

CHAPTER 1. THE HUD DIRECTIVES SYSTEM

1-1 **Regulatory Authority.** 36 CFR 1222.44. The HUD Directives System provides HUD program managers with the means to effectively convey Departmental instructions to users and to document agency policies and procedures within the framework of established laws and regulations.

1-2 **HUD Policy**

A. The Department's vehicle for issuing policy is the Federal Register System, managed by the Office of General Counsel. (See Handbook 0010.1, Rulemaking Process: Formulation, Drafting, Clearance, and Publication of Federal Register Documents.)

Section 552 of the Administrative Procedure Act (enacted as part of the Freedom of Information Act (FOIA)) requires agencies to publish certain items in the Federal Register. These items include rules or procedures; substantive rules of general applicability formulated and adopted by the agency; descriptions of agency organization; statements of the general course and method by which the agency's functions are channeled and determined (which may be categorized as rules) and changes in or repeals to agency rules and policies. Any document that prescribes a penalty or course of action, confer a right, privilege, authority or immunity, or impose an obligation when intended to bind the Department must be published in the Federal Register. Although the Federal Register System must be used for the documents described above, HUD may use the Federal Register System for other documents when desired to inform the public.

B. Directives supplement statutes, regulations and other Federal Register documents. When statutes, regulations or other policy and requirements are clear, for example, HUD could proceed directly to directives for issuing procedures without intervening the Federal Register System. Handbooks, supplements, notices and special directives (Mortgagee Letters, Title I Letters, Direct Endorsement Letters) clarify or elaborate on established policy, and are used to issue procedures and guidance. Although the Federal Register and Directives Systems are separate, directives must be consistent with regulations. Therefore, it is important that staff make appropriate changes to handbooks and clear them as promptly as possible following amendments of related rules.

C. Memoranda are not an authorized directive type and must not be used for general communication of a policy clarification or for establishment of generally applicable procedures. Any policy or guidance on HUD programs issued outside the HUD Directives System must be rescinded and reissued in an authorized directive. This requirement, however, does not apply to legal memoranda issued by the Office of the General Counsel, which do not generally deal with policy issues and clarifications, but may on occasion set forth guidance for HUD programs.

This must be done not later than 30 days after the DDMO informs the originator of its improper issuance. If an approved type of directive (handbook, notice, interim notice, etc.) does not meet an originator's needs, a special directive can be developed with the approval of the Departmental Directives Management Officer (DDMO).

- 1-3 **Objective.** The HUD Directives System is designed to ensure that:
- A. People who carry out HUD programs have accurate, complete, and concise instructions on policies and procedures.
 - B. The writing style, organization, and format of directives make information easy to locate, understand, and use.
 - C. Directives are kept up-to-date, include all current information essential to program delivery, and are canceled when no longer useful.
 - D. Directives do not contradict each other or serve cross-purposes.

1-4 **Responsibilities.** The Assistant Secretary for Administration is responsible for the management of HUD's Directive System, including oversight to ensure compliance with this handbook. The following officials have responsibilities as outlined below:

A. **Secretary or Deputy Secretary**

- 1. Approves directives issued by the Secretary's office.
- 2. Issues major policy and/or procedural guidance that pertains to the Department's overall mission.
- 3. Resolves irreconcilable differences among Assistant Secretaries concerning proposed directives.

B. **Assistant Secretaries** (and their equivalents, such as: Inspector General, President of the Government National Mortgage Association, General Counsel, Chief, Procurement Officer, Chief, Financial Officer, Chief, Information Officer, etc.).

- 1. Ensure compliance with this handbook, arranging for staff training as needed.
- 2. Appoint a Directives Management Officer (DMO) (and alternate), whose duties must include, but are not necessarily limited to, those in D. below.
- 3. Approve directives issued by their offices.
- 4. Ensure basic agreement within their own offices before a new directive affecting their areas enters clearance, including appropriate pre-clearance participation by field staff.

