, but must also have measureable and quantifiable outcomes related to the activities proposed in support of the AFFH requirements. Housing counseling activities that affirmatively further fair housing include, but are not limited to:

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

for local fair housing enforcement agencies in case the individual wants to pursue the claim on their own(*this activity relates to HUD Strategic Goals 1C, 1D*); and/or

- Affirmatively marketing counseling and education services (*this activity relates to HUD Strategic Goals 1B,1C,1D,2D*).

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

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

(c) Capacity Building and Knowledge Sharing. To receive points for this policy priority, applicants must describe how they will provide knowledge sharing experiences to their applicant partners in the program design and implementation process that will provide long-term benefits and increase their capacity. A point will be awarded to applicants that demonstrate activities that will result in partner organizations gaining skills and technical expertise in the grant subject matter and managing federal awards, including financial management, project management, and program performance assessment and evaluation. Eligible activities that relate to this priority include outreach, training and administration (*these activities relate to HUD Strategic Goals 3E,4E*).

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

(d) Using Housing as a Platform for Improving Other Outcomes. HUD is interested in having HUD programs work in conjunction with other federal, state and local programs to create a synergy which results in improved outcomes for community residents, particularly special populations (elderly individuals, persons with disabilities and homeless persons and families, and very low income, low-income, and moderate- income households). HUD will provide a policy priority point to applicant programs which use housing as a platform for improving outcomes for target populations in the areas of improved educational opportunities and outcomes for adults and children as a result of increased housing choices; decreased travel times from work to employment as a result of increased housing choices; increased access to health care and health care facilities as a result of increased housing choices; increased access to job training and career counseling services as a result of coordination with other federal, state or

local programs; and increased access to social services and benefits as a result of information sharing and coordination with other federal, state and local programs. Eligible activities that relate to this priority include counseling/education services, outreach, training and administration (*these activities relate to HUD Strategic Goals 2D,3C, 3E,4E*).

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

(e) Expand Cross-Cutting Policy Knowledge. HUD encourages applicants to partner with colleges and universities and others to devise a means to capture and track not only outcome data for the program activities directly funded through the 2012 NOFA award, but to track the spin-off or secondary impacts that result from improvements made through implementation of housing, economic development or community development programs in other areas such as health, education, safety, self-sufficiency, transportation, sustainability and increased economic and racial diversity in the community or region being served through the HUD program. To receive points for this policy priority, the applicant must have established a partnership with the college or university, or other relevant organization, and determined what data will be collected and analyzed and the documentation provided to HUD for review and approval prior to dissemination (*these activities relate to HUD Strategic Goal 4E*).

The Logic Model contains output and outcome options for projecting and reporting relative to this priority – for example, applicant partners that agree to capture and track outcome data for the program activities directly funded through the 2012 NOFA award, and the spin-off or secondary impacts that result. See Logic Model for a full listing.

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

(1) Historical Performance-Quality and Complexity of Services (7 Points)

In scoring this section, HUD will evaluate the quality of, the variety of, and the level of effort and time associated with the housing counseling services provided by the applicant from all funding sources during the period October 1, 2010 through September 30, 2011. Responses should contain "Historical Performance" as part of the heading for the response. Applicants must provide the following information:

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

defined as formal classes, with established curriculum and instructional goals provided in a group or classroom setting. Do not provide a range of hours. The service types are:

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

Scoring will be based on the degree to which the applicant demonstrates, as compared to other applicants, that sufficient time and resources were devoted to ensure that clients received quality counseling. Indicate if the average time for *proposed* activities differs from these historical figures.

(b) Group Education and One-On-One Counseling. The scoring in this section is designed to reward applicants that effectively use group education to complement individual or one-on-one counseling. For applicants that provided homebuyer education and pre-purchase counseling, and/or default counseling and foreclosure intervention education, for the period October 1, 2010, through September 30, 2011, indicate the following:

- Provide the **percentage of group education clients that also received one-on-one counseling and provide actual numbers.** If a high percentage of education clients do not return for one-on-one counseling, indicate why.
- Describe how clients participate in individual or group counseling; how counseling and education relate to each other, and the role that each plays in the applicant's overall service. Include how each contributes to improved efficiency and effectiveness.
- Applicants that did not provide homebuyer education or foreclosure intervention education must explain how their other group education activities complement the individual counseling they do provide, if applicable.

- Applicants that do not provide group education must justify that approach.

(2) Historical Performance - Impact/Outcomes. (8 points). To score this Section, HUD will evaluate the applicant's efforts to educate persons in need regarding the availability of counseling services and critical housing issues. HUD will also analyze performance for the period October 1, 2010, to September 30, 2011 as reported on the HUD9902, "All Counseling Activities" column. The quantity of clients the applicant served will be compared to similar applicants providing similar services. HUD will also use this data to evaluate the applicants' success in conducting outreach and providing services to diverse racial and ethnic groups.

(a) Capacity. In scoring this section HUD will evaluate the total number of education participants and housing counseling clients served by the applicant, during the period October 1, 2010, to September 30, 2011, with all sources of funding. HUD will utilize the form HUD9902 data in HUD's Housing Counseling System (HCS). However, HUD will consider a revised HUD9902 submitted with this application if it is accompanied by an acceptable explanation regarding why the data was revised.

(b) Cost per Client. In scoring this Section, HUD will evaluate the historical counseling services activity data accomplished by the applicant, for the period October 1, 2010 – September 30, 2011, as recorded on the form HUD9902, and the cost to provide those services. Scoring will be based on the cost per client, compared to historical averages of similar services and similar applicants. Costs will also be analyzed in the context of budget, costs, and types of services provided.

So that HUD can separately calculate cost per client for one-on-one counseling and group education, indicate the following information:

- The total housing counseling budget that corresponds to the totals on the form HUD9902 for all counseling activity, all sources of funding.
- Additionally, prorate this total counseling budget, for the period October 1, 2010 to September 30, 2011, in the following manner:
 - the dollar amount contributing to the one-on-one counseling activity only
 - the dollar amount contributing to the group education activity only

The dollar values for each must add up to the total housing counseling budget, inclusive of all administrative-related costs such as supplies, materials, marketing, etc. Intermediaries, MSOs and SHFAs must not simply list dollar values for funds passed through to sub-grantees and branches.

(3) Projected Performance - Work Plan. (17 points). This section involves information on the housing counseling services and other activities to be conducted during the period October 1, 2011, through September 30, 2012. 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. The grant proposal

must be consistent with the most current work plan on file with the appropriate HUD office, i.e., an applicant cannot propose to provide services for which the agency is not approved to provide. Default Counseling, Rental Counseling, and Reverse Mortgage Counseling may qualify for full credit, as does a combination of other counseling services.

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

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

(a) Counseling and Education Services. Applicants will be evaluated on the quality and complexity of the various types of housing counseling and education services, and if applicable, intermediary activities, applicant proposes to undertake. Indicate for each type of counseling and education service, the languages in which the service is available.

Also, describe marketing activities, if applicable. Proposed services and activities must relate to the needs identified in Rating Factor 2. Scoring of the variety of housing counseling services offered is weighted to provide the most points for Reverse Mortgage, Rental, and Delinquency/Default related Counseling.

During the course of pre-purchase counseling and homebuyer education the client(s) **must** be provided a copy of the following materials: "For Your Protection Get a Home Inspection", (HUD Form 92564), and "Ten Important Questions to Ask A Home Inspector" (both documents can be found at http://portal.hud.gov/hudportal/HUD?src=/i_want_to/buy_a_home). Describe the process through which home inspection information is incorporated into the proposed pre-purchase counseling and homebuyer education.

(i) Counseling Services. For each type of counseling activity proposed, describe in detail the basic counseling services to be provided to clients and what these services specifically entail/include. Include in the description activities to be performed by housing counselors during the screening interview as well as planned follow-up activities. Identify all topics and information to be discussed with the clients during the screening interview for each type of counseling service, and describe any handouts, materials or other resources provided.

Where applicable, HUD encourages applicants to ask the following two questions of each homeowner to whom they provide default counseling and/or non-delinquent counseling in order to help identify possible loan scams and, if applicable, address the process for doing so in the grant proposal:

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

(ii) Education Services. Summarize the goals and curriculum for each education class offered. Provide the average amount of time planned to be spent, per household, for each education service. Include only time planned to be spent conducting the class. Do not include preparation, reporting, and any other activities not involving the direct provision of education services.

