

BRENDA EDMONDSON

VOLUNTARY COMPLIANCE

HUD ACT  
of 1968

50  
Years

1968 - 2018

50 Years of Promoting  
Economic Opportunity



# NATIONAL TRAINING CONFERENCE

SECTION 3  
of the Housing and Urban  
Development Act of 1968

Day 3  
June 20, 2018





# NATIONAL TRAINING CONFERENCE

## How FHEO Staff Performs Its Function - Part 2 Compliance Reviews - Voluntary Compliance Agreements

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## Process

- Strong Risk Assessment Process
- Selection of Moderate to High Risk Recipient
- Conduct Compliance Review or Complaint Investigation
- Statutory and/or Regulatory Findings
- Outcome-Voluntary Compliance Agreement, Conciliation Agreement, Settlement Agreement
- Negotiate VCA Terms
  - Specific Provisions and sub-provisions
  - Term
  - Quarterly Reporting Schedule



## VCA Executed & Monitoring

- Effective Date - Regional FHEO Director signs
- Term Limits:1-10 years
- FHEO provides TA and/or CR training to facilitate compliance
- Quarterly Reporting to FHEO about status of provisions
- Annual Reporting Requirements (SPEARS)
- Conducts Quarterly and Annual Desk Audits (Remote Monitoring) or Onsite Follow-Up Visits
- Issues Reporting Reminders when VCA reports are late
- Tracks in VCA Tracking System
- Closure of VCA/CA or Re-Open Review (Non-compliant)



## NJ DCA Voluntary Compliance Agreement/Conciliation Agreement

- Lan Lawsuit against NJ DCA
- VCA/CA Specific Provisions and content negotiated (Hybrid)
- VCA covers \$4.9 Billion in CDBG DR Funds (Superstorm Sandy)
- Includes 119 Specific Provisions and sub-provisions
- 13 Section 3 Specific Provisions
- FHEO-negotiated VCA/CA, provided TA and sample Section 3 Plans, Review Quarterly Report Submissions, Review SPEARS Reports
- Formal VCA Close-Out 6 months after last CDBG DR Funds expended-may include On-site Monitoring Visit



Questions?

