

federal register

**Wednesday
January 15, 1992**

Part IV

Department of Housing and Urban Development

**Office of the Assistant Secretary for
Housing—Federal Housing Commissioner**

**Housing Counseling; Notice of Funding
Availability**

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of the Assistant Secretary for Housing—Federal Housing Commissioner

[Docket No. N-92-3335; FR 3090-N-01]

Housing Counseling; Funding Availability

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

ACTION: Notice of Funding Availability (NOFA) for FY 1992.

SUMMARY: This Notice announces the availability of funding for Fiscal Year (FY) 1992 for HUD-approved housing counseling agencies to provide housing counseling to homebuyers, homeowners, and renters, as set forth in HUD Handbook No. 7610.1 REV-2, dated September 1990 (the Handbook). An applicant must, as of the date of issuance of the Request for Grant Application (RFGA) based on this NOFA, be a HUD-approved housing counseling agency, and must be able and willing to provide, at a minimum: (1) Delinquency and default counseling to renters and homeowners; and (2) related counseling under HUD's single family mortgage assignment program. Exceptions to these two requirements are applicants approved by HUD to provide ONLY tenant counseling or Home Equity Conversion Mortgage counseling, or prepurchase counseling, including the counseling of tenants to purchase their rental unit. An applicant agency may offer any other aspect(s) of counseling set forth in the Handbook, including Home Equity Conversion Mortgage counseling. Housing counseling services not covered by the Handbook do not qualify for eligibility for funding under this NOFA.

In the body of this document is information concerning: The purpose of this NOFA; eligibility for funding; available funding; selection criteria; and the application process, including how to apply for funding, and how selections will be made.

DATES: The application due date will be specified in the application kit, but it will be no earlier than February 28, 1992. Application kits (Request for Grant Application—RFGA) will be available from the Regional Contracting Officer in the HUD Regional Office that serves the area in which the applicant agency is located. Application kits will be available on and after January 15, 1992. Applications are due in the HUD Regional Office that serves the area in which the applicant agency is located on

February 28, 1992. The RFGA will specify the time by which the application must be submitted to the HUD Regional Office. Please see Section II of this NOFA for further information on what constitutes proper submission of an application.

FOR FURTHER INFORMATION CONTACT: Thomas Miles, Program Advisor, Single Family Servicing Division, Department of Housing and Urban Development, room 9178, 451 Seventh Street SW., Washington, DC 20410, telephone (202) 708-1672, or (202) 708-4594 (TDD number). (These are not toll-free numbers.)

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act Statement

The information collection requirements contained in this NOFA have been approved by the Office of Management and Budget (OMB) under section 3504(h) of the Paperwork Reduction Act of 1980 (44 U.S.C. 3504(h)), and assigned OMB control number 2535-0084.

I. Purpose and Substantive Description

A. Authority and Background

1. Authority: Sec. 106, Housing and Urban Development Act of 1968 (12 U.S.C. 1701x); secs. 235, 237 and 255 of the National Housing Act, as amended; and HUD Handbook 7610.1, REV-2, dated September 1990.

2. Background. Section 106 of the Housing and Urban Development Act of 1968 (section 106) authorizes HUD to provide a program of housing counseling services to designated homeowners and tenants. The program authorized by section 106 (Housing Counseling Program) is divided into two distinct components: the housing counseling services and requirements provided under section 106(a), and those services and requirements provided under section 106(c).

Section 106(a) authorizes HUD to provide counseling and advice to tenants and homeowners with respect to property maintenance, financial management and such other matters as may be appropriate to assist tenants and homeowners in improving their housing conditions and in meeting the responsibilities of tenancy and homeownership. With respect to homeowners, section 106(a) states that the above-described services shall be provided to homeowners with HUD-insured mortgages; first-time homebuyers with guaranteed loans under section 502(h) of the Housing Act of 1949 (home loans guaranteed by the Farmers Home Administration); and homeowners with loans guaranteed or

insured under chapter 37 of title 38, United States Code (home loans insured or guaranteed by the Department of Veterans Affairs).

