



HOME FACTS - Vol. 2 No. 3, Nov., 2009 (Revised Dec., 2014)

Topic

This issue of HOME FACTS explains the process CPD Field Office staff must follow to determine each participating jurisdiction's (PJ's) compliance with HOME's commitment, CHDO reservation, CHDO expenditure, and expenditure requirements both prior to and after the PJs deadline date, and provides timeframes for this review.

Requirement

The HOME regulation at 24 CFR 92.500(d)(1)(A) requires that HUD recapture any funds in the United States Treasury account that are required to be reserved to CHDOs (i.e., 15 percent of the funds) by a PJ under §92.300 that are not committed to a community housing development organization project within 24 months after the last day of the month in which HUD notifies the participating jurisdiction of HUD's execution of the HOME Investment Partnership Agreement. In addition, the regulation at 24 CFR 92.500(d)(1)(B), requires HUD to recapture any funds in the United States Treasury account that are not committed within 24 months after the last day of the month in which HUD notifies the PJ of HUD's execution of the HOME Investment Partnerships Agreement. Additionally, HUD will reduce or recapture any funds in the United States Treasury account that are not expended within five years after the last day of the month in which HUD notifies the PJ of HUD's execution of the HOME Investment Partnerships Agreement (24 CFR 92.500(d)(1)(C)).

Under the HOME Rule published on July 24, 2013, funds are considered to be reserved to a CHDO when they are committed to a specific project to be owned, developed, or sponsored by a CHDO. In addition, CHDO set-aside funds must be expended within five years of the execution of the PJ's HOME grant agreement (24 CFR 92.500(d)(1)(C)). These new requirements are applicable for all deadlines that occur on or after January 1, 2015. The new CHDO reservation and expenditure requirements appear on the Deadline Compliance Status Report as CHDO-C for the revised CHDO reservation requirement and CHDO-D for the new CHDO expenditure requirement. Compliance with these requirements will be determined cumulatively beginning with deadlines occurring on or after January 1, 2015.

Compliance Tracking Tools

The HOME Deadline Compliance Status Report lists each PJ's commitment, CHDO reservation, and expenditure deadlines for easy reference and is the official tool used to track HOME deadline requirements. It can be found on the HOME reports website. The HOME Deadline Compliance Status Report is based on a monthly download of IDIS data. The IDIS PR27 Status of HOME Grants report also can be used to track, on a day by day basis, a PJ's total commitments, total reservations to CHDOs, total CHDO disbursements, and total disbursements in relation to its applicable requirements. HOME FACTS Vol.1, No. 3 (September 2008) describes how to use the IDIS PR 27 report to track HOME deadline compliance. In addition, the IDIS PR49 HOME Deadline Compliance Status Report can also be used to track compliance with HOME deadline requirements. In most cases, the data on the PR49 should match the data contained on the HOME Deadline Compliance Status Report as long as the PR49 has been run on the first business day of the month; however, there may be instances in which the two reports do not match. If a PJ believes one or both reports are incorrect, it should contact its CPD Representative in its local HUD Field Office.

Prior to Deadline

If the HOME Deadline Compliance Status Report indicates that a PJ is at risk of missing its deadline, field office CPD staff must notify the PJ in writing four months prior to the deadline and again one month prior to the deadline, if there is still a shortfall. These letters serve to: (1) alert the PJ of an impending deadline and its current shortfall in meeting the commitment, CHDO reservation, and/or expenditure requirements; (2) give the PJ an opportunity to set up and fund activities, commit CHDO set-aside funds, subgrant funds to subrecipients or state recipients, or draw down funds in IDIS prior to its deadline; (3) caution the PJ of potential deobligation if action is not taken by the deadline; and/or (4) alert the PJ to the possibility of receiving technical assistance.

OAHP sends an email notification to each Field Office CPD Director prior to the four-month and one-month notification target dates. These messages identify each PJ with a commitment, CHDO reservation and/or expenditure shortfall as of the previous month. Sample PJ notification letters are attached to these emails for field office use.

After Deadline

On the first day of the month following a PJ's deadline, the Office of Affordable Housing Programs (OAHP) downloads an IDIS PR 27 *Status of HOME Grants* report for each PJ that it determines is in danger of not meeting one or more of its deadline requirements. This report serves as documentation of the commitments, CHDO reservations, CHDO expenditures, and expenditures in IDIS at the time of the PJ's deadline. In addition, OAHP downloads the *IDIS PR49 HOME Deadline Compliance Status Report* on the first business day of the month to verify the figures on the *HOME Deadline Compliance Status Report* that is generated using downloaded IDIS data.

The *HOME Deadline Compliance Status Report* is posted to the HOME webpage (<https://www.hudexchange.info/manage-a-program/home-deadline-compliance-status-reports/>) every month. OAHP will notify the CPD Field Office Director of any PJs with commitment, CHDO reservation, CHDO expenditure, or expenditure shortfalls. If the *HOME Deadline Compliance Status Report* indicates that the PJ missed one or more of its deadlines, the field office must notify the PJ in writing within 30 days after the deadline. This letter serves to request documentation of commitments, CHDO reservations, CHDO expenditures, or expenditures not entered in IDIS by the deadline date and to document that HUD has initiated the deobligation process. The Field Office will review documentation not entered in IDIS by the deadline date for acceptability using the guidelines outlined in Section VII of HUD Notice CPD 07-06, *Commitment, CHDO Reservation, and Expenditure Deadline Requirements for the HOME Program*, (June 1, 2007) or superseding notice.

