



December 17, 1998

TO: All Tribal Government Leaders and Tribally Designated Housing Entities (TDHE)

FROM: Karen Garner-Wing, Acting Deputy Assistant Secretary, 8APIN

TOPIC: Line of Credit Control System

SUBJECT: Process For Setting Up A New Recipient Accessing The Assets and Funds in the Line of Credit Control System Previously Held By An Umbrella Indian Housing Authority.

Purpose: This guidance outlines the procedures to be used to transfer grant funds under the United States Housing Act of 1937 (USHA) from an umbrella Indian housing authority (IHA) (i.e., an IHA which provides housing for more than one tribe) to a tribe or its tribally designated housing entity (TDHE).

Background: Under the USHA, the instrument used to establish a new recipient in the Program Accounting System was the Annual Contributions Contract (ACC). Section 502(b) of NAHASDA terminates ACCs. This outlines the documents that are needed to establish a recipient for the Indian Housing Block Grant program (IHBG) under NAHASDA.

Applicability: This guidance applies to a tribe that has decided not to designate the umbrella IHA as the recipient for the new Indian Housing Block Grant Program (IHBG). Instead, the tribe or a TDHE will be the recipient, and the IHA has agreed to transfer USHA funds and housing to the tribe or its TDHE.

Examples of the resources held by the former IHA may include but are not limited to: reserves, investments, funds provided for Fiscal Year 1997 (FY 97) operating subsidy, modernization funds, funds granted but not obligated for Traditional Indian Housing Development program (TIHD) in FY 97, units developed under the USHA, etc.

Procedure: To establish a tribe, or its authorized TDHE, as the recipient for the purpose of accessing LOCCS, the following documentation must be submitted to the Area Office of Native American Programs (AONAP):

- 1. A copy of the enabling tribal resolution demonstrating that the tribe, or its designated TDHE, will be the recipient for purposes of implementing NAHASDA.**
- 2. A copy of the grant agreement made between HUD and the recipient for implementation of NAHASDA. The AONAP will send the grant agreement to the tribe or TDHE; the signed grant agreement will then be returned to the AONAP for the Administrator's signature.**
- 3. A copy of the legally binding agreement made with the former housing authority stipulating the assets and grant funds to be transferred. The agreement may take the form of a transfer and assumption agreement, a Memorandum of Understanding, a Settlement Agreement or another model which is acceptable to both parties which sets forth the obligations and understandings of the parties. The agreement is to include a detailed list of any assets and grants provided to the housing authority under the USHA which are being transferred to the tribe.**

4. Standard Form 1199A and Form HUD-27054 - If the tribe has not been set up in LOCCS through participation in other HUD programs; e.g. Community Development Block Grant, HOME, Emergency Shelter Grants, etc., form HUD-27054, LOCCS Voice Response System, Access Authorization and Standard Form 1199A, Direct Deposit Sign-up form must be sent to the AONAP for purposes of drawdown privileges.

Form HUD-27054 is to be submitted by each staff person who will perform draw down or query functions. Once this form has been received and reviewed by HUD, a user identification number and step-by-step instructions for accessing the LOCCS-VRS system will be sent to the user designated for this purpose. The LOCCS program area code for the new Indian Housing Block Grant program under NAHASDA is IHBG (to be inserted in block 5a of form HUD-27054).

If a tribe has been established in LOCCS for other HUD programs, form HUD-27054 must be revised to reflect the addition of the programs that will be assumed from the housing authority

Program LOCCS Code

Comprehensive Grant Program COMP

Comprehensive Improvement

Assistance Program CIAP

Family Investment Center FIC

Family Self Sufficiency Program FSS

Lead-Based Paint Risk Assessment LBP

Traditional Indian Housing Development TIHD

Tenant Opportunities Technical Assistance TOP

Youth Apprenticeship Program YAP

Youth Development Initiative YDI

Youth Sports Program YSP

Responsibilities: As the recipient under NAHASDA, the tribe or the TDHE will assume the responsibilities and obligations required to effectively carry out the new block grant program. A list of the documents that are necessary to acquaint the new recipient with the requirements of NAHASDA are:

- H.R. 3219 (the Act)

- Transition Notice

- Final Rule

(*neither the Transition Notice nor the Final Rule have been published as of the date of this bulletin)

- Procurement requirements as listed under 24 Part 85

- Environmental requirements as listed under 24 CFR Part 58

- Labor requirements of Sec. 104(b) of the Act

- Tenant or homebuyer selection requirements contained in the recipients' HUD approved admissions policy or which comply with Sections 203, 205 and 207(b) of NAHASDA

- Financial controls requirements specified at 24 CFR Part 85

- any other applicable documents governing the use of the grant funds under NAHASDA.

Copies of Notices and forms can be obtained on the Internet at <http://www.hud.gov>, by contacting the HUD Customer Service Center at 1-800-767-7468 or by contacting the Area Office of Native American Programs.