Section 106(c) authorizes homeownership counseling only (no tenant counseling) and defines a homeowner eligible for counseling under this section as a homeowner whose home loan is secured by property that is the principal residence of the homeowner, who is unable to correct a home loan delinquency within a reasonable time. Section 106(c) defines "home loan" as a loan secured by a mortgage or lien on residential property.

Under the Housing Counseling Program, HUD contracts with public or private organizations to provide the housing counseling services authorized by section 106(a) and section 106(c). When the Congress makes funds available to assist the Housing Counseling Program, HUD announces the availability of such funds, and invites applications from eligible agencies, through a notice published in the Federal Register. An agency that is approved by HUD as a housing counseling agency does not automatically receive funding. The agency must apply for such funding under a Request for Grant Application (RFGA) issued by HUD through its Regional Offices. The purpose of the housing counseling program is to promote and protect the interests of HUD, HUD-approved and other mortgagees, and housing consumers participating in HUD approved and other housing programs.

B. Allocation Amounts

1. Total Available Funding. A total amount of \$6,025,000 was appropriated for housing counseling by the HUD Appropriations Act of 1992. Of that amount, the Act appropriates \$350,000 for a prepurchase counseling and foreclosure prevention counseling demonstration. The National Affordable Housing Act of 1990 (the Act) authorizes up to \$2,000,000 for the establishment of a toll-free telephone number through which interested parties may obtain lists of HUD-approved housing counseling agencies.

Of the \$6,025,000, HUD will use \$225,000 to help resolve two litigation matters in Texas and Boston that involve housing counseling; \$150,000 to continue the toll-free telephone number in Fiscal Year 1992; \$149,510 to provide training for the Home Equity Conversion Mortgage (HECM) Program; and \$350,000 for a prepurchase counseling and foreclosure prevention counseling demonstration. HUD will make the

remaining \$5,150,490 available for the counseling services specified in the Act. This amount will be allocated for counseling activities as follows:

Activities	Millions
a. Housing counseling services under section 106(a) of the Housing and Urban Development Act of 1968	\$3,325,490
b. Emergency Homeownership Counseling under section 106(c) of the Housing and Urban Development Act of 1968	1,825,000
Total Allocation for Counseling Services	5,150,490

2. Allocation of Funds to Regional Offices. HUD Headquarters will allocate the \$5,150,490 available for housing counseling services to its ten Regional Offices. The basis for the allocation is the percentage of HUD-insured single family mortgage defaults within each Region, compared to the nationwide total. Under this plan, the Regions are required, in so far as possible, to award grants in relation to the number of defaults within HUD Field Office jurisdictions. The amounts allocated to the Regions for Fiscal Year 1992 (based on the \$5,150,490) are as follows:

Region	Defaults	Percentage*	Allocation
I.....	1,765	1.00	51,537
II.....	11,801	6.69	344,579
III.....	16,285	9.23	475,508
IV.....	44,222	25.07	1,291,243
V.....	29,956	16.98	974,699
VI.....	31,632	17.93	923,628
VII.....	5,105	2.89	149,061
VIII.....	9,538	5.41	278,501
IX.....	22,566	12.79	658,907
X.....	3,522	2.00	102,839
Totals.....	176,392	100	5,150,490

* Percentages have been rounded.

3. Grant Awards by HUD Regional Offices. Regional Offices will make an equitable awarding of allocated housing counseling funds to eligible HUD-approved housing counseling agencies based upon documented need in relation to:

- The amount of funds available; and
- The number of successful applicants. (A determination of a "successful" applicant is based on the applicant's ability to meet the selection criteria, as specified in Section I.D of this NOFA.)