Any documentation of commitments, CHDO reservations, CHDO expenditures, or expenditures provided by the PJ, which was not previously entered into IDIS, that is accepted by the Field Office must be maintained in the Field Office files. In addition, the field office must notify OAHP in writing within 90 days of the missed deadline (by letter or email) once the documentation has been reviewed and is found to be either acceptable or unacceptable.

If the documentation is determined by the Field Office to be acceptable; the CPD Field Office staff must submit a summary of the documentation it counted as commitments, CHDO reservations, CHDO expenditures, or expenditures to its OAHP, Financial & Information Services Division Desk Officer. The summary must include the types of contracts or expenditures; the dates of contract execution or expenditure; the contract or expenditure amounts; and field office verification that the contracts were not set up as HOME activities in IDIS or the expenditures were not drawn down in IDIS as of the date of the

PJ's deadline. Upon receipt of the summary, OAHP will revise the *HOME Deadline Compliance Status Report* to indicate that the shortfall was resolved through documentation. If the documentation is determined to be unacceptable or insufficient to cover the entire shortfall, the field office will use the guidelines outlined in Section IX of HUD Notice CPD 07- 06, *Commitment, CHDO Reservation, and Expenditure Deadline Requirements for the HOME Program*, (June 1, 2007), or superseding notice, to process the deobligation.

When a PJ has missed its deadline, the appropriate OAHP, Financial & Information Services Division Desk Officer will contact CPD in the Field Office within 45 days of the deadline to confirm that the Field Office has notified the PJ of its shortfall and to ascertain if a deobligation will be necessary or if the PJ will submit documentation to offset its shortfall. If the Field Office has not yet determined within 60 days of the PJ's deadline whether or not a deobligation is necessary, OAHP will schedule a conference call with the Field Office to discuss the matter.

In most cases, final shortfall determinations must be made by the Field Office within 90 days of a missed deadline. This will allow time to complete the processing of the deobligation within the 120-day window. In some cases with extenuating circumstances the OAHP Director may determine that more than 120 days is required to resolve the shortfall.

Do you have questions? Questions or correspondence regarding HOME deadline compliance should be directed to your OAHP, Financial & Information Services Division Desk Officer identified below.

Dora Rivera (Dora.I.Rivera@hud.gov or 202-402-2410)

- Anchorage
- Atlanta
- Baltimore
- Birmingham
- Boston
- Buffalo
- Columbia
- Denver
- Greensboro
- Hartford
- Honolulu
- Jackson
- Jacksonville
- Knoxville
- Los Angeles
- Louisville
- Little Rock
- Miami
- New Orleans
- New York
- Newark
- Oklahoma City
- Philadelphia
- Pittsburgh

- Portland
- Richmond
- San Francisco
- San Juan
- Seattle
- Washington DC

Danielle Frazier (Danielle.Frazier@hud.gov or 202-402-7354)

- Albuquerque
- Ft. Worth
- Houston
- Kansas City
- Omaha
- San Antonio
- St. Louis

Vashawn Banks (Vashawn.D.Banks@hud.gov or 202-402-4614)

- Chicago
- Columbus
- Detroit
- Indianapolis
- Milwaukee
- Minneapolis

Summary of HOME Deadline Compliance Process for OAHP and CPD Field Staff

Timeframe	CPD Field Office Staff	OAHP
4 months prior to deadline	Send alert letter to any PJs with shortfalls.	Send email alert to CPD Field Office Director listing any PJs with shortfalls.
1 month prior to deadline	Send alert letter to any PJs with shortfalls.	Send email alert to CPD Field Office Director listing any PJs with shortfalls.
1st business day after deadline		Download IDIS PR 27 report for any PJs that may potentially miss their deadlines. Download IDIS PR49 Report for all PJs.
Within 15 days after deadline		Post HOME Deadline Compliance Status Report to HOME webpage (www.hudexchange.info/HOME). Notify CPD Field Office Director of any PJs with shortfalls as of the deadline.

Within 30 days after deadline	Send shortfall notification letter to any PJ with a shortfall.	
Within 45 days after deadline	Collect from the PJ any documentation of commitment, CHDO reservations, CHDO expenditures, or expenditures executed prior to the deadline, but not entered into IDIS by the deadline.	Follow up with CPD Field Office Director regarding status of shortfall.
Within 60 days after deadline	Review documentation submitted by the PJ, if applicable. Conduct conference call with OAHP if it has not yet been determined whether a deobligation is necessary.	Conduct conference call with CPD field staff if it has not yet been determined whether a deobligation is necessary.
Within 90 days after deadline	CPD Field Office Director makes final determination whether a deobligation is necessary and communicates determination with OAHP (email) and the PJ (letter). Deobligations process is outlined in Section IX of HUD Notice CPD 07-06.	(1) Initiate deobligation approval memorandum and/or (2) revise HOME Deadline Compliance Status Report to show that the shortfall was completely or partially resolved through documentation.
Within 120 days after deadline	Ensure all shortfalls are resolved, except for those with extenuating circumstances as determined by the OAHP Director.	