HUD Updates from Kathryn Greenspan, *Housing Program Specialist,* HUD Headquarters, Washington, DC

- The December WtW Voucher Leasing Report posted on the HUD WtW Voucher Web site shows leasing of more than a thousand WtW vouchers above the fifty thousand vouchers allocated for the program.

- HUD's PIC 50058 system reports far fewer WtW Voucher records. As of March 10, 2003, HUD's PIC system contained records for approximately 19,000 WtW voucher families and more than 200 of those records were exit reports for families leaving the program. WtW voucher families are identified in two places on the form HUD-50058: on line 2m of the basic from HUD-50058 and in section 17 the FSS/WtW Voucher Addendum. PHAs need to identify WtW voucher program participants in both 2m and section 17.

- PHAs are encouraged to carefully confirm records that have been submitted to the HUD PIC system and to verify what was actually accepted into the system.

- In an effort to assist sites with PIC concerns, a listing of PIC coaches has been posted on the HUD's Welfare to Work Voucher Web site. In addition, your Welfare to Work Voucher Technical Assistance Provider can collaborate with PIC Coaches to provide support to your Agency.

- A regional teleconference for Welfare to Work Voucher PHAs was recently held and staff working with the PIC/MTCS system was available to answer questions. Additional PIC/MTCS regional teleconferences will be scheduled for the near future.

- Funding is available in the HUD budget this year for FSS Program Coordinators. The FY 2003 HUD SuperNOFA will include an invitation for PHAs to apply for funding for Housing Choice Voucher FSS Coordinators.

Description of the Program by Michael Dennis: *Housing Program Specialist for the Housing Voucher Management and Operations Division, HUD Headquarters, Washington, DC.*

- Homeownership is an option and more importantly, it is not a stand-alone program. It is part of the *Housing Choice Voucher Program* and Public Housing Agencies have a choice to determine whether or not to make homeownership assistance part of their existing program. Congress does not appropriate an allocation of homeownership vouchers; there is no separate funding. Every effort was made in the design and implementation of this initiative to make flexibility in the HUD regulations inherent, thereby creating the conditions under which the Public Housing Agency would be in a position to make the vast majority of administrative decisions.

- In order to be able to implement this program, the Public Housing Agency has to accomplish two tasks: (1) Indicate in the PHA *Annual Plan* that both a Homeownership and a Housing Choice Voucher Program will be implemented and (2) As part of the PHA's *Administrative Plan*, the Housing Authority must clearly describe the specific policies and procedures as they relate to the administration of a homeownership option.

- The basic premise of the homeownership option is simple. A PHA can utilize a family's current rent subsidy to instead use that resource to assist a first time homeowner meet their monthly homeownership expenses. For most first time homeowners the largest single monthly expense is the monthly mortgage payment (This is usually bundled with other monthly charges such as principle and interest payments on the loan, taxes and homeowner insurance). In addition, the PHA, through its homeownership program will also assist that same family with other monthly expenses through allowance for utilities, routine maintenance and major repairs and/or replacements.

- The subsidy calculation for this program is the same formula currently used to determine rent under the current rental subsidy. The Public Housing Agency's payment standard establishes the cap or a maximum of the amount of subsidy paid on behalf of any family. Families must pay, as they do now, their total tenant payment (for most families this payment represents thirty percent of the family's adjusted monthly income). Once a family identifies the home they wish to purchase; the PHA must then determine the family's monthly homeownership expenses as defined by the homeownership program. In those instances where a family's monthly homeownership expenses are less than the payment standard, the subsidy is the monthly homeownership expenses less the Total Tenant Payment. This will ensure that a family will pay the minimum amount (the family Total Tenant Payment). In the case where the monthly homeownership expenses exceed the payment standard, the family will pay the difference out-of-pocket in additional to their Total Tenant Payment. This is the same formula that a PHA would utilize in a rental subsidy program.