4. Announcement of Awards. In accordance with the requirements of section 103 of the Department of Housing and Urban Development Reform Act of 1989 (HUD Reform Act) and HUD's implementing regulations at 24 CFR part 4, no selection information

will be made available to applicants or other persons not authorized to receive this information during the period of HUD review and evaluation of the applications. However, applicants that are declared ineligible or late will be notified. In accordance with section 102(a)(4)(c) of the HUD Reform Act, HUD will notify the public, by notice published in the Federal Register, of award decisions made by HUD under this funding.

5. Grantee Reimbursement by HUD. HUD will reimburse grantees on the basis of not more than \$35.00 per "counseling unit" which is defined as a documented face-to-face, written, or telephonic contact between:

- The grantee's housing counselor and a client; or
- The grantee's housing counselor and a mortgagee, landlord, service agency, creditor, credit reporting agency, governmental agency, realtor or employer, acting on behalf of a client, which results in an action or decision that:
 - Identifies, clarifies, or assists in meeting or meets the client's housing need; or
 - Assists in resolving or resolves the client's housing problem.

(See HUD Handbook 7610.1 REV-2, dated September 1990, paragraph 1-7 on page 1-6 for a definition of "client," "housing need," and "housing problem.")

C. Eligibility

Eligible applicants include public and private nonprofit entities with a current approval by HUD as housing counseling agencies, under the provisions of HUD Handbook No. 7610.1 REV-2, dated September 1990, or its earlier versions. Current approval includes agencies that are on record at the applicable HUD Field Office as having been approved as a HUD counseling agency as of the date of issuance of the RFGA based on this NOFA. Agencies for which HUD has withdrawn this approval or have indicated in writing their withdrawal from the counseling program are NOT eligible. Agencies with "conditional" re-approvals are NOT eligible unless they satisfy HUD's requirements for removal of the "conditional" approval by the due date of applications for funding under this notice.

D. Selection Criteria

1. General Criteria. HUD, through its Regional Contracting Officers, will award housing counseling grants in Fiscal Year 1992 to selected eligible agencies. Within each Region, an eligible agency is a HUD-approved housing counseling agency that is:

- Located within the Region's geographical jurisdiction; and
 - Provides, or proposes to provide, housing counseling within that Region. (Application eligibility and grant authority do NOT cross regional boundaries.)
2. Specific Criteria. Applications for funding under this notice will be reviewed, and grants will be awarded on the basis of an evaluation of all of the following criteria:

- Amount requested by the grantee;
- If the applicant had a HUD housing counseling grant in 1987, 1988, 1989, 1990, or 1991, the applicant's use of those funds;
- Applicant's documented client workload*

(* "Workload" refers to the number of clients, as defined in HUD Handbook No. 7610.1 REV-2, dated September 1990, reported by the applicant on Form HUD-9902, Housing Counseling Agency Activity Report, for 1991);
- Client workload total for all applicants within a HUD Regional Office;
- Amount of housing counseling funds allocated to the HUD Regional Office by Headquarters;
- Reimbursement of grantees by HUD on the basis of \$35.00 per housing counseling unit;
- Regional Offices' documented need for housing counseling services within the areas served by the applicants;
- HUD's assessment of the applicant's previous performance as a HUD-approved housing counseling agency (i.e. Biennial Performance Review), including the submission of the required reports.
- In the case of previous grantees, the applicant's performance under such grants in accordance with the terms of the grant agreement, including the submission of the specific reports required under the grant agreement.

II. Application Process

A. Obtaining and Submitting Applications

Applicants for grants may obtain copies of the Request for Grant Application (RFGA) from the Regional Contracting Officer in the HUD Regional Office that serves the area in which the applicant agency is located. The RFGA contains the application submission address. A list of the Regional Offices and their addresses follows the text of this NOFA.

