1. **This Transmits:** HUD Handbook 1344.1, Federal Labor Standards Requirements in Housing and Urban Development Programs

2. **Summary:** Changes made to sections of Chapters 5 and 9 of the Federal Labor Standards Requirements in Housing and Urban Development Programs, Handbook 1344.1 Rev 2. Chapter 5 – Labor Standards Administration, Section C 3 – Implementing the final order whereby guidance is provided for taking the appropriate action implementing a final order that affirms, reduces, or waives liquidated assessed damages or when a final assessment has been made without the benefit of a request for reduction or waiver. The changes to Chapter 9-6 – Cross-withholding on projects subject to Davis-Bacon requirements provides guidance on transferring liquidated damages assessed to contractors; changes to 9-16 – Deposing of deposit accounts provides guidance on the completion of follow-up activities to achieve resolution of outstanding issues; and 9-22 – Payee Verification providing that the legitimacy or claims be validated when claims for restitution for deceased or incarcerated workers.

3. **Filing Instructions:**

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<tr>
<td>Chapter 5, page 5-21 dated 2/2012</td>
<td>Chapter 5, page 5-21, dated 3/2013</td>
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<td>Chapter 9, pages 9-6, 9-10, 9-11, and 9-15 dated 2/2012</td>
<td>Chapter 9, pages 9-6, 9-10, 9-11, and 9-15 dated 3/2013</td>
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1. **This Transmits:** HUD Handbook 1344.1 Rev 2 entitled *Federal Labor Standards Requirements in Housing and Urban Development Programs.*

2. **Explanation of Material Transmitted:** This Handbook prescribes the policies, procedures and responsibilities of HUD Office of Labor Relations staff and program participants in the administration and enforcement of labor standards provisions related to HUD programs. This issuance contains twelve chapters and associated appendices dealing, primarily, with labor standards matters relating to the Davis-Bacon and Related Acts. The issuance also addresses the procedures and responsibilities of HUD Office of Labor Relations Staff, public housing agencies and Tribally-designated housing entities in the administration and enforcement of labor standards provisions relating to prevailing wage rates determined by HUD pursuant to the U.S. Housing Act of 1937 and the Native American Housing Assistance and Self-Determination Act of 1996 (each as amended).

3. **Cancellations:** HUD Handbook 1344.1, REV 1, Chg 1 issued December 1986.

4. **Significant Changes:** Major areas affected by the issuance of this Handbook include:
   a. Clarifies HUD staff responsibilities and the responsibilities of program participants.
   b. Updates and enhances Labor Relations policies and procedures concerning day-to-day program administration and enforcement.
   c. Streamlines labor standards administration and compliance review requirements.
   d. Provides excerpts and references for Federal labor statutes related to HUD program activity.