(iii) Intermediary Activities. Intermediaries, MSOs, and SHFAs that pass through funding to affiliates or branches must summarize intermediary activities that will be performed as part of the projected work plan including monitoring and oversight, quality assurance and network compliance verification. Describe: the process through which sub-grantees and branches will request and justify disbursements under the grant; supporting documentation, including personnel activity reports, required with each invoice; quality control; and how disbursement decisions are made and recorded.

(iv) Marketing and Outreach. If an applicant requests funding for marketing and outreach as part of this proposal, they must provide a summary of activities to be performed. Describe proposed outreach and marketing efforts, including events, with particular emphasis on foreclosure prevention, combating loan scams, pre-purchase counseling, loan document review services, landlord/tenant issues, and diverse, emerging, and vulnerable markets, for example, to first time homebuyers and renters in minority communities and limited English proficient persons in the target area. For example, grant funds may be utilized to purchase and disseminate materials related to the Loan Modification Scam Alert Campaign: <http://www.loanscamalert.org/> and <http://www.preventloanscams.org>.

Possible marketing and outreach activities include participating and/or organizing foreclosure intervention events, providing general information and materials about housing opportunities and issues, conducting informational campaigns, and raising awareness about critical housing topics, such as fair housing rights and remedies, lending discrimination, predatory lending, mortgage fraud, other fair lending issues, or energy efficiency options to reduce homeowner energy costs. For full credit, applicants providing default counseling must describe marketing, outreach, and events in conjunction with the *Making Home Affordable* program, if applicable.

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

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

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

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

claim on their own;

- Affirmatively marketing counseling and education services; and/or
- Effectively serving and /or communicating with persons with disabilities, in accordance with Section 504 of the Rehabilitation Act of 1973 and its implementing regulations at 24 CFR Parts 8 & 9, and Title III of the Americans with Disabilities Act, for example, materials that are available in large print or Braille.

(c) Budget Explanation. Explain the proposed budget, provided on the HUD424CB, in detail. If applying for supplemental funds, provide a separate budget explanation for each HUD424CB submitted. Indicate why the proposed expenditures of the requested grant funding, and associated costs, are necessary and justified, and contribute to improved efficiency and effectiveness of service delivery. In scoring this section, HUD will evaluate the degree to which the budget and the narratives clearly explain how all requested grant funds will be spent, and whether those proposed expenditures represent an appropriate and responsible use of the grant funding.

Also, if all budget line items could not be itemized using the Form HUD424CB, submit a more detailed, comprehensive budget itemizing all proposed expenses under the grant *in addition* to the Form HUD424CB. For supplemental funding, submit separate, more detailed budgets that itemize expenses under each proposed supplemental grant, if applicable. At a minimum, if applicable, the budget(s) must include salaries, fringe and other benefits, training, travel, rent, phone, postage, supplies, technology/equipment, and indirect costs. Intermediaries, MSOs and SHFAs that reimburse branches and sub-agencies at a fixed cost per counseling/education activity, and type, or per office, are not exempt from this requirement.

Personnel related proposed expenditures should be justified with an explanation and description of how many counseling and other positions will be funded, and at what specific levels. Applicants applying an indirect cost rate must submit a copy of their most recent indirect cost rate approval by the cognizant agency responsible for approving their rate.

Intermediaries, MSOs and SHFAs that are passing through funds to sub-grantees and/or branches must itemize these expenditures on the form HUD424CB and in the narrative. It is not sufficient to list pass through funding under the “contractual” line item on the budget form. Moreover, these applicants must itemize and explain in detail funds be utilized to administer the grant, in other words funds not being passed through to sub-grantees or branches.

This response should include an explanation of the rationale for the proposed allocations, sub-allocations, expenditures, and associated costs. Explain how and why the proposed expenditures and allocations of the requested grant funding will contribute to improved efficiency and effective service delivery in the overall housing market. In scoring this section, HUD will evaluate the degree to which the budget and the narratives clearly explain how all requested grant funds will be spent, and whether those proposed expenditures represent an appropriate and responsible use of the grant funding as compared to projected outputs and outcomes. In addition, each of the line items represented in form HUD424CB must be addressed.

NOTE: *For Intermediaries, SHFAs and MSOs, this must also include a detailed breakdown of proposed costs to be incurred via pass-thru funds to sub-grantees and branches.*

(4) Projected Performance/Work Plan – Coordination. (9 points). HUD will evaluate the extent to which, as compared to similar applicants, the applicant can demonstrate it will coordinate proposed activities with other organizations, if applicable, with other services and products offered by the applicant’s organization in a manner that benefits their clients. Scoring will also be based on the degree to which the applicant takes steps to avoid conflicts of interest, and discloses to clients that they have a choice in matters such as the loan they choose and the house that they purchase.

(a) Partnerships/Multi-service Organizations. Identify and describe partnerships and Applicants should also describe internal products and functions, if applicable, such as loan products available to clients, down payment and closing cost assistance programs, as well as internal affordable housing programs that can be a resource for clients.

(b) Complementing Other HUD Programs. For LHCA’s, indicate what other HUD programs that your counseling services complement or support in addition to FHA. For Intermediaries, SHFAs and MSOs, indicate what other HUD programs your sub-grantees or funded branches’ counseling services complement or support in addition to FHA. For example, indicate involvement, if applicable, in conjunction with state or local government in HUD’s Neighborhood Stabilization Program (NSP), FHA loss mitigation programs, down payment assistance programs, HUD rental assistance programs, CDBG Programs, etc.

(c) Conflict of Interest. Describe plans to avoid conflicts of interest as set forth in HUD Handbook 7610.1-Rev. 5. This includes, but is not limited to, methods for disclosing to clients 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, applicant must also provide a detailed description of its established personnel policies and practices to prevent and, if necessary, remedy any real or apparent conflict of interest. If the applicant originates loans, sells properties, or is otherwise directly or indirectly involved in providing real estate and/or mortgage services, the applicant must explain the measures taken to disclose to clients these services or products, as well as any financial relationships or partnerships with servicers or other parties. Furthermore, the applicant must indicate to HUD if housing counselors are involved in providing real estate and/or mortgage services, and if they receive a special commission or fee related to these services in addition to the counselor’s salary.

To receive full credit in this Section, the applicant must also submit the disclosure form(s) it provides to clients. A participating agency must provide to all clients a disclosure statement that explicitly describes the various types of services provided by the agency and any financial relationships between this agency and any other industry partners. The disclosure must clearly state that the client is not obligated to receive any other services offered by the organization or its exclusive partners. Furthermore, the disclosure must indicate and describe the counseling services the client is entitled to receive, including information on alternative services, programs and products. These plans and disclosures also will be reviewed by HUD staff as part of the performance reviews and on-site monitoring visits.

(5) Projected Performance - Capacity/Efficient Use of Resources. (4 points). In scoring this Section, HUD will evaluate the potential impact of the applicant and the applicant's proposed spending decisions.

(a) Percentage of Grant Funding To Be Sub-Allocated. Intermediaries, MSOs and SHFAs must indicate what percentage of their proposed award will be sub-allocated and paid out directly to sub-grantees and branches, and explain how those funds will be spent.

(b) Percentage of Grant Funding for Salaries and Benefits. LHCA 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. Of these funds, indicate what proposed percentage of these will be spent specifically on the provision of direct housing counseling services. Explain in detail how remaining proposed grant funds will be spent.

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 non-federal resources for their housing counseling activities, for the period October 1, 2011 – September 30, 2012, including: direct financial assistance (grants); fees; in-kind contributions, such as services, equipment, office space, labor; etc. Resources may be provided by *non-federal* government sources, public or private nonprofit organizations, for-profit private organizations, or other entities committed to providing assistance. Grantees will be required to maintain evidence that leveraged funds were actually provided to the agency. Files will be reviewed by HUD staff as a part of the performance reviews and on-site monitoring visits.

(1) All applicants must provide a list of names of the organizations providing all leveraged funds and in-kind contributions for their entire housing counseling program. A separate list of leveraged funds and funding sources must be provided for each type of comprehensive and/or supplemental counseling funds being sought, including any fee for service or other agreements through which servicers pay for housing counseling services. Include the total amount and the source of funds. Applicants that fail to provide this information may not receive any points for this factor. Intermediaries, MSOs and SHFAs must itemize the list of leveraged resources by each proposed sub-grantee and/or funded branch office. All leveraged resources claimed by an applicant, including cash and third party in-kind, must meet all of the criteria set forth in 24 CFR 84.23 and must be accounted for in the budget form HUD424CB. Responses should be consistent with the leveraged funds amount shown on the SF424, HUD424CB and the documentation for this rating factor.

