This guidance document provides the conditions under which the Office of Sustainable Housing and Communities will evaluate requests for No-Cost Extensions. Per 24 CFR 85.30 (d) (2), HUD grantees must obtain the prior approval of the awarding agency when seeking to extend the period of availability of funds.

No Cost-Extension Policy

A no-cost extension means the government is extending the period of performance of a grant but providing no additional funds. The grant term is extended at “no cost” to the government. Grantees are expected to use all grant funds prior to the end of the period of performance. However, due to exigent or unforeseen circumstances, grantees may have unspent funds remaining at the end of a grant term. In order to fully use these funds, OSHC staff will provide a no-cost extension for the time period during which the remaining funds will be used.

OSHC’s policy is to provide no-cost extensions to enable programs to continue operating for limited periods of time beyond the end of the performance period such as 30, 45, 60, or 90 days. Extension requests beyond these listed timeframes will rarely be granted. An extension request should be based on the program’s projection of remaining funds at the end of the current period of performance and the amount of time needed to accomplish any remaining objectives.

Circumstances Under Which A No-Cost Extension May be Approved

OSHC will approve no-cost extensions under very limited circumstances. These circumstances are limited to situations in which the grantee, through no fault of its own, experienced a significant barrier to implementation which prevented it from accomplishing the program objectives. Barriers include:

- Disasters (e.g., floods, earthquakes, hurricanes, other threats, etc.);
- Systemic/organizational barriers caused by broader legal or economic issues that directly impacted the project’s implementation (e.g., dissolution of entity by legal mandate, hiring or procurement freezes in government agencies, bankruptcy, etc.);
- Structural/compositional issues with the governance process which prevented the grantee from conducting adequate outreach/input from key stakeholders and representatives from historically marginalized communities (e.g., a major consortium member or match contributor representing a targeted community dropped out of the project for reasons outside the control of the grantee);
- Other unanticipated barriers which HUD will examine on a case-by-case basis.

**Protocol for Requesting a No-Cost Extension**

Grantees must submit the request to their Government Technical Representative (GTR) at least 60 days prior to the end of the performance period. The request must contain the following elements:

- The length of additional time required to complete project objectives and a justification for the extension;
- An estimate of funds expected to remain unobligated on the scheduled expiration date;
- A projected timetable to complete the remaining portion(s) of the project, with associated drawdown schedule. The drawdown schedule should be organized by budget category and include project expenditures and match per month through the extended period of performance;
- Signature of the authorized organizational representative and the project director (point of contact); and
- A status of cost sharing (match/leverage contributions) to date.

**What to Expect**

When the GTR receives the request, he/she will conduct an initial review to determine the completeness and adequacy of the request. The GTR will obtain any missing or incomplete components of the package and ensure that the request is based on the shortest time-frame necessary to complete the work. Once the GTR is satisfied that the package is complete, it will be forwarded to the Grant Officer (GO) for secondary review.

The GO will conduct a secondary review of the materials and may reach out to the grantee to clarify or negotiate aspects related to the timeframe or budget. Once the GO approves the request, it will be forwarded to the Grant and Procurement Division Director and OSHC Director for final approval. Once final approval is obtained, the cooperative agreement will be amended to include an updated period of performance, budget, and any other special terms or conditions.