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- 5. Certify, by signing form HUD-22 (Appendix 1), Departmental Clearance and Approval Record, that:

- a. A Front-End Risk Analysis (see Handbook, 1840.1, Departmental Management Control Program) was done, is in process, or is not needed for new or substantially revised activities;
 - b. Materials have been prepared for submission to the Office of Management and Budget concerning the directive, to comply with the Paperwork Reduction Act (see Handbook 2400.3 , Reports Analysis and Clearance Process); and
 - c. The necessary environmental reviews and clearances shall be made by the Program Environmental Clearance Officer (PECO), and certify that Finding of No Significant Impact (FONSI)/Environmental Impact Statement (EIS), either have been completed or are not required.
6. Ensure that all proposed or revised directives are cleared with the Office of General Counsel (OGC), the Office of the Chief Information Officer (CIO) and the Office of Inspector General (IG).
 7. Determine what additional concurrences are necessary for proposed directives and obtain those concurrences. Elevate to the Deputy Secretary if nonconcurrences cannot be resolved.
- C. Office of Administrative and Management Services (OAMS) under the Assistant Secretary for Administration**
1. Assigns a Departmental Directives Management Officer (DDMO), who coordinates, monitors, and reports on directives activities.
 2. Advises program offices on requirements of the Directives System. Approves exceptions to requirements of the Directives System on a case-by-case basis.
 3. Prepares periodic reports to the Secretary and Principal Staff on the age of directives; office's performance in updating directives; timeliness of clearance; and use of interim notices, etc.
 4. Controls subject classification numbers and assigns a block of codes to program areas.
 5. Monitors master set of HUD directives, kept in the HUD Library.
 6. Approves all special directives series.
 7. Maintains the automated Departmental Directives System.

8. Produces and distributes an annual index (with quarterly updates) of Departmental Directives.

The Index will include the following information:

- a. Headquarters Directives Management Officers;
 - b. Subject categories for HUD directives;
 - c. Inventory of current directives;
 - d. Expired directives; and
 - e. Delegations of Authority.
9. Advises the Assistant Secretary for Administration of system violations, and serious and consistent patterns of noncompliance by the program offices, for appropriate action at the Principal Staff Meetings and/or referral to the Secretary and Deputy Secretary.

D. Directives Management Officers (DMOs) designated by Assistant Secretaries (or equivalents).

1. Serve as the principal point of contact within their organizations on all matters relating to directives.
2. Develop and operate internal clearance procedures to ensure adequate and timely clearance of directives originating within their organizations or received for review from other organizations.
3. Review their organizations' directives to ensure conformity with system requirements, including currency, format, plain English and the appropriateness of the material.
4. Coordinates graphics, printing, reproduction and distribution of directives.
5. Provide technical leadership and assistance within their organizations on directives activities, including:
 - a. Interpreting the application of the Directives System's requirements;
 - b. Assisting and instructing directives originators within their organizations in the planning, development, and coordination of their directives;
 - c. Determining, in consultation with directives originators within their organizations, appropriate clearance points and the final distribution to be made for each directive; and
 - d. Resolving nonconcurrences or elevating them to the next level of authority for resolution.

6. Maintain the official historical record files on all directives originated by their organizations.
7. Maintain a master file of all current directives originated by their organizations as well as directives of other organizations as deemed appropriate.
8. Provide data to the Office of Administration concerning problem areas, including violations or non-use of the system, and clearance and other data for the Departmental Directives Management Information System (DDMIS).
9. Provide an electronic copy of issued directives to the Departmental Directives Management Officer (DDMO) for publication and distribution on HUDClips.

1-5 **HUD Repository of Automated Policies, Handbooks and Forms**

The Department will maintain an automated repository of policies, handbooks and forms and shall make this repository available to HUD staff, business partners, and the general public consistent with Presidential Memorandum, Subject: Electronic Government, dated December 17, 1999. OAMS will sponsor and maintain this searchable, on-line database (i.e., the HUD Client Information and Policy System (HUDCLIPS), or successor system) containing the entire inventory of official HUD policies, handbooks and forms. An electronic copy of final directives is sent to the DDMO for inclusion in the database. Additionally, a hard copy of the final directive is sent to the DDMO if the directive contains graphics.