Applicants requesting supplemental funding for Reverse Mortgage Counseling must identify and describe other sources of reverse mortgage funding, including any fee for service.

Applicants can NOT claim the same funds for both Comprehensive and Supplemental leveraged resources. The applicant CAN, however, allocate different parts of funding from the same source to Comprehensive and Supplemental programs.

(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, 2011 – September 30, 2012.

(e) An indication that the award, or a specific portion of it, is intended for housing counseling. Include the percentage of leveraged funds allocated specifically for each grant funding type (Comprehensive or Reverse Mortgage Counseling).

(f) The signature of an official of the entity legally able to make commitments on behalf of the entity.

(g) No conditions that would nullify the commitment. (It is, however, acceptable for the commitment to be conditional on HUD funding.)

(h) If a LHCA has a history of funding over the past two years from a particular source the applicant must provide a verification of the receipt of the grant in the past and make a statement that they have applied for and expect to receive the grant during the period October 1, 2011 – September 30, 2012.

(3) Additionally, resources provided by the applicant may count as leveraged resources. These amounts must include only funds that will **directly** result in the provision of housing counseling services, but not resources for activities as down payment and closing cost assistance, IDA programs, and emergency services. These funds must be reflected in the SF424 under Applicant and the HUD424CB, under Applicant Match (Column 2) and/or Program Income (Column 8). Applicant must provide a detailed description in the narrative, including the *source of* and proposed *use of* funds.

(4) 24 CFR Part 214 explains the conditions under which agencies participating in HUD's Housing Counseling Program are permitted to charge fees to counseling recipients. Agencies participating in HUD's Housing Counseling Program are not permitted to charge fees for

default counseling or homeless counseling. While agencies are strongly encouraged to aggressively leverage funds from other private and public sources, fee income can be counted as leveraged resources. Fee income would be identified as program income on required budget forms. Applicants claiming fee income must project the number of households that will be charged fees, explain why that projection is reasonable, and indicate their fee structure, in other words a description of fee charges for relevant service types, sliding scale if applicable, etc.

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

(6) Points for this factor will be awarded based on the amount of leveraging that meets the 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 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 \$45,000 with leveraged funds equaling that grant will only receive 5 points. If that same LHCA requests only \$20,000 with the same leveraged funds of \$45,000 the score will be 8. The following scale will be used to determine scores for this factor for all applicants:

1 – 25% -10 points
 26 – 30% - 9 points
 31 – 35% - 8 points
 36 – 40% - 7 points
 41 – 45% - 6 points
 46 - 50 % - 5 points
 51 – 55% - 4 points
 56- 66% - 3 points
 67 – 77% - 2 points
 78 – 99% - 1 point

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

The purpose of this factor is for the applicant to identify and explain projected outputs and outcomes corresponding to the proposed work plan in Rating Factor 3. The developed Logic Model submitted with the application will serve as a reporting tool for applicants selected to receive an award. This Logic Model will allow 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 work plan and budget submitted by the applicant through

this NOFA. Proposed outputs and outcomes will be evaluated to determine the effectiveness and efficiency in delivering housing counseling services to the population to be serviced.

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

The Logic Model submission and supporting narrative statements are valued at up to 10 points. The point structure for review of the Logic Model is contained in the General Section. Applicants must select appropriate outputs and outcomes from a series of “pick lists” for the Housing Counseling Program. The pick lists can be found in the form HUD 96010. Using the pick lists, for each column of the Logic Model, applicants can select and insert their outputs and outcomes in the appropriate columns. Each housing counseling and education related output and outcome should only be selected once, not multiple times throughout the form.

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

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

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

Applicants should use the same methodology to complete the Logic Model as they do form HUD9902. For example, the Logic Model is not designed to record the exact number of clients projected or served, but rather the number of unique counseling or education services provided. So an individual or household that receives multiple, distinct types of counseling or education in a reporting period is recorded on the Logic Model multiple times. For example, if an individual comes in for one type of counseling (e.g. pre-purchase), they are recorded. If, later in the reporting period, the same individual comes in for another type of counseling, for example default counseling, record this new activity. By contrast, if multiple topics are covered in one counseling session, it is only recorded as one activity. Moreover, the form is designed to capture participation in each complete course on a unique education topic. For example: whether or not the course is completed in one 8 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 final reporting back to HUD. The management questions place a

framework around the data to be reported 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 regarding the major elements of their program. ***The Management questions also provide for unduplicated counts of services provided and persons served.***

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

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

The Form HUD96010 must identify the following:

(1) Services/Outputs. Outputs are the direct products of the applicant's activities that lead to the ultimate achievement of outcomes. Based on the needs of the target population described in Rating Factor 2, proposed work plan in Rating 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. The applicant must also address in the narrative response why the selected outputs best serve the needs of the target population.

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

Indicate, describe and provide a context for, or qualify, the number of clients the applicant projects to serve, on the proposed logic model, with the proposed HUD Comprehensive Housing Counseling grant, and provide the same information separately for each Supplemental grant, if applicable. Indicate how location, counseling and client types, and expenses may affect client volume, whether the impact will be short-term or long-term.

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

(3) Projections. In scoring this section, HUD will evaluate the degree to which projected output activity is realistic and justified. Applicants should make sure their entries

reflect all proposed counseling and education activities under the grant. The mix of services and projected number of clients to be served as described in the proposed work plan should be consistent with the completed Logic Model.

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

6. Streamlined Application Rating Factors.

The list of high performing applicants that are eligible to submit a streamlined application is attached as Appendix A. Only applicants appearing on this list, and meeting all other eligibility criteria, are permitted to submit responses to the following streamlined application rating factors.

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) Knowledge, Experience and Capacity (12 points).

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

(a) Counselor Capacity. Applicants must provide the following information in support of the narrative response to this Rating Factor

- Number of full-time (35 hours + per week) housing counselors applicant proposes to fund, including proposed sub-grantees and/or branches, if applicable;
- Number of part-time housing counselors (less than 35 hours per week) applicant proposes to fund, including proposed sub-grantees and/or branches, if applicable;

- Number of bilingual housing counselors, including housing counselors proficient in American Sign Language (ASL), appropriate to the demographic to be served, for the applicant and, if applicable, proposed sub-grantees or branches;
- Average years of housing counseling experience for all housing counselors applicant proposes to fund, including proposed sub-grantees and/or branches, if applicable. Intermediaries, SHFAs and MSOs must also provide the Mode if one exists;
- Average years of housing counseling program management experience for the project director(s) for the applicant and, if applicable, proposed sub-grantees or branches. Intermediaries, SHFAs and MSOs must also provide the Mode if one exists;
- Average years of related experience, such as experience in mortgage lending, for counselors and project managers. Experience is related if it corresponds directly to projects of a similar scale and purpose, for example, real estate or housing finance. Intermediaries, SHFAs and MSOs must also provide the Mode if one exists;
- Proposed average hourly labor-rate for housing counselors and project managers, including benefits;
- Percentage and total number of housing counselors that have participated in 2 or more formal housing counseling related trainings in the past 2 years.
- **Indicate if the applicant receives funding, directly or indirectly, through the National Foreclosure Mitigation Counseling (NFMC) Program administered by NeighborWorks America (yes/no).**
- **Indicate if any of the proposed sub-grantees or Branches of the applicant, if applicable, receives funding, directly or indirectly, through the National Foreclosure Mitigation Counseling (NFMC) Program administered by NeighborWorks America (yes/no).**

Intermediaries, MSOs and SHFAs must also identify the sub-grantees and branches, and corresponding states, the applicant proposes to receive funding for through this grant award. Applicants unable to precisely identify proposed sub-grantees and branches to receive funding through the proposed grant must identify the most likely sub-grantees and branches, based on past experience, and explain what process will be used to select actual sub-grantees and branches and to determine sub-funding levels. Pursuant to the applicable regulations at 24 CFR 84.82(d)(3)(iii) and 85.30(d)(4), grantees must receive HUD's prior approval for sub-grants. Intermediaries, MSOs and SHFAs must describe initial and on-going procedures for selecting and verifying the compliance status of new network affiliates, along with procedures for identifying and rectifying service delivery deficiencies and non-compliance issues within their states, regions, or the states and regions within which their sub-agencies operate. Intermediaries, MSOs and SHFAs must:

- Describe the housing counseling and education activities to be provided by proposed sub-grantees and branches, explicitly stating the types of services to be offered, preferably in a chart.
- Describe **the applicant's legal relationship with sub-grantees (i.e. membership organization, field, or branch office, subsidiary organization, etc.)**
- **Indicate which proposed sub-grantees or funded branches receive funding, directly or indirectly, through the National Foreclosure Mitigation Counseling (NFMC) Program administered by NeighborWorks America.**

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

(c) Specialized Training. Describe applicant policies for counselor and management training.

