

*This archived document is no longer applicable.*

**U.S. Department of Housing and Urban Development**  
Community Planning and Development

**Special Attention of:**

All Secretary's Representatives  
All State Coordinators  
All CPD Division Directors  
All HOPE 3 Program Grantees

**Notice:** CPD 98-11

Issued: October 14, 1998  
Expires: October 14, 1999

Cross Reference: 24 CFR 572.425(h)

SUBJECT: Annual Performance Report (APR) for the HOPE for Homeownership of Single Family Homes Program (HOPE 3) and Instructions for Return of Resale Proceeds

- I. Purpose:** The purpose of this notice is to provide HOPE 3 Implementation Grant recipients with updated instructions for submitting the Annual Performance report (APR) for the HOPE 3 Program. This notice supersedes prior APR instructions contained in CPD Notice 97-12, issued October 10, 1997, but makes no substantive amendments to CPD Notice 97-12. The APR must be submitted by all HOPE 3 Implementation Grant recipients during each year of the program until completion and closeout by HUD. This notice streamlines the HOPE 3 Implementation Grant annual reporting requirements by eliminating duplicative reporting requirements or reporting requirements that are otherwise unnecessary. This notice also provides instructions for returning HOPE 3 Program resale proceeds to HUD for remittance to the U.S Treasury.

The APR provides the Department with information that is not reported through the HOPE 3 Cash and Management Information (C/MI) System. The information is necessary for program analysis and evaluation, as well as for preparing reports to Congress. Reporting requirements contained in this notice have been approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520), and assigned OMB control number 2506-0128.

CGHP: Distribution: W-3-1, W-2

- II. Background:** The HOPE for Homeownership of Single Family Homes Program (HOPE 3) was enacted at Title IV, Subtitle C, of the National Affordable Housing Act of 1990 (codified at 42 USC 12891-12898), as amended by the Housing and Community Development Act of 1992. The goal of the HOPE 3 Program is to assist eligible applicants to develop affordable homeownership opportunities for first-time, low income homebuyers. The program utilizes only single family properties owned and held by Federal agencies, a State, territorial, or local government, an Indian tribe, or an agency or instrumentality of a State, territorial or local government, or Indian tribe.
- III. Timing and Procedure for Submission:** The APR shall be submitted annually by all Implementation Grant recipients **on or before November 30 of each calendar year** in which the program is being implemented until grant closeout. For those recipients with more than one grant, a separate APR should be submitted for each grant. A final APR shall be submitted at time of program closeout. An original APR, signed by the authorized representative of the recipient shall be submitted to the CPD Division of the appropriate HUD Field Office. A copy of the APR shall be submitted to: HOPE 3 Program, Department of Housing and Urban Development, 451 7th Street, SW, Room 7158, Washington, DC 20410.
- IV. Period of Performance:** All APR's must cover the 12 month period beginning October 1 and ending September 30. The final APR must cover the period beginning October 1 and ending with the date of completion of all approved HOPE 3 activities.
- V. Content:** The APR is comprised of three parts. Part A consists of the grant recipient's identification and certification. Part B consists of a series of six data collection elements related to match, sale and resale proceeds, program income, additional homeownership opportunities created, and use of minority and women-owned business enterprises. **NOTE:** Instructions for completing Parts A and B are included as an attachment to form HUD-40068-B.
- Part C consists of three narrative statements regarding the overall status and accomplishments of the recipient's homeownership program, affirmative fair housing marketing efforts, and if applicable, a description of the use of HOPE 3 funds for economic development activities. Recipients must complete all sections of the APR (form HUD-40086-B), **including the narrative**, and submit them to HUD.

**VI. Instructions for Completing the Narrative Statements (Part C):** This portion of the APR consists of three (3) narrative statements:

1. Activity Progress Report:

All recipients should submit a narrative that:

- a. briefly summarizes the overall status and accomplishments of its homeownership program during the reporting period, including the number of families assisted, and the number of properties acquired and transferred; and
- b. identifies any program activities that will not be completed within the timeframes approved in the Program Schedule (as included in the recipient's approved HOPE 3 application or subsequent amendments, if applicable), the reasons for being unable to meet the schedule, and identifies the actions to be taken by the recipient if the program will not meet the regulatory deadlines for transfer of properties to homebuyers, completion of lease/purchase agreements, and program closeout.