B. Application Deadline

The application due date will be set out in the application kit, but it will be

no earlier than February 28, 1992. The RFGA contains the time by which the HUD Regional Office must receive a grant application. "Submit" means delivery to the HUD Regional Office specified in the RFGA and by the application due date and time specified in the RFGA. A proper submission in response to the RFGA must conform to the specifications in the RFGA. HUD will not accept changes made by applications to the forms, certifications and assurances, except for those specified in section IV.A of this NOFA.

III. Checklist of Application Submission Requirements

An applicant must submit three different types of written submissions: forms, certifications, and assurances. An applicant must submit three sets of each written submission, as specified below, with supporting documentation only as specified in the RFGA. Applicants must limit the submission of material to that required by the individual form, certification or assurance. HUD will not consider extraneous material and will discard it.

A. Forms

Each applicant will be required to submit the following completed and signed forms:

1. Standard Form 424, Application for Federal Assistance.
2. Standard Form 424B, Assurances—Non-construction Programs.

B. Certifications

Each applicant will be required to submit, at a minimum, the following certifications:

1. Certification of a Drug-Free Workplace, in accordance with the Drug-Free Workplace Act of 1988 and HUD's regulations at 24 CFR part 24, subpart F.
2. Anti-Lobbying certification in accordance with section 319 of the Department of the Interior and Related Agencies Appropriations Act for Fiscal Year 1990 (31 U.S.C. 1352), and the regulations at 24 CFR part 87.

C. Assurances

Each applicant will be required to submit, at a minimum, assurances regarding the applicant's housing counseling program to the effect that:

1. The applicant agency received its approval by HUD prior to the date of issuance of the applicable RFGA, and currently has approval from HUD. If a Biennial Performance Review has not been made by the HUD Field Office, then a prior approval constitutes a current approval.

2. The applicant agency provided housing counseling to clients* during 1991 as indicated on the applicant's Form HUD-9902, Housing Counseling Agency Activity Report, for 1991. The applicant must submit with their response to the RFGA a copy of their 1991 Form HUD-9902. An applicant approved by HUD after December 30, 1991, must submit Form HUD-9902 for 1991 as part of its application. (*See HUD Handbook No. 7610.1 REV-2 (September 1990) for a definition of "client.")

3. HUD has or has not conducted a performance review of the applicant agency's housing counseling program; whether, as a result of the review, HUD re-approved the agency unconditionally or conditionally; whether, if HUD granted a conditional approval because of certain agency performance deficiencies, the applicant agency corrected the deficiencies to HUD's satisfaction.

4. If the applicant agency received a counseling grant from HUD during HUD's fiscal year 1987, 1988, 1989, 1990, or 1991, the agency complied with all grant requirements.

5. The applicant agency submitted all reports required during the most recent report year under the Handbook, and the grant document, if any.

6. The number of clients listed as the applicant's documented housing counseling client workload for 1991 is correct.

7. The agency can and will commence counseling services immediately upon receipt of the notice of the award of a counseling grant to the applicant agency.

8. The applicant will provide, at a minimum, the following types of counseling (exceptions are agencies approved by HUD to perform only Home Equity Conversion Mortgage (HECM) counseling or tenant counseling):

- a. Delinquency and default counseling to home buyers and homeowners, and delinquency counseling to renters; and
- b. Mortgage assignment counseling to mortgagors with HUD-insured mortgages having potential for assignment to HUD under the assignment program.

9. The agency had an independent financial audit during the past twenty-four (24) months.

10. The applicant administers its housing counseling program in accordance with title VI of the Civil Rights Act of 1964, the Fair Housing Act, Executive Order 11063, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975.

11. The applicant provides its service without any conflict of interest on the

part of the applicant, including its staff, that might compromise the agency's ability to represent fully the best interests of the client in accordance with HUD Handbook No. 7610.1 REV-2, dated September 1990.

12. The applicant's clients reside in the U.S. Postal Service ZIP Code areas listed by the applicant.

IV. Corrections to Deficient Applications

Immediately after the deadline for submission of applications, applications will be screened to determine whether all items were submitted. Applicants will be given an opportunity to cure nonsubstantive deficiencies in their applications. The applicant must submit corrections within 14 calendar days from the date of HUD's deficiency notification or the application will not be considered.