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

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

In scoring this Section, HUD will evaluate how well the applicant met the Program requirements, including reporting and grant document execution, if applicable, for the period October 1, 2010, to September 30, 2011, and its ability to spend all grant funds allotted. If HUD identifies issues relating to the applicant's performance in any of these areas, scoring will be based on the degree of performance problems, which could result in a score of zero for this sub factor.

HUD will rate applicants on the following factors, but applicants are not required to submit detailed responses. HUD will utilize its own records to score this section. Applicant may provide narrative responses or other clarifying information, but are not required to.

If the applicant did not receive a HUD Housing Counseling grant for that period, it must provide a response, with sufficient detail for HUD to evaluate compliance, timeliness and reporting 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.

(a) Grantee Requirements and Expending Grant Funds. HUD will evaluate the applicant's performance, with regard to the timeliness and completeness with which the applicant satisfied requirements, including grant document execution, and grant reporting requirements including quarterly (if applicable), mid-term and final reports, and a Logic Model (form HUD 96010) during the period October 1, 2010 through September 30, 2011.

If grant awards were not fully expended during the grant period October 1, 2010 through September 30, 2011, 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.

If the applicant did not receive HUD housing counseling funding for this period, indicate whether or not other sources of funding were expended in a timely fashion. If not, indicate the reason(s) why and steps the applicant has taken to ensure future HUD funds will be expended according to terms of the grant agreement.

(b) Activity Data and Housing Counseling System (HCS). HUD may not award points if the applicant was required to submit a form HUD9902, but failed to do so in a timely manner, or if the form was not completed, or the data was submitted incorrectly. Pursuant to *Section III.C.2(g)- Threshold Requirements* of this NOFA, applicant must provide the name of the Client Management System (CMS) used by the applicant for record-keeping and reporting purposes. All electronic CMS systems must be able to interface with HCS. If applicant is currently using a CMS that is not compatible with HCS, applicant must provide a detailed explanation of what measures are being taken to correct this. All applicants must describe procedures and quality control measures used to verify home office and, if applicable, sub-grantee, branch or affiliate information is accurate in HCS.

(3) Management - Goals and Results. (5 points). In scoring this section, HUD will compare applicant output goals and actual results for the period October 1, 2010 through September 30, 2011, and evaluate subsequent changes in approach resulting from any differences, if applicable. HUD's primary concern is outputs, specifically accomplishments relative to the projected total number of households to be served, both for one-on-one counseling and education.

(a) Projections and Accomplishments. For applicants that received a HUD housing counseling grant covering the period October 1, 2010 to September 30, 2011, HUD will compare the HUD-grant specific projections made in the Program Outcome and Output Logic Model, Form HUD 96010 submitted with the FY2010/2011 Housing Counseling NOFA, including any adjustments based on actual award amounts, to the corresponding actual HUD-grant specific results for that period reported by the applicant. The Logic Model Instructions, which is tab 1 of Form HUD 96010, provide information regarding measurement reporting tools and the evaluation process. Provide a clear explanation as to why goals were not met, if applicable.

Applicants who did not receive a FY2010/2011 Housing Counseling Grant and therefore did not finalize outcome and output projections, who were recently approved, or who were a sub-grantee of an intermediary or SHFA for the period of October 1, 2010 through September 30, 2011, and are now applying for funding must indicate the detailed, quantifiable goals that were set for the period covering October 1, 2010 to September 30, 2011, or for the 12 month period ending December 31, 2011 if more appropriate to the applicant's or other grant-requiring reporting schedule. Also provide the actual results corresponding to these goals and explain any differences in goals versus actual results and indicate what measurement reporting tools were used as well as describe the evaluation process. Describe any sub-allocation, personnel or work

plan adjustments that took place during the period October 1, 2010 through September 30, 2011 because goals were not being met, if applicable. Provide relevant contact information for the agencies or organizations administering those programs so HUD can verify that the goals and corresponding achievements reported are accurate. Provide a clear explanation as to why goals were not met, if applicable.

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

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

(1) Needs Data. (2 points). Describe how the proposed program addresses the needs of the target community. Applicants will not obtain full points for this Rating Factor unless they provide the following in their narrative proposal.

(a) Needs Data. LHCA's must provide current or recent economic and demographic data, and any other evidence, and reference supporting documentation, that demonstrates housing counseling need in the target area that your program addresses. All proposed activities in Rating Factor 3 must have corresponding need-related data. Sources for all data provided must be clearly cited. Do not submit copies of reports or articles. To the extent that the community that the applicant serves has documented need in its Consolidated Plan, Analysis of Impediments to Fair Housing Choice (AI), or other planning documents, these should be referenced in the response. Additionally, the HUD USER Research Information Service and Clearinghouse, available at <http://www.huduser.org/>, allows users to search over 800 HUD publications by subjects and keywords.

NOTE: *Intermediaries, SHFAs and MSOs serving multiple communities are not required to provide needs data, but must respond to items (b) and (c).*

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

(c) Persons With Disabilities and LEP. Provide data relevant to the housing needs of persons with disabilities and persons with Limited English Proficiency located in the target area. The U.S. Census Bureau, for example, maintains disability data by state, county/parish, and metropolitan statistical area (MSA) at the following website: <http://www.census.gov/hhes/www/disability/disability.html>. In scoring this Section, HUD will evaluate the degree to which the applicant provides current or recent economic and demographic

data, and any other evidence that demonstrates housing counseling need relevant to the target area and the activities proposed in projected work plan activities detailed in Rating Factor 3. Applicants that fail to identify current or recent objective data, including adequate source citation, will not receive full points for this factor.

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

(2) Departmental Policy Priorities. (3 points). The Departmental policy priorities are described in detail in the General Section under Section I.B., Policy Priorities. The total number of points an applicant can receive under this sub-factor is three (3). Each policy priority addressed below has a point value of one (1) point. An applicant may address as few or as many of the policy priorities as they wish. It is up to the applicant to determine which combination of the policy priorities are addressed, if applicable, to be eligible for the three (3) points. Regardless of the combination selected, a maximum of three (3) points is available.

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

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

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

counseling recipients to existing communities with ready access to employment and health care services. (*this activity relates to HUD Strategic Goals 2D,3C,4C*)

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

(b) Affirmatively Furthering Fair Housing (AFFH). HUD is interested in funding housing counseling and related services that seek to create diverse, integrated living patterns and afford residents an opportunity to live in a variety of neighborhoods and not be confined to affordable housing choices in areas of high poverty or areas which are not racially or ethnically diverse. Activities must focus on practical social and other supports for households considering or undertaking a cross-racial or cross-ethnic move to high opportunity communities. Activities must be directed to those in need of affordable housing and must provide assistance with finding and applying for housing in diverse communities, fair housing rights and information on HUD and local Fair Housing Assistance Programs to investigate potential fair housing violations. Applicants must not only identify the specific activities to be undertaken, but must also have measureable and quantifiable outcomes related to the activities proposed in support of the AFFH requirements. Housing counseling activities that affirmatively further fair housing include, but are not limited to:

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

- Where there are instances suggesting that violations of such laws have occurred or are occurring, reporting/providing information to HUD or local Fair Housing Assistance Program (FHAP) agencies to investigate (*this activity relates to HUD Strategic Goals 1C, 1D*); and/or
- Affirmatively marketing counseling and education services (*this activity relates to HUD Strategic Goals 1B, 1C, 1D, 2D*).

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

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

(c) Capacity Building and Knowledge Sharing. To receive points for this policy priority, applicants must describe how they will provide knowledge sharing experiences to their applicant partners in the program design and implementation process that will provide long-term benefits and increase their capacity. A point will be awarded to applicants that demonstrate activities that will result in partner organizations gaining skills and technical expertise in the grant subject matter and managing federal awards, including financial management, project management, and program performance assessment and evaluation. Eligible activities that relate to this priority include outreach, training and administration (*these activities relate to HUD Strategic Goals 3E, 4E*).