- There are federal standards that limit the eligibility of families for homeownership option. The PHA can also impose additional eligibility standards. The federal standards are as follows:

  1. The family must qualify as a first time homeowner. This typically means that the applicant family has not had any ownership interest in the primary residence of any family member within the last three years.
  2. The applicant family may not presently own any residential property.
  3. The applicant family must meet a minimum income requirement, which under HUD guidelines is no less than an annual income of $10,300. It should be noted however, that for families that are headed by a disabled person, HUD has recently established a new minimum income requirement. The formula used is their SSI monthly benefit multiplied by twelve. The vast majority of SSI recipients receive a monthly allotment of $552.00 per month, equaling $6,624 dollars annually.
  4. The minimum income must only include the income of the adult family member(s) who will actually own the home. Other adult or minor family members contributing to the family income but who will not be owners of the home must have their income(s) excluded from the calculation to determine if the family meets the minimum income requirement for the homeownership option. Further, in the case of non-elderly or non-disabled family members receiving welfare, any welfare assistance may not be taken into account

- The Public Housing Agency (PHA) may themselves also establish a minimum income limit, that is higher than the HUD standard.

- An employment requirement must be satisfied by the applicant family. At least one adult family member who will actually own the home be employed on a full time basis and have been employed for at least one year preceding potential homeownership assistance payments. The employment requirement does not apply to elderly or disabled families.

- The applicant family must also attend and successfully complete a pre-assistance homeownership counseling program. The PHA is responsible for determining what establishes satisfactory completion of this training. This does not mean that the PHA must conduct the training in-house. The PHA may partner with a HUD authorized homeownership-counseling agency or another third party. It should be noted here that one of the more critical components of any homeownership counseling needs to be credit and/or credit repair counseling. This issue is in many cases the major barrier to homeownership for otherwise eligible families.

- While it is the applicant family's choice in the location and identification of a unit it wishes to purchase, all units are subject to PHA inspection. This inspection must satisfy a *Housing Quality Standards (HQS)* inspection, however there is no requirement for annual re-inspection. The unit is also subject to an inspection by an independent home inspector who represents the family, not the PHA. The PHA has the right to review the results of an inspection performed by an independent inspector and can disapprove of their findings, despite the fact that the unit satisfies HQS.

- The prospective home must be either existing housing or already under construction before the family enters into a contract for sale. The applicant family cannot enter into a contract of sale to purchase where construction has not yet begun.

- In October of 2002, HUD published an interim rule allowing PHA owned housing to be made eligible for sale as long as certain conditions were met. First and most important, the applicant family needs to understand that they are not limited to PHA owned property. Second, an independent entity must be established to manage some of the administrative functions of the PHA with respect to the sale of its property, in order to remove any conflict of interest. Finally, any seller financing must be reviewed before the sale is approved.

- While it is ultimately the applicant family's responsibility to secure financing, HUD encourages PHAs to recruit and enter into partnerships with lenders who are willing to participate in the homeownership program of the community that the PHA serves. While a PHA cannot limit its applicant families to a specific lender, a PHA can impose financing requirements on the qualifications of lenders with respect to the terms of financing and/or the financial products they are allowed to market and utilize. This is designed to prevent loan abuse and predatory lending practices in the homeownership program of the PHA.

- There are time limits on the length of time that an applicant family can receive assistance, however this limitation is waived for elderly or disabled families. The length of the mortgage used to purchase the home drives the maximum length of time that a family may receive assistance. For mortgages twenty years or longer, the maximum allowable time for assistance is fifteen years. For mortgages less than twenty years, the maximum allowable time for assistance is ten years.

- In October 2002, HUD also published a final rule on down payment grant options. This rule specifies that until such time that HUD publishes a subsequent notice, PHAs cannot implement the down payment grant option. This is because HUD did not receive congressional appropriations to implement the down payment option as required by law. The FY03 Appropriations Act did not include funding for this purpose so the earliest that it might be implemented is FY04.

- Unfortunately the data currently available with respect to the number of PHAs participating in homeownership program opportunities for their families as well as the number of families who benefit from these programs is outdated. There is a lack of accurate reporting into the 50058 system so PHAs who have implemented a homeownership program are encouraged to ensure the PHA is actually identifying homeownership families as such on their respective 50058 forms. What is currently known is that of November 2002, approximately 200 PHAs have implemented a homeownership program at their agency. Of the 200 participating PHAs, at least 100 had at least one closing. In addition, there is more than 600 families nationwide receiving monthly homeownership assistance.

(Q) If someone wants to resell or refinance their home, have you any thoughts on that in terms of the refinancing aspects of this and cash out?

