Grantees participating in HUD's Main Street and/or Mixed Finance Programs must comply with Office of Management and Budget (OMB) regulations at 2 CFR Part 200. This regulation covers financial administration, procurement, reporting and recordkeeping, and close-out requirements. A Grantee's grant administration will be based on 2 CFR Part 200 procedures whenever Federal grant funds are used. Typically, a Grantee draws down funding within 3 days of payment for allowable costs that have been procured or for allowable costs according to program requirements, 2 CFR Part 200 and state and local laws.

When using Main Street Financing proceeds for goods and services, the Grantee must follow 2 CFR Part 200. Typical goods would be materials and equipment needed for modernization or development of housing. Typical services needed for reconfiguration and development would include services of laborers, mechanics, architects, engineers, surveyors, developers, construction managers, and lawyers.

If the Grantee seeks the general services of counsel, a financial advisor, or other financial assistance (e.g., someone who finds a loan for them or provides them financial advice), it must follow the requirements of 2 CFR Part 200, including procurement of these services and price analysis. However, it is more common, with the number of financing sources available, that Grantees seek financing from a variety of lenders, underwriters, LIHTC syndicators or other sources of finance or credit enhancement. This is considered a financial transaction rather than a financial service. A financial transaction is a process to qualify the Grantee as a borrower, and thus is not subject to the procurement requirements of 2 CFR Part 200. Incorporated in a financial transaction are a team of professionals, such as bond underwriters, lenders, lender's or underwriter's counsel, LIHTC syndicators, line of credit providers, and credit enhancement providers, all of which either constitute the financing or are secured by the financing source (underwriter or lender) as an intrinsic part of the financing and are included as part of the financial costs of closing. When a Grantee decides to a close on a loan or bond, with a particular lender, the Grantee must determine that the fees are reasonable pursuant to 2 CFR Part 200. PIH certainly expects Grantees to seek financing from a number of sources in order to support their cost analysis. The Office of Public Housing Investments will ensure that any Cost Control and Safe Harbor Standards or other requirements related to financing in Main Street or Mixed Finance transactions will continue to be met as applicable.