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

(d) Using Housing as a Platform for Improving Other Outcomes. HUD is interested in having HUD programs work in conjunction with other federal, state and local programs to create a synergy which results in improved outcomes for community residents, particularly special populations (elderly individuals, persons with disabilities and homeless persons and families, and very low income, low-income, and moderate- income households). HUD will provide a policy priority point to applicant programs which use housing as a platform for improving outcomes for target populations in the areas of improved educational opportunities and outcomes for adults and children as a result of increased housing choices; decreased travel times from work to employment as a result of increased housing choices; increased access to

health care and health care facilities as a result of increased housing choices; increased access to job training and career counseling services as a result of coordination with other federal, state or local programs; and increased access to social services and benefits as a result of information sharing and coordination with other federal, state and local programs. Eligible activities that relate to this priority include counseling/education services, outreach, training and administration (*these activities relate to HUD Strategic Goals 2D,3C, 3E,4E*).

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

(e) Expand Cross-Cutting Policy Knowledge. HUD encourages applicants to partner with colleges and universities and others to devise a means to capture and track not only outcome data for the program activities directly funded through the 2012 NOFA award, but to track the spin-off or secondary impacts that result from improvements made through implementation of housing, economic development or community development programs in other areas such as health, education, safety, self-sufficiency, transportation, sustainability and increased economic and racial diversity in the community or region being served through the HUD program. To receive points for this policy priority, the applicant must have established a partnership with the college or university, or other relevant organization, and determined what data will be collected and analyzed and the documentation provided to HUD for review and approval prior to dissemination (*these activities relate to HUD Strategic Goal 4E*).

The Logic Model contains output and outcome options for projecting and reporting relative to this priority – for example, applicant partners that agree to capture and track outcome data for the program activities directly funded through the 2012 NOFA award, and the spin-off or secondary impacts that result. See Logic Model for a full listing.

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

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

In scoring this section, HUD will evaluate the quality of, the variety of, and the level of effort and time associated with the housing counseling services provided by the applicant from all funding sources during the period October 1, 2010 through September 30, 2011

Provide the average amount of time spent, per household, for the following services types, if applicable. Include only direct housing counseling and education service provision, including follow-up and screening. Do not include preparation, reporting, and any other activities not involving the direct provision of counseling services. Intermediaries, SHFAs and MSOs must provide an average for the entire network of affiliates and branches, if applicable, included in their application. Counseling is defined as counselor to client assistance that addresses unique financial circumstances and housing issues. Educational services are defined as formal classes,

with established curriculum and instructional goals provided in a group or classroom setting. Do not provide a range of hours. The service types are:

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

Scoring will be based on the degree to which the applicant demonstrates, as compared to other applicants, that sufficient time and resources were devoted to ensure that clients received quality counseling. Indicate if the average time for *proposed* activities differs from these historical figures.

(2) Historical Performance - Impact/Outcomes (13 points). To score this Section, HUD will evaluate the applicant's efforts to educate persons in need regarding the availability of counseling services and critical housing issues. HUD will also analyze performance for the period October 1, 2010, to September 30, 2011 as reported on the HUD 9902, "All Counseling Activities" column. The quantity of clients the applicant served will be compared to similar applicants providing similar services. HUD will also use this data to evaluate the applicants' success in conducting outreach and providing services to diverse racial and ethnic groups.

(a) Capacity. In scoring this section HUD will evaluate the total number of education participants and housing counseling clients served by the applicant, during the period October 1, 2010, to September 30, 2011, with all sources of funding. HUD will rely on Form HUD9902 for this data. HUD will utilize form HUD9902 data in HUD's Housing Counseling System (HCS). However, HUD will consider a revised HUD9902 submitted with this application if it is accompanied by an acceptable explanation regarding why the data was revised.

(b) Cost per Client. In scoring this Section, HUD will evaluate the historical counseling services activity data accomplished by the applicant, for the period October 1, 2010 – September 30, 2011, as recorded on the form HUD9902, and the cost to provide those services. Scoring will

be based on the cost per client, compared to historical averages of similar services and similar applicants. Costs will also be analyzed in the context of budget, costs, and types of services provided.

So that HUD can separately calculate cost per client for one-on-one counseling and group education, indicate the following information:

- The total housing counseling budget that corresponds to the totals on the form HUD9902 for all counseling activity, all sources of funding.
- Additionally, prorate this total counseling budget, for the period October 1, 2010 to September 30, 2011, in the following manner:
 - the dollar amount contributing to the one-on-one counseling activity only;
 - the dollar amount contributing to the group education activity only.

The dollar values for each must add up to the total housing counseling budget, inclusive of all administrative-related costs such as supplies, materials, marketing, etc. Intermediaries, MSOs and SHFAs must not simply list dollar values for funds passed through to sub-grantees and branches.

(3) Projected Performance - Work Plan. (13 points). This section involves information on the housing counseling services and other activities to be conducted during the period October 1, 2011, through September 30, 2012. 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. The grant proposal must be consistent with the most current work plan on file with the appropriate HUD office, i.e., an applicant cannot propose to provide services for which the agency is not approved to provide. Default Counseling, Rental Counseling, and Reverse Mortgage Counseling may qualify for full credit, as does a combination of other counseling services.

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

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

(a) Counseling and Education Services. Describe in detail the various types of housing counseling and education services, and if applicable, intermediary activities, applicant proposes to undertake. Indicate for each type of counseling and education service, the languages in which the service is available.

Also, describe marketing activities, if applicable. Proposed services and activities must relate to the needs identified in Rating Factor 2. Scoring of the variety of housing counseling services offered is weighted to provide the most points for Reverse Mortgage, Rental, and Delinquency/Default related counseling.

During the course of pre-purchase counseling and homebuyer education the client(s) **must** be provided a copy of the following materials: “For Your Protection Get a Home Inspection”, (HUD Form 92564), and “Ten Important Questions to Ask A Home Inspector” (both documents can be found at http://portal.hud.gov/hudportal/HUD?src=/i_want_to/buy_a_home). Describe the process through which home inspection information is incorporated into the proposed pre-purchase counseling and homebuyer education.

(i) Counseling Services. For each type of counseling activity proposed, describe in detail the basic counseling services to be provided to clients and what these services specifically entail/include. Include in the description activities to be performed by housing counselors during the screening interview as well as planned follow-up activities. Identify all topics and information to be discussed with the clients during the screening interview for each type of counseling service, and describe any handouts, materials or other resources provided.

Where applicable, HUD encourages applicants to ask the following two questions of each homeowner to whom they provide default counseling and/or non-delinquent counseling in order to help identify possible loan scams and, if applicable, address the process for doing so in the grant proposal:

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

(ii) Education Services. Summarize the goals and curriculum for each education class offered.

(iii) Intermediary Activities. Intermediaries, MSOs, and SHFAs that pass through funding to affiliates or branches must summarize intermediary activities that will be performed as part of the projected work plan including monitoring and oversight, quality assurance and network compliance verification. Describe: the process through which sub-grantees and branches will request and justify disbursements under the grant; supporting documentation, including personnel activity reports, required with each invoice; quality control; and how disbursement decisions are made and recorded.

(iv) Marketing and Outreach. If an applicant requests funding for Marketing and Outreach as part of this proposal, they must provide a summary of activities to be performed.

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

Possible marketing and outreach activities include participating and/or organizing foreclosure intervention events, providing general information and materials about housing opportunities and issues, conducting informational campaigns, and raising awareness about critical housing topics, such as fair housing rights and remedies, lending discrimination, predatory lending, mortgage fraud, other fair lending issues, or energy efficiency options to reduce homeowner energy costs. For full credit, applicants providing default counseling must describe marketing, outreach, and events in conjunction with the *Making Home Affordable* program, if applicable.

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

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

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

- Making persons aware of discriminatory practices;

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

(c) Budget Explanation. Explain the proposed budget, provided on the HUD424CB, in detail. If applying for supplemental funds, provide a separate budget explanation for each HUD424CB submitted. Indicate why the proposed expenditures of the requested grant funding, and associated costs, are necessary and justified, and contribute to improved efficiency and effectiveness of service delivery. In scoring this section, HUD will evaluate the degree to which the budget and the narratives clearly explain how all requested grant funds will be spent, and whether those proposed expenditures represent an appropriate and responsible use of the grant funding.

Also, if all budget line items could not be itemized using the Form HUD424CB, *in addition* to the Form HUD424CB, submit a more detailed, comprehensive budget itemizing all proposed expenses under the grant. For supplemental funding, submit separate, more detailed budgets that itemize expenses under each proposed supplemental grant, if applicable. At a minimum, if applicable, the budget(s) must include salaries, fringe and other benefits, training,

travel, rent, phone, postage, supplies, technology/equipment, and indirect costs. Intermediaries, MSOs and SHFAs that reimburse branches and sub-agencies at a fixed cost per counseling/education activity, and type, or per office, are not exempt from this requirement.