(A) Prior to October 2002, a recapture provision existed that applied to this program. This provision kicked in if the family sold or refinanced their home, taking cash out within the first ten years of assistance. HUD has since eliminated that requirement and removed any kind of recapture provision for homeownership assistance payments. Further, PHAs are not allowed to establish recapture provisions. PHAs are encouraged to ensure that families are not taken advantage of by unscrupulous lenders who utilize predatory lending practices by establishing requirements related to the terms and conditions of any refinancing of the mortgage debt or other debt secure by the home.

(Q) If the PHA itself provides the homeownership counseling, does the PHA have to be HUD approved?

(A) The regulation **itself** does not require that any entity providing homeownership counseling, PHA or otherwise be a HUD approved counseling agency. You are encouraged however; to utilize HUD approved counseling agencies and in cases where these approved agencies are not used, the PHA or third party counseling agency is encouraged to use HUD approved homeownership counseling curriculum.

Strategies by Mark Vogeler: *Project Director for the Welfare to Work Contract, The Nelrod Company.*

- In terms of overall strategies for the voucher program homeownership option, first, keep your program both flexible and simple.

- A PHA should constantly build their program with an eye on newly available resources.

- Have both realistic expectations and patience. In terms of realistic expectations, if you are a small program or PHA, success could be measured in only three to five closing per year. A medium program should result in five to twelve closings per year and a larger program, ten to twenty closings per year.

- A sound overall strategy is one of identifying and developing various partnerships. The successful PHA homeownership voucher program strategy begins with a comprehensive search of national, state, county and city offices that can provide resources. In addition, various non-governmental foundations such as *The Enterprise Foundation* and *The Local Initiatives Support Coalition (LISC)* can be tapped for both program and individual resources. The PHA in this area may find it useful to design a spreadsheet with the types of assistance the agency is looking for and the names of both public and private resource agencies. This will help the PHA providing the services to identify how each player could contribute to the overall success of your program.

- Some PHAs have been able to identify third party agencies that can manage their entire homeownership program.

- It may be desirable to identify a housing coach for your agency's program. One of the more important components of a successful homeownership program is for there to have a positive relationship among the person trying to find a home, the HCV participant and a person who could be deemed a "housing coach", providing support constantly throughout the process. Some agencies may provide the coach for free; others may want to contract with the PHA.

- Establishing a sound strategy in the area of eligibility is mandatory. A concerted effort should be made to marry the eligibility requirements, with the local mortgage products of the PHAs market area in an attempt to ensure that families are not prevented from utilizing mortgage products because of tougher PHA criteria.

- With respect to basic homeownership counseling, it will be helpful to examine all of the components of the counseling itself. This will ensure that the counseling is in compliance with HUD regulations. Extra effort should be undertaken to ensure that the homeownership counseling provided to your program participants mirrors the market conditions of your community. Families should also be encouraged to analyze both their current and future needs. This will result in a more scientific approach to their search for a new home resulting in a more intelligent final choice.

- Examining basic financial products such as those of Fannie Mae and Freddie Mac is paramount to a successful homeownership program. Both organizations have developed products that are geared toward the Housing Choice Voucher Program. Finally, both Fannie Mae and Freddie Mac should be one of your primary partners as they already know several different lenders and/or several real estate companies that exist in your community what would be in a position to address the needs of your constituency.

- HUD has recently published the final version of the *Section 32 Public Housing Homeownership Program* that provides the conditions under which HCV Program participants may purchase public housing units for sale. This program may be an additional resource.

- Identifying methods and programs in which program participants can receive down payment assistance, grants, or the waiving of settlement and/or repair costs is critical. Utilizing existing pre-approval loan processes provided by various lenders can also be helpful in identifying the credit worthiness of the program participant.

- Utilizing a financial product that comes with some type of government guarantee such as FHA can be very helpful to both the lender and the program participant. These products, which may also satisfy secondary mortgage qualifications as well, can be acquired through the auspices of both Fannie Mae and Freddie Mac.

- Being cognizant of post-purchase strategies is not only sensible but also appropriately responsible. One such strategy is the household warranty repair service that can protect the program participant from the critical repairs occurring after purchase that could result in their inability to honor their monthly mortgage payment.

- Like a household warranty repair service, continued counseling and assistance can help to ensure the long-term success of the program participant. Monitoring the family's monthly mortgage payment record can help to intervene with appropriate counseling should that prove to be necessary.