A. Curable Deficiencies

The kinds of deficiencies which can be cured after the submission date for applications has passed are limited to the following:

1. Lack of required signature(s) on the following documents or certifications:
 - a. Standard Form 424B, Assurances—Non-Construction Programs.
 - b. Certification of Drug-free Workplace.
 - c. Anti-Lobbying Certification.
2. Failure to submit any of the above documents or certifications.

B. Noncurable Deficiencies

Failure to submit:

1. A completed and signed Standard Form 424, Application for Federal assistance.
2. A signed Housing Counseling Program assurance and all of its required documentation. Failure to submit these items will be considered a non-response to the RFGA.

Note: HUD WILL NOT NOTIFY APPLICANTS WHO FAIL TO SUBMIT ANY OF THE ABOVE TWO REQUIRED DOCUMENTS. FAILURE TO SUBMIT THE DOCUMENTS CONSTITUTES A NON-RESPONSE TO THE RFGA.

V. Other Matters

Prohibition Against Lobbying Activities

The use of funds awarded under this NOFA is subject to the disclosure requirements and prohibitions of section 319 of the Department of the Interior and Related Agencies Appropriations Act for Fiscal Year 1990 (31 U.S.C. 1352) and the implementing regulations at 24 CFR part 87. These authorities prohibit recipients of Federal contracts, grants, or loans from using appropriated funds for lobbying the Executive or Legislative

Branches of the Federal Government in connection with a specific contract, grant, or loan. The prohibition also covers the awarding of contracts, grants, cooperative agreements, or loans unless the recipient has made an acceptable certification regarding lobbying. Under 24 CFR part 87, applicants, recipients, and subrecipients of assistance exceeding \$100,000 must certify that no Federal funds have been or will be spent on lobbying activities in connection with the assistance.

Prohibition Against Lobbying of HUD Personnel

Section 112 of the Housing and Urban Development Reform Act of 1989 (Pub. L. 101-235, approved December 15, 1989) (HUD Reform Act) added a new section 13 to the Department of Housing and Urban Development Act (42 U.S.C. 3531 *et seq.*). Section 13 contains two provisions concerning efforts to influence HUD's decisions with respect to financial assistance. The first imposes disclosure requirements on those who are typically involved in these efforts—those who pay others to influence the award of assistance or the taking of a management action by the Department and those who are paid to provide the influence. The second restricts the payment of fees to those who are paid to influence the award of HUD assistance, if the fees are tied to the number of housing units received or are based on the amount of assistance received, or if they are contingent upon the receipt of assistance.

Section 13 was implemented by final rule published in the *Federal Register* on May 17, 1991 (56 FR 29912). If readers are involved in any efforts to influence the Department in these ways, they are urged to read the final rule, particularly the examples contained in Appendix A of the rule. Appendix A of this rule contains examples of activities covered by this rule.

Any questions concerning the rule should be directed to the Office of Ethics, room 2158, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410. Telephone: (202) 708-3815 or 708-1112 (TDD). These are not toll-free numbers. Forms necessary for compliance with the rule may be obtained from the local HUD office.

Prohibition Against Advance Information on Funding Decisions

Section 103 of the HUD Reform Act

proscribes the communication of certain information by HUD employees to persons not authorized to receive that information during the selection process for the award of assistance. HUD's regulation implementing section 103 is codified at 24 CFR part 4 (see 56 FR 22088, May 13, 1991). In accordance with the requirements of section 103, HUD employees involved in the review of applications and in the making of funding decisions are restrained by 24 CFR part 4 from providing advance information to any person (other than an authorized employee of HUD) concerning funding decisions, or from otherwise giving any applicant an unfair competitive advantage. Persons who apply for assistance in this competition should confine their inquiries to the subject areas permitted by 24 CFR part 4. Applicants who have questions should contact the HUD Office of Ethics, (202) 708-3815. (This is not a toll-free number.)