Personnel related proposed expenditures should be justified with an explanation and description of how many counseling and other positions will be funded, and at what specific levels. Applicants applying an indirect cost rate must submit a copy of their most recent indirect cost rate approval by the cognizant agency responsible for approving their rate.

Intermediaries, MSOs and SHFAs that are passing through funds to sub-grantees and/or branches must itemize these expenditures on the form HUD424CB and in the narrative. It is not sufficient to list pass through funding under the “contractual” line item on the budget form. Moreover, these applicants must itemize and explain in detail funds be utilized to administer the grant, in other words funds not being passed through to sub-grantees of branches.

This response should include an explanation of the rationale for the proposed allocations, sub-allocations, expenditures, and associated costs. Explain how and why the proposed expenditures and allocations of the requested grant funding will contribute to improved efficiency and effective service delivery in the overall housing market. In scoring this section, HUD will evaluate the degree to which the budget and the narratives clearly explain how all requested grant funds will be spent, and whether those proposed expenditures represent an appropriate and responsible use of the grant funding as compared to projected outputs and outcomes. In addition, each of the line items represented in form HUD424CB must be addressed.

NOTE: *For Intermediaries, SHFAs and MSOs, this must also include a detailed breakdown of proposed costs to be incurred via pass-thru funds to sub-grantees and branches.*

(4) Conflict of Interest. (9 points). Describe plans to avoid conflicts of interest as set forth in HUD Handbook 7610.1-Rev. 5. This includes, but is not limited to, methods for disclosing to clients 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, applicant must also provide a detailed description of its established personnel policies and practices to prevent and, if necessary, remedy any real or apparent conflict of interest. If the applicant originates loans, sells properties, or is otherwise directly or indirectly involved in providing real estate and/or mortgage services, the applicant must explain the measures taken to disclose to clients these services or products, as well as any financial relationships or partnerships with servicers or other parties. Furthermore, the applicant must indicate to HUD if housing counselors are involved in providing real estate and/or mortgage services, and if they receive a special commission or fee related to these services in addition to the counselor’s salary.

To receive full credit in this Section, the applicant must also submit the disclosure form(s) it provides to clients. A participating agency must provide to all clients a disclosure statement that explicitly describes the various types of services provided by the agency and any financial relationships between this agency and any other industry partners. The disclosure must clearly state that the client is not obligated to receive any other services offered by the organization or its exclusive partners. Furthermore, the disclosure must indicate and describe the counseling services the client is entitled to receive, including information on alternative services, programs and products. These plans and disclosures also will be reviewed by HUD staff as part

of the performance reviews and on-site monitoring visits.

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

(a) Percentage of Grant Funding To Be Sub-Allocated. Intermediaries, MSOs and SHFAs must indicate what percentage of their proposed award will be sub-allocated and paid out directly to sub-grantees and branches, and explain how those funds will be spent.

(b) Percentage of Grant Funding for Salaries and Benefits. LHCAs that apply under Applicant Category 1 must indicate what percentage of their proposed award will be spent on the salaries and benefits of housing counselors and project directors. Of these funds, indicate what proposed percentage of these will be spent specifically on the provision of direct housing counseling services. Explain in detail how remaining proposed grant funds will be spent.

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 non-federal resources for their housing counseling activities, for the period October 1, 2011 – September 30, 2012, including: direct financial assistance (grants); fees; in-kind contributions, such as services, equipment, office space, labor; etc. Resources may be provided by *non-federal* government sources, public or private nonprofit organizations, for-profit private organizations, or other entities committed to providing assistance. Grantees will be required to maintain evidence that leveraged funds were actually provided to the agency. Files will be reviewed by HUD staff as a part of the performance reviews and on-site monitoring visits.

(1) All applicants must provide a list of names of the organizations providing all leveraged funds and in-kind contributions for their entire housing counseling program. A separate list of leveraged funds and funding sources must be provided for each type of comprehensive and/or supplemental counseling funds being sought, including any fee for service or other agreements through which servicers pay for housing counseling services. Include the total amount and the source of funds. Applicants that fail to provide this information may not receive any points for this factor. Intermediaries, MSOs 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 HUD 424 CB. Responses should be consistent with the leveraged funds amount shown on the SF 424, HUD 424 CB and the documentation for this rating factor.

NOTE: Applicants requesting supplemental funding for Reverse Mortgage Counseling must identify and describe other sources of reverse mortgage funding, including any

fee for service.

Applicants can NOT claim the same leveraged funds for both Comprehensive and Supplemental leveraged resources. The applicant CAN, however, allocate different parts of funding from the same source to Comprehensive and Supplemental programs.

(2) Additionally, resources provided by the applicant may count as leveraged resources. These amounts must include only funds that will **directly** result in the provision of housing counseling services, but not resources for activities as down payment and closing cost assistance, IDA programs, and emergency services. These funds must be reflected in the SF 424 under Applicant and the HUD 424 CB, under Applicant Match (Column 2) and/or Program Income (Column 8). Applicant must provide a detailed description in the narrative, including the *source of* and proposed *use of* funds.

(3) 24 CFR Part 214 explains the conditions under which agencies participating in HUD's Housing Counseling Program are permitted to charge fees to counseling recipients. Agencies participating in HUD's Housing Counseling Program are not permitted to charge fees for default counseling or homeless counseling. While agencies are strongly encouraged to aggressively leverage funds from other private and public sources, fee income can be counted as leveraged resources. Fee income would be identified as program income on required budget forms. Applicants claiming fee income must project the number of households that will be charged fees, explain why that projection is reasonable, and indicate their fee structure, in other words a description of fee charges for relevant service types, sliding scale if applicable, etc.

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

(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 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 \$45,000 with leveraged funds equaling that grant will only receive 5 points. If that same LHCA requests only \$20,000 with the same leveraged funds of \$45,000 the score will be 8. The following scale will be used to determine scores for this factor for all applicants:

1 – 25% - 10 points
 26 – 30% - 9 points
 31 – 35% - 8 points
 36 – 40% - 7 points
 41 – 45% - 6 points
 46 - 50 % - 5 points
 51 – 55% - 4 points

56- 66% - 3 points

67 – 77% - 2 points

78 – 99% - 1 point

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

The purpose of this factor is for the applicant to identify and explain projected outputs and outcomes corresponding to the proposed work plan in Rating Factor 3. The developed Logic Model submitted with the application will serve as a reporting tool for applicants selected to receive an award. This Logic Model will allow 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 work plan and budget submitted by the applicant through this NOFA. Proposed outputs and outcomes will be evaluated to determine the effectiveness and efficiency in delivering housing counseling services to the population to be serviced.

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

The Logic Model submission and supporting narrative statements are valued at up to 10 points. The point structure for review of the Logic Model is contained in the General Section. Applicants must select appropriate outputs and outcomes from a series of “pick lists” for the Housing Counseling Program. The pick lists can be found in the form HUD 96010. Using the pick lists, for each column of the Logic Model, applicants can select and insert their outputs and outcomes in the appropriate columns. Each housing counseling and education related output and outcome should only be selected once, not multiple times throughout the form.

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

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

The Logic Model collects essentially the same data fields, with a few exceptions, as the HUD9902. While the HUD9902 collects all counseling activity with all sources of funding, the

Logic Model is the form on which applicants project and report regarding activity specifically under the HUD Housing Counseling Grant requested through this NOFA.

Applicants should use the same methodology to complete the Logic Model as they do form HUD9902. For example, the Logic Model is not designed to record the exact number of clients projected or served, but rather the number of unique counseling or education services provided. So an individual or household that receives multiple, distinct types of counseling or education in a reporting period is recorded on the Logic Model multiple times. For example, if an individual comes in for one type of counseling (e.g. pre-purchase), they are recorded. If, later in the reporting period, the same individual comes in for another type of counseling, for example default counseling, record this new activity. By contrast, if multiple topics are covered in one counseling session, it is only recorded as one activity. Moreover, the form is designed to capture participation in each complete course on a unique education topic. For example: whether or not the course is completed in one 8 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 final reporting back to HUD. The management questions place a framework around the data to be reported 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 regarding the major elements of their program. ***The Management questions also provide for unduplicated counts of services provided and persons served.***

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

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

The Form HUD96010 must identify the following:

(1) Services / Outputs. Outputs are the direct products of the applicant's activities that lead to the ultimate achievement of outcomes. Based on the needs of the target population described in Rating Factor 2, proposed work plan in Rating 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.