(Q) I know the house has to be inspected by our own Section 8 inspector and that the buyer is supposed to hire an independent inspector of their own, but does FHA have to do an inspection of their own on the house?

(A) If the home is FHA insured, then FHA financing requirements are going to apply like it would for any other FHA insured loan. So yes, there would be a FHA appraisal at that point. Sometimes the appraisal includes a basic inspection with an inspection report.

(Q) Are the PHAs making assistance payments directly to the homeowner, or are they making those payments to the lender? How is that working around the country?

(A) Most PHA agencies that manage homeownership programs around the country make their payments directly to the lender. Because it is problematic for some lenders to receive more than one payment on any particular loan, pass through accounts are established which allows both the homeowner and the PHA to make their payments directly to that account. After which, those funds are electronically passed through to the lender on the due date of the monthly payment.

(Q) Is there a date for the final notice for the Section 32 Public Housing Home Ownership regulation?

(A) The final rule was published Tuesday, March 11, 2003.

PHA Experience by Natalie Rojas, *Homeownership Program Administrator for the Montgomery Housing Authority* in Pennsylvania.

- The Montgomery Housing Authority (MHA) is located 25 miles outside of Philadelphia. About half of the county is considered rural, but most of it is well populated.

- The MHA currently has approximately 2800 vouchers.

- Natalie Rohaus was chosen to head the homeownership program at this PHA because of her extensive real estate and mortgage background.

- The initial goal of the program was to have ten closings per year and that has been accomplished. There has been nineteen settlements thus far and there is one closing that is currently pending. The lowest sale price of a home was $65,000 and the highest was for $130,00. Most of the families were single mothers but we did have one married couple and one disabled/elderly mother/daughter family home purchased a home together. A few homes were purchased that were rentals, some of the homes purchased were condos and one program participant purchased a home that had been HUD foreclosed. Two other families purchased their respective homes with savings from their Family Self-Sufficiency (FSS) savings accounts. The one family who purchased the $130,000 home was originally qualified to only buy a $40,000 home, however the PHA combined their resources with USDA's *Rural Housing Program* and it became possible to acquire a one percent loan for a period of thirty-eight years!

- The MHA also provided some $57,000 in mortgage assistance in 2002 to sixteen of the 19 families. Of the last three sales, the average family size was three persons. The average income of the families served was approximately $19,000 annually. The available grant averaged $6800.00 per family and each family made an out-of-pocket investment of about $600.00. All three of the last sales were to African-American, non-Hispanic females with an average age of forty. They purchased three-bedroom, six room homes averaging about 1400 square feet. Their Principal, Interest, Taxes and Insurance (PITI) payments averaged $700.00. The utilities on the three homes averaged $200.00 per month and their total housing costs came to a little over one thousand dollars per month. The help provided by MHA was approximately $550 dollars per month and their total tenant payment was about $443.00.

- The MHA works with new families every six months. PHAs need to know that this is a numbers game. Initially, MHA was able to get ten successful families per year, but that meant starting with a large number of families. Every six months, MHA sent out a mailing driven by the incomes stated on the 50058 of program applicants. Families with an income of $10,300 are sent an invitation to come to the office for a two-hour meeting designed to review the benefits of the homeownership program. All questions are answered at this time and program applicants are asked to complete two simple forms. From those meetings, program applicants are required to participate in five two-hour workshops that include such subjects as budget, credit, fair housing, predatory loan practices, how to purchase a home, and finally, home maintenance. The families must attend all five of the workshops before going to settlement.

- In November of 2002, 1200 invitations were mailed out, resulting in 200 responses. 104 of the 200 responses showed up for their initial meeting and most are currently attending their workshops being offered now. The expectation is that by the fourth week of the workshops, some forty families will remain, thus making them good candidates for homeownership.

- There are currently ten different lenders in the MHA community who between them have provided one to three loans each. Those lenders are CTX Mortgage, Guaranty Northeast, Arlington Capital, Principle Residential, Countrywide, National Penn Bank, Cardinal Financial, First Mutual and Superior Mortgage. New lenders who have yet to provide loans but are expected to do so are Bluebell Mortgage, Delco Coastal Credit Union, Citizen's Bank and Wachovia Mortgage (First Union). It is critical for PHAs to call on lenders in an effort to get them to work with your program. Program participants should also be encouraged to go to lenders not involved, encouraging them to provide loans as well.