2. Affirmative Fair Housing Marketing Efforts (24 CFR 572.405(e)):

All recipients should submit a narrative that briefly describes its affirmative fair housing marketing strategy to date, including:

1. activities undertaken during the reporting period and the effectiveness of its marketing strategy; and
2. describes actions that will be undertaken where affirmative marketing requirements are not met.

**NOTE:** Recipients that are Indian tribes or Indian Housing Authorities are not required to prepare or implement an affirmative fair housing marketing strategy.

A strategy is not required of Implementation Grant recipients that market properties only to current residents of the properties used in the program.

3. Use of HOPE 3 Funds for Economic Development Activities

**NOTE:** Only recipients that have drawn down funds under the Economic Development budget line during the reporting period should submit this statement.

The recipient should submit a brief statement of its economic development activities during the reporting period which:

- a. describes each economic development activity undertaken;
- b. indicates the degree to which each economic development activity has achieved its purpose;
- c. describes any problems that have been experienced to date undertaking economic development activities; and
- d. describes economic development activities remaining under the grant.

**VII. PROCEDURES FOR RETURNING RESALE PROCEEDS TO HUD FOR REMITTANCE TO THE U.S. TREASURY**

Section 24 CFR 572.135(b) of the HOPE 3 Program regulations require that fifty percent of any portion of the net resale proceeds that may not be retained by the homeowner under 24 CFR 572.130 (c), (d), and (e) must be collected by the recipient and returned to HUD within 15 days of the sale (this is a statutory requirement and cannot be waived.) Following are procedures for remitting HOPE 3 Program resale proceeds to HUD:

**NOTE: FOR ACCURATE FUNDS IDENTIFICATION, THE "NOTATION" HOPE 3 PROGRAM RESALE PROCEEDS" MUST BE INCLUDED ON THE CHECK OR WIRE TRANSFER AS NOTED BELOW.**

**Remitting Funds in Amounts Less Than \$2,000.** Funds being remitted that are in amounts less than \$2,000 may be returned using the Department of Treasury Financial Communications System (TFCS) described below or by sending a check payable to the Department of Housing and Urban Development. If funds are being remitted by check, recipients should send the check to:

Department of Housing and Urban Development  
P.O. Box 277303  
Atlanta, Georgia 30384-7303

(NOTE: This address supersedes the instructions in CPD Notice 97-13, HOPE 3 Closeout Procedures, as to where to return these checks.)

The recipient should indicate the grant number and tax identification number, if applicable, on the check and include the following information in a cover letter accompanying the check:

- (1) Grantee Name
- (2) A statement that the funds are being remitted for the **HOPE 3 Program**
- (3) HOPE 3 grant number
- (4) Tax Identification Number (TIN)

Explanation of remittance-**HOPE 3 PROGRAM Resale Proceeds**

**NOTE:** A copy of the letter and check should be sent to: HOPE 3 Program, P.O.Box 23997, L'Enfant Plaza Station, Washington, DC 20026,  
ATTN: Charlene Williams

**B. Remitting funds in amounts greater than \$2,000.** Funds being remitted in the amount of \$2,000 or greater must be wired to the U.S. Department of Treasury Financial Communications System (TFCS). In order for funds and deposit messages to be routed efficiently, all wire transfer messages must conform to the structured format described below:

- (1) ABA Number 021030004
- (2) Receiver Information: TREAS NYC/CTR/BNF=/AC-86-01-1101
- (3) Third Party Information: **HOPE 3 PROGRAM** (Name of Recipient)  
Recipient Grant Number, Recipient Tax Identification Number)
- (4) Explanation-- **HOPE 3 Program Resale Proceeds**
- (5) ATTN: HOPE 3 PROGRAM - CPD

All wire transfers must be remitted through the HOPE 3 recipient's local financial institution. If the local financial institution is not a member of the TFCS, it must have a correspondent bank relationship with a member bank that will actually transfer the wire to Treasury.

**NOTE:** A copy of the wire transfer request should be sent to: HOPE 3 Program, P.O. Box 23997, L'Enfant Plaza Station, Washington, DC 20026, ATTN: Charlene Williams

**VIII. Further Information:** Questions regarding the preparation and submission of the HOPE 3 Implementation Grant Program APR or return of HOPE 3 Program resale proceeds should be directed to the HOPE 3 Program Coordinator in the appropriate HUD Field Office.