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

(2) **Outcomes.** Outcomes are benefits accruing to the households as a result of participation in the program. Outcomes are performance indicators the applicant expects to achieve or goals it hopes to meet over the term of the proposed grant. Using the pick lists provided, applicants should select each appropriate outcome and associated unit of measure related to the proposed work plan, and provide the corresponding number to be achieved for each proposed outcome. Projected outcomes should reflect the number the applicant expects to report in the HUD Housing Counseling Grant Activities column on the Form HUD 9902. The applicant must also address in the narrative response the basis for selecting these expected outcomes.

(3) **Projections.** In scoring this section, HUD will evaluate the degree to which projected output activity is realistic and justified. Applicants should make sure their entries reflect all proposed counseling and education activities under the grant. The mix of services and projected number of clients to be served as described in the proposed work plan should be consistent with the completed Logic Model.

(4) **Evaluation Tools.** The applicant must also include in the Logic Model an evaluation plan that explains how they are going to track actual accomplishments against anticipated achievements and ensure that the program can provide the services projected to be delivered and outcomes projected to be achieved. See the Logic Model Evaluation Matrix in Appendix A of the General Section.

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

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

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

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

4. Minimum Score for Fundable Applications. The minimum score for fundable applications is 75 points. HUD anticipates making awards to all applicants scoring 75 or greater, but reserves the right not to fund all eligible applicants receiving fundable scores, based on the availability of funds. Should this occur, application scores would determine grant recipients.

5. Funding Methodology

a. Comprehensive Counseling. All applications will be scored on a 100 point scale, not including bonus points, if applicable. 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. Applications that receive 75 points or more will not necessarily receive

comprehensive counseling funding. 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 may consider the amount of the Comprehensive Counseling grant being requested to be the value entered into box 18a on form SF 424. Should sufficient funds be available, the minimum Comprehensive award is \$15,000 for LHCA's; \$30,000 for SHFAs and MSOs; and \$200,000 for intermediaries. HUD reserves the right to increase or decrease the minimum award amount based on the availability of funds.

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

For applicants requesting supplemental funding, box 18a of Form SF 424 should reflect the total of the Comprehensive request and the supplemental funding request. The narrative response to Rating Factor 3 must make clear the exact Comprehensive and supplemental amounts being requested. Only applicants scoring 75 points or above are eligible for supplemental funding. HUD may award one or more supplemental grants per category.

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

(1) Both Comprehensive and Supplemental.

For applicants applying for both Comprehensive and supplemental counseling grants, funds will be allocated based on the funding methodology in sub-section "a" above. Scoring for supplemental funding will be based on responses to each Rating Factor. An inadequate supplemental response will result in up to a 5 point deduction from the Comprehensive score for each factor.

After all five Rating Factors have been evaluated the adjusted ratings will result in a distinct score for the supplemental funds. This method will result in scores for supplemental funding, that may be equal to the Comprehensive score, or up to twenty five (25) points less than the Comprehensive score. In no case can an applicant receive a higher score on an application for supplemental funding than it received on its Comprehensive application.

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

(3) Minimum Supplemental Awards. Should sufficient funds be available, the minimum award for the Reverse Mortgage Counseling supplemental funding will be \$50,000 for intermediaries, \$15,000 for MSOs and SHFAs, and \$10,000 for LHCA's. HUD reserves the right to increase or decrease the minimum award amount based on the availability of funds.

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

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

8. Mergers, Acquisitions and Other Changes in Organizational Structure. Mergers, acquisitions, or other changes in Grantee form or organizational structure must be reported to the GTR. In the case of a simple name change, HUD may make the award in the name of the newly named entity. In the case of a merger, the new, or merged entity, may be eligible to receive grant funding made to the original Grantee, provided they meet certain conditions, including but not necessarily limited to:

- The new, or merged entity, receives HUD approval as a housing counseling agency;
- The new, or merged entity, demonstrates that its application and work plan, target community, and personnel involved are substantially similar to that of the original Grantee;
- The newly named entity has a DUNS number, has registered in CCR and has passed the IRS check conducted as part of the CCR registration process;
- The Name Check review process has been conducted for the proposed new awardee;
- An amendment to the award agreement is made assigning the award to the new entity is completed; and
- A new LOCCS access form has been filed with the HUD Accounting Office.

VI. AWARD ADMINISTRATION INFORMATION.

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

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

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

3. Debriefing. Applicants may receive a debriefing on their application submission. For a period of 120 days, beginning 30 days after the awards for assistance are publicly announced, HUD will provide to a requesting applicant a debriefing related to its application. A request for debriefing must be made in writing or by email by the authorized official whose signature appears on the SF424 or by his or her successor in office, and be submitted to the HUD Point of Contact listed in Section VII of this NOFA.

Information provided during a debriefing will include, at a minimum, the final score the applicant received for each rating factor, final evaluator comments for each rating factor, and the final assessment indicating the basis upon which assistance was provided or denied. Please see the **General Section** for a further discussion of the time frame in which the debriefing request may be submitted.

B. Administrative and National Policy Requirements.

1. Environmental Requirements. In accordance with 24 CFR 50.19(b)(2), (3), (4), (9), (12), (13) of the HUD regulations, activities assisted under this program are categorically excluded from the requirements of the National Environmental Policy Act and are not subject to environmental review under the related laws and authorities.

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

3. Other Matters.

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

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

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

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

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

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

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

C. Reporting.

1. Fiscal Year Activity Report. Grantees are required to submit Form 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 HUD96010, Program Outcome Logic Model, and a corresponding budget, before the grant agreement will be executed. Additionally, Grantees will be required to submit an updated Form HUD96010, Program Outcome Logic Model, reflecting actual achievements, with each quarterly, midterm and final report, in accordance with the reporting requirements of the grant agreement. The information in this form provides the primary means through which HUD will monitor the ongoing performance of the grantee.

3. Transparency Act Reporting.

a. Recipient Reporting to Meet the Requirements of the Federal Funding Accountability and Transparency Act of 2006, as amended.

(1) Prime Grant Awardee Reporting. Prime recipients of HUD financial assistance are required to report certain sub-awards in the federal government-wide website www.ftrs.gov or its successor system.

Starting with awards made October 1, 2010 prime financial assistance awardees receiving funds directly from HUD are required to report subawards and executive compensation information both for the prime award and subaward recipients, including awards made as pass-through awards or awards to vendors, if (1) the initial prime grant award is \$25,000 or greater, or the cumulative prime grant award will be \$25,000 or greater if funded incrementally as directed by HUD in accordance with OMB guidance; and (2) the sub-award is \$25,000 or greater, or the cumulative subaward will be \$25,000 or greater. For reportable subawards, if executive compensation reporting is required and subaward recipients' executive compensation is reported through the Central Contractor Registration (CCR) system, the prime recipient is not required to report this information. The reporting of award and subaward information is in accordance with the requirements of Federal Financial Assistance Accountability and Transparency Act of 2006, as amended by section 6202 of Public Law 110-252, hereafter referred to as the "Transparency Act" and OMB Guidance issued to the Federal agencies on September 14, 2010 (75 FR 55669) and in OMB Policy guidance. The prime awardee will have until the end of the month plus one additional month after a subaward or pass-through award is obligated to fulfill the reporting requirement. Prime recipients are required to report the following information for applicable subawards. This information will be displayed on a public government website pursuant to the Transparency Act.

- (i) Name of entity receiving award;
- (ii) Amount of award
- (iii) Funding agency;
- (iv) North American Industry Classification System (NAICS) code for contracts/CFDA program for financial assistance awards;

- (v) Program source;
- (vi) Award title descriptive of the purpose of the funding action;
- (vii) Location of the entity (including Congressional district);
- (viii) Place of Performance (including Congressional district);
- (ix) Unique identifier of the entity and its parent; and
- (x) Total compensation and names of top five executives.

For the purposes of reporting into the FFATA Sub-award Reporting System (FSRS) reporting site, the unique identifier is the DUN and Bradstreet Universal Numbering System (DUNS) number the entity has obtained from Dun and Bradstreet, and for Prime awardees the DUNS number registered in the Central Contractor Registration as required by HUD regulation 24 CFR 5.1004.

(2) Prime Grant Awardee Executive Compensation Reporting. Prime awardees must also report in the government-wide website the total compensation and names of the top five executives in the prime awardee organization if:

(i) More than 80% of the annual gross revenues are from the Federal government, and those revenues are greater than \$25 million annually; and

(ii) Compensation information is not readily available through reporting to the Securities Exchange Commission (SEC.)