- The Pennsylvania Housing Financing Agency (PHFA), manages a program allowing Housing Choice Vouchers to be used in connection with a FHA loan. The current interest rate in Pennsylvania of 4.9% and there are approximately seventeen lenders who participate directly with PHFA financing. While some of those seventeen lenders have to date refused to work with our Housing Choice Voucher Program; it is projected that the majority of them will become involved, particularly as a result of State involvement.

- At the inception of our homeownership program, there were no funds available to program participants for down payment and closing costs assistance. However, we turned to FHA financing because FHA allows the seller to pay up to six percent of the closing costs which of course is a big help to some of our families. Now however, the MHA has a grant to help in this area, receiving some $88,000 from our County Commissioners. Families are asked to pay their up front costs out-of-pocket. These costs include: their application and home inspection fees, tests such as termite or other wood destroying insects, and their homeowners insurance. The remaining costs are paid at closing. A family saving plan is now available which allows our program participants to build the necessary funds for these up front costs proactively. Our program also allows for dollar for dollar matching for a period of two years with a maximum saved amount to total no more than $2,000.00.

- The MHA chose to do its homeownership counseling in-house. Speakers from the business community volunteer their services. The first workshop, on budgeting, is facilitated by the MHA FSS Coordinator and the Credit workshop is conducted by the TransUnion Credit Bureau, which also provides a free credit report to each program participant.

- Representatives of both Fannie Mae and Freddie Mac lead the third workshop on fair housing. In addition to subject matter concerning the fair housing rights of homebuyers, issues of predatory lending are also discussed. A great deal of time is also invested in discussion centering on what happens after MHA is no longer involved.

- The fourth workshop covers the mechanics of how to buy a home and the fifth and final workshop discusses issues surrounding the maintenance of their new home. Other PHAs could use local Realtors, Lenders to do the 4^{th} workshop and HQS Inspectors, PHA Maintenance Staff or area Home Inspectors to do #5.

(Q) In Georgia, our family savings plan is known as the IDA Program. Did you find in using this resource that you were able to leverage the dollars your PHA had available for funding this particular initiative and did you use your funds as a one-time payment in an effort to reduce your own administrative costs?

(A) No, because we are not administering the program. We are working with a third-party agency so our sole responsibility is to promote the program to our families. Families with negative credit issues usually require one to two years to resolve that as they clean up their credit, so while they are accomplishing that, they can participate in our Family Savings Program

(Q) Are you choosing to pay the subsidy on a monthly basis or have you chosen the option of making a single grant payment?

(A) The down payment option, is a one-time payment for down payment and closing costs to the program participant. PHAs may not use that option at this time. There was a final HUD rule published, but that final rule requires that before PHAs can implement that option, HUD must publish yet another notice. It is generally believed that notice would be in the form of a NOFA.

(Q) Do you require that program participants complete all five workshops before they contact a lender or do you decide for them when they are ready?

(A) Once a program participant completes the fourth workshop, the MHA meets with each family individually to inform them of how much money is available through the PHAs 50058 for their income, number of children in the family, and whether anyone in the family is a full time student, day care and/or medical expenses, if applicable. Once those issues are reviewed, and the approximate amount of assistance is calculated, we give them a preliminary certificate. Regarding the nineteen families discussed earlier, The MHA averaged out their taxes and utilities and also came up with a standard market interest rate. Program participants were encouraged to acquire a pre-approved loan at six percent and they are informed what their mortgage amount would be. The program participant is then told to produce their certificate to the lender to get pre-approved and only then the family should be able to begin shopping for their new home.

(Q) What was the avenue used to develop lending partners? Did you send out an RSQ with very specific qualifications? In our community we have two lenders who are definitely interested however there are also a couple of lending partners of Alaska Housing who are not as interested. Is there an RSQ process that lends itself to create partners and how do other PHAs accomplish this?

(A) It is important for the PHA who wants to create partnerships with lenders to visit with them and speak with the officers of the company, particularly their underwriters. In the MHA, the Philadelphia HUD Field Office was particularly helpful with making these calls along with the PHA, explaining to potential lending partners that the program has several fail-safe mechanisms in place. Mainly, mortgage payments are virtually guaranteed because HUD is paying the HAP. More important, if the family's income falls, the assistance to that family increases proportionately. Finally, the PHA provides lenders with families who have been through homeownership counseling and who really want to purchase a home.