Environmental Impact

A Finding of No Significant Impact with respect to the environment has been made in accordance with the Department's regulations at 24 CFR part 50 which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332). The Finding of No Significant Impact is available for public inspection between 7:30 a.m. and 5:30 p.m. weekdays at the Office of the Rules Docket Clerk, room 10276, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410.

Federalism, Executive Order

The General Counsel, as the Designated Official under section 6(a) of Executive Order 12612, Federalism, has determined that the policies and procedures contained in this NOFA will not have substantial direct effects on States or their political subdivisions, or on the distribution of power and responsibilities among the various levels of government. Specifically, the purpose of the funding under this notice is to provide grants to public and private agencies that assist and advise housing consumers about how to develop competence and responsibility in meeting their housing needs.

G. Family, Executive Order

The General Counsel, as the Designated Official under Executive Order 12606, The Family, has determined that this document may have potential for significant beneficial

impact on family formation, maintenance, and general well-being to the extent that the activities of grantees will provide families with the counseling and advice they need to avoid rent delinquencies or mortgage defaults, and to develop competence and responsibility in meeting their housing needs. Since the impact on the family is considered beneficial, no further review under the Order is necessary.

H. Catalog of Federal Domestic Assistance Program

The Catalog of Federal Domestic Assistance Program number is 14.169.

Authority: Secs. 106, Housing and Urban Development of 1968; secs 235, 237 and 255 of the National Housing Act, as amended; and HUD Handbook No. 7610.1, REV-2, dated September 1990.

Dated: December 30, 1991.

Arthur J. Hill,

Assistant Secretary for Housing-Federal Housing Commissioner.

HUD Regional Offices

Address all inquiries to U.S. Department of Housing and Urban Development, Attention: Regional Contracting Officer, in the Regional Office that serves your State. Telephone numbers are NOT toll-free.

Region I—Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont

Thomas P. O'Neill, Jr. Federal Building, 10 Causeway Street, Room 375, Boston, MA 02222-1092, (617) 835-5161.

Region II—New Jersey, New York

26 Federal Plaza, New York, NY 10278-0068, (201) 349-1845.

Region III—Delaware, Maryland, Pennsylvania, Virginia, Washington (D.C.), West Virginia

Liberty Square Building, 105 South 7th Street, Philadelphia, PA 19106-3392, (215) 597-8165.

Region IV—Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, Puerto Rico, South Carolina, Tennessee

Richard B. Russell Federal Building, 75 Spring Street SW., Atlanta, GA 30303-3388, (404) 841-4064.

Region V—Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin

626 West Jackson Boulevard, Chicago, Illinois 60606-5601, (312) 353-6093.

Region VI—Arkansas, Louisiana, New Mexico, Oklahoma, Texas

1600 Throckmorton, Post Office Box 2905, Fort Worth, TX 76113-2905, (817) 728-5452.

Region VII—Iowa, Kansas, Missouri, Nebraska

Professional Building, 400 State Avenue, Kansas City, KS 66101-2506, (913) 757-2102

Region VIII—Colorado, Montana, North
Dakota, South Dakota, Utah, Wyoming

Executive Tower Building, 1405 Curtis Street,
Denver CO 80202-2349, (303) 564-3363.

Region IX—Arizona, California, Hawaii,
Nevada

Phillip Burton Federal Building and U.S. Court
House, 450 Golden Gate Avenue, Post
Office Box 36003, San Francisco, CA 94102-
3448, (415) 556-7913.

Region X—Alaska, Idaho, Oregon,
Washington

Arcade Plaza Building, 1321 Second Avenue,
Seattle, WA 98101-2058, (206) 399-7662.

[FR Doc. 92-1001 Filed 1-14-92; 8:45 am]

BILLING CODE 4210-27-M