(3) Subaward Executive Compensation Reporting. Prime grant awardees must also report in the governmentwide website the total compensation and names of the top five executives in the subawardees if:

(i) More than 80% of the annual gross revenues are from the Federal government, and those revenues are greater than \$25 million annually; and

(ii) This required compensation information is not readily available through reporting to the Securities Exchange Commission (SEC.) For applicable subawards, if executive compensation reporting is required and subaward recipients' executive compensation is reported through the Central Contractor Registration (CCR) system, the prime recipient is not required to report this information.

(4) Transparency Act Reporting Exemptions. The Transparency Act exempts any sub-awards less than \$25,000 made to individuals and any sub-awards less than \$25,000 made to an entity whose annual expenditures are less than \$300,000. Subawards with a cumulative total of \$25,000 or greater are subject to subaward reporting beginning the date the subaward total award amount reaches \$25,000. The Transparency Act also prohibits reporting of any classified information. Any other exemptions to the requirements must be approved by the Office of Management and Budget.

NOTE: For the purposes of FFATA reporting requirements, "prime grant awardee" or "prime

grant award” or “grant award” includes awardees of, and awards for, capital advances for the Section 202 Housing for the Elderly and Section 811 Housing for Persons with Disabilities programs.

4. Compliance with Section 872 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (Pub. L. 110-417), hereafter referred to as “Section 872.” Section 872 requires the establishment of a government wide data system – the Federal Awardee Performance and Integrity Information System (FAPIIS) - to contain information related to the integrity and performance of entities awarded federal financial assistance and making use of the information by federal officials in making awards. OMB is in the process of issuing regulations regarding federal agency implementation of section 872 requirements. A technical correction to this General section may be issued when such regulations are promulgated.

HUD’s terms and conditions to its FY2012 awards will contain requirements related to meeting Section FFATA and Section 872 requirements.

VII. AGENCY CONTACT(S).

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

<u>Homeownership Center</u>	<u>States</u>
<u>PHILADELPHIA HOMEOWNERSHIP CENTER</u> Ms. Brenda Bellisario Director, Program Support Division Wanamaker Building 100 Penn Square East, 12 th Fl Philadelphia, PA 19107-3389 Brenda.Bellisario@hud.gov For programmatic information contact: Elizabeth Cahall elizabeth.m.cahall@hud.gov 215 861-7236	Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia
<u>ATLANTA HOMEOWNERSHIP CENTER</u> Ms. Gayle Knowlson Director, Program Support Division 40 Marietta Street, 9th Floor Atlanta, GA 30303-2806 Gayle.F.Knowlson@HUD.GOV For programmatic information	Alabama, Puerto Rico, Florida, Georgia, Illinois, Indiana, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee

<p>contact: Carolyn Hogans E.Carolyn.Hogans@hud.gov 678 732-2129</p>	
<p><u>DENVER</u> <u>HOMEOWNERSHIP CENTER</u> <u>Ms. Cecilia Ross</u> Director, Program Support Division 1670 Broadway 23rd floor Denver, CO 80202-4801 Cecilia.J.Ross@hud.gov For programmatic information Contact: Gary E. Thacker Gary.E.Thacker@hud.gov 303 675-1667</p>	<p>Arkansas, Colorado, Iowa, Kansas, Louisiana, Minnesota, Missouri, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, Utah, Wisconsin, Wyoming</p>
<p><u>SANTA ANA</u> <u>HOMEOWNERSHIP CENTER</u> <u>Mr. Jerrold Mayer</u> Director, Program Support Division Santa Ana Federal Building 34 Civic Center Plaza, Room 7015 Santa Ana, CA 92701-4003 jerrold.h.mayer@hud.gov For programmatic information contact: Rhonda J. Rivera, rhonda.j.rivera@hud.gov 714 796-1200 x3210</p>	<p>Alaska, Arizona, California, Hawaii, Oregon, Idaho, Nevada, Washington</p>

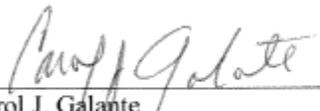
VIII. OTHER INFORMATION.

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

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

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

Dated: November 30, 2011



Carol J. Galante
Acting Assistant Secretary for Housing –
Federal Housing Commissioner

[FR-5600-N-25]

APPENDIX A: APPLICANTS ELIGIBLE TO SUBMIT A STREAMLINED APPLICATION.

Denver Homeownership Center

CATHOLIC CHARITIES DIOCESE OF ST. CLOUD (ST.CLOUD, MN)
 CENTER FOR SIOUXLAND (SIOUX CITY, IA)
 COMMUNITY ACTION SERVICES (PROVO, UT)
 FAMILY MANAGEMENT CREDIT COUNSELORS, INC. (WATERLOO, IA)
 HIGH PLAINS COMMUNITY DEVELOPMENT, CORP. (CHADRON, NE)
 INDEPENDENT LIVING RESOURCE CENTER (ALBUQUERQUE, NM)
 JUSTINE PETERSEN HOUSING AND REINVESTMENT (ST. LOUIS, MO)
 LAFAYETTE CONSOLIDATED GOVERNMENT (LAFAYETTE, LA)
 NEIGHBOR TO NEIGHBOR (FT. COLLINS, CO)
 SAINT PAUL DEPARTMENT OF PLANNING AND ECONOMIC DEVELOPMENT (ST. PAUL, MN)
 SOUTHERN MINNESOTA REGIONAL LEGAL SERVICES (ST.PAUL, MN)
 YOUTH EDUCATION AND HEALTH IN SOULARD (ST. LOUIS, MO)
 NEW MEXICO HOUSING FINANCE AUTHORITY (ALBUQUERQUE, NM)

Santa Ana Homeownership Center

CCCS OF SAN FRANCISCO (SAN FRANCISCO, CA)
 WILLAMETTE NHS, (CORVALLIS, OR)

Philadelphia Homeownership Center

HOUSING COUNSELING SERVICES, INC. (WASHINGTON, DC)
 FIRST STATE COMMUNITY ACTION AGENCY, INC. (GEORGETOWN, DE)
 BERKSHIRE COUNTY REGIONAL HOUSING AUTHORITY (PITTSFIELD, MA)
 GRANITE STATE INDEPENDENT LIVING (CONCORD, NH)
 CITIZEN ACTION OF NEW JERSEY (NEWARK, NJ)
 ALBANY COUNTY RURAL HOUSING ALLIANCE INC. (VOORHEESVILLE, NY)
 BELMONT SHELTER CORP. (BUFFALO, NY)
 BETTER NEIGHBORHOODS, INC. (SCHENECTADY, NY)
 NYS OFFICE FOR PEOPLE WITH DEVELOPMENTAL DISABILITIES (ALBANY, NY)
 RURAL ULSTER PRESERVATION COMPANY (KINGSTON, NY)
 RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORP. (PROVIDENCE, RI)
 QUIN RIVERS, INC. (NEW KENT, VA)
 VIRGINIA HOUSING DEVELOPMENT AUTHORITY (RICHMOND, VA)
 THE HOUSING AUTHORITY OF THE CITY OF FAIRMONT (FAIRMONT, WV)

Atlanta Homeownership Center

HOUSING AND EDUCATION AND ECONOMIC DEVELOPMENT (JACKSON, MS)
 MONROE-UNION COUNTY DEVELOPMENT CORP. (MONROE, NC)
 CCCS OF FORSYTH COUNTY, INC. (WINSTON SALEM, NC)

ELIZABETH CITY STATE UNIVERSITY (ELIZABETH CITY, NC)
NORTHWESTERN REGIONAL HOUSING AUTHORITY (BOONE, NC)
RALEIGH AREA DEVELOPMENT AUTHORITY (RALEIGH, NC)
TWIN RIVERS OPPORTUNITY INC. (NEW BERN, NC)
WESTERN PIEDMONT COUNCIL OF GOVERNMENTS (HICKORY, NC)
WILSON COMMUNITY IMPROVEMENT (WILSON, NC)
GREENVILLE COUNTY HUMAN RELATIONS (GREENVILLE, NC)
CCCS FAMILY SERVICES (NORTH CHARLESTON, SC)

Intermediaries

MONEY MANAGEMENT INTERNATIONAL (HOUSTON, TX)
NEIGHBORWORKS AMERICA (WASHINGTON, DC)
HOUSING PARTERNSHIP NETWORK (BOSTON, MA)
NATIONAL COUNCIL ON the AGING (WASHINGTON, DC)