(Q) Do you make lending partner referrals? Do you share the fact that you have lending partners who are familiar with the program? What is the avenue there? In reading the regulations, it states clearly that we cannot limit the choices program participants have.

(A) After our fourth workshop, I provide program participants with contact information for lender participants. I say to all of the families that "to get pre-approved, you may call one of these lenders or choose one of your own. If you choose one of your own, just understand that I am going to look at what that lender has to offer very carefully because I am not going to be particularly familiar with that lender. I am going to have to examine their terms very closely to ensure that the offer they are making you is affordable."

(Q) Many of the programs throughout the country simply have a list that states "The following are the lenders who have been educated about our Housing Choice Voucher Homeownership Program" and then they just leave it at that. How do you feel about that?

(A) As a PHA, you simply want to provide a list with the stipulation that while these are lenders interested in participating in the program, program participants are not limited to that list. As long as you do that you are in compliance with HUD regulations. Our experience is that 90% or more of the program participants will approach the lenders on the list provided them. There are however, those families who prefer to approach their own credit union or one in which they would like to join. And that is perfectly all right. What the MHA wants to accomplish is for the program to grow, which will allow families to take advantage of the competitive forces that are at work in the marketplace. Some of the lenders on our list is because the family's initial contact to them.

(Q) How was the MHA able to coordinate with the financial institutions to take two payments? That is one of the challenges we are experiencing?

(A) We allow the lender to choose which way they want the assistance to go. The choices are directly to the family, to their institution or to a joint account that they can withdraw from once a month. For us, lenders tend to want the money to go the families, so there have been few challenges. The HAP goes to the family; the family deposits the money and then makes one mortgage payment each month to the lender. As a safety net, the lender has authorization from the family to notify the PHA know if there is a problem with making payments on time. During annual re-exam time, program participants are required to show proof of mortgage payments being made on time. If we see that a family is struggling to accomplish this, we immediately bring them in for counseling in an effort to resolve whatever is causing the problem and help the family to retain ownership of their home.

(Q) Do you have a situation where the lender is allowing the establishment of a pass through account where the payments come from both the agency and the family?

(A) While the MHA would be happy to facilitate such a process, lenders have thus far preferred for HAP payments to go directly to the family being served by the program.

However, it should be noted that usually the challenge for lenders is not more than one payment, but more than one payment being made at different times of the month for the same monthly mortgage payment. In some cases around the country, the PHA will make out the payment to the lender, however they will send it to the program participant who adds their own check to the HAP, thereby sending two checks but both at the same time to the lender.

It should also be noted that many lenders have a separate entity actually service the loan. Both Fannie Mae and Freddie Mac use such third party entities, and many of these services have perfected a third party electronic pass through system for mortgage payments that come from more than one source.

(Q) How long does your agency allow program participants to remain unemployed and how do you deal with long term or chronic unemployment?

(A) That has not come up in the MHA, but if someone did experience unemployment and they were unable to secure a new position in a relatively short period of time, I think that we would definitely require a mini-session for them with respect to career counseling.

It should be noted that the employment requirement for program participants is an initial one, so if a program participant became unemployment after the purchase of the house, they are not in violation of any eligibility requirement as far as HUD is concerned. As you know however, PHAs do have an inherent ability to provide flexibility in the management of the homeownership program and could require tougher requirements during the administration of the program.

It is critical for PHAs to realize that the residents themselves, the program participants, want more than anyone else for this effort to succeed. Our twentieth family who applied for this program did not initially satisfy the continuous employment requirement of working for one year straight for at least thirty hours per week. It took them almost two years to resolve that issue before they returned to participate in the workshops. They are soon to be owners of their own home. The families do not want to find themselves in the position of being unemployed, especially after the HAP has ended.

I am aware of some PHAs who will set up contingency plans and place them into their agency's homeownership plan. One of the more important components of these contingency plans is for the program participant to notify the PHA immediately with regards to any changes in their income. In addition, the PHA will provide for program participants, whenever necessary, an aggressive employment placement service, even opting for temporary jobs over unemployment. These Agencies will also maintain good working relationships with employers who have a strong history with Welfare to Work and TANF recipients, providing temporary employment opportunities within their own firms or at the very least, referring program participants to other potential employers in the community.