Notice of Funding Availability for HUD's FY 2014-2015 Comprehensive Housing Counseling Grant Program 3/24/2014

Frequently Asked Questions Part 3

Question: If my agency just does counseling in one of the areas identified on Chart C-Other HUD Programs, can we put an "X"? I want to make sure that we do not have to be certified to do so or have a contract with another organization.

Answer: You put an "x" in column C of Chart C if counseling services were provided in conjunction with any of the identified programs during the period October 1, 2012 through September 30, 2013. The NOFA does not specify that you had to be certified or under contract to provide the services. For monitoring purposes you should be able to document that the services were provided during the period October 1, 2012 through September 30, 2013.

Question: I'm the Grant Writer for a Housing Authority. We were not funded by HUD's Housing Counseling program for the 2012-2013 grant years. Our last HUD funding for housing counseling was in 2009. As I read the NOFA it regularly refers back to the 2012-2013 funding history as a standard for points assigned to categories such as Performance, Impact, Budget and Amount to be awarded. While the Eligibility does not specifically say that the agency had to be funded during 2012-2013 to apply for this funding, the points system is based on having this housing counseling history with HUD for this period of time. Could you please clarify this? If we did not have this HUD grant for 2012-2013, are we eligible to apply for this grant? If we are eligible, will we be at all competitive given the considerable amount of points assigned to having this history?

Answer: Agencies that did not receive funding from a prior NOFA, including the FY 2013 NOFA, are eligible to apply for funding from the FY2014/2015 NOFA. In part,

rating factor three addresses the quality and effectiveness of the Applicant's past housing counseling activities. In evaluating past history we look at both activity funded by a HUD grant and activity funded by other sources. Applications from applicants who did not receive a grant from the FY 2013 NOFA can still be competitive.

Question: Our organization has only been a HUD-Approved Housing Counseling Agency since January 2014. Therefore, we have not had any Performance Reviews. How will Rating Factor 1, Sub-factor 2 be scored given our situation? Additionally, Rating Factor 3, Sub-factor 1 is related to Past Performance. Will this item be scored based on our performance prior to being HUD-approved as documented on the HUD-9902 for the period October 1, 2012 through September 30, 2013 that we will submit with our application? Will we be docked points because we were not certified at that time?

Answer: For Applicants that did not receive a HUD performance review for the period October 1, 2012 – September 30, 2013, when scoring Rating Factor 1, Sub-factor 2 HUD may take into consideration findings and information available to HUD from other non-HUD auditing organizations as well as any relevant information available to HUD regarding frequency and responsiveness to complaints, responsiveness to findings and implementation of corrective action, grantee performance/reporting, and counseling activity reporting during the period.

In scoring Rating Factor 3, Sub-factor 1(a) Impact, HUD will evaluate the total number of education participants and housing counseling clients served by the Applicant during the period October 1, 2012 through September 30, 2013 using HUD-9902 data. For agencies that did not electronically submit to HUD a form HUD-9902 for this period (i.e. Applicants that received approval as a HUD housing counseling agency after September 30, 2013), HUD will evaluate impact using the HUD-9902 for the period October 1, 2012 - September 30, 2013 submitted as part of the NOFA application (see "Application Checklist" on NOFA pages 15 – 16).

Question: We are an Intermediary that is bringing on a sub grantee for the FY 2014 Housing Counseling program NOFA application that does not currently have local HUD approval. Therefore, this organization does not have its own HCS number. In the space provided for Agency HCS number on the HUD-9906 Chart A.2.a. Sub Grantees' Branches, what information should we enter if there is not an applicable HCS number?

Answer: For new sub-grantees that do not currently have an HCS number, enter "N/A – new sub-grantee" in the "Agency's HUD Housing Counseling System (HCS) Number" column on HUD-9906 Chart A.2.a Sub Grantees' Branches.

Question: Is LHCA synonymous with sub-grantee? Some of our agencies are approved through us (an Intermediary) and do not have separate LHCA status. For the "INT SHFA MSO Characteristics" tab (Chart A.2), there are 2 types of rows – applicants and funded branches. If this tab is for the Intermediary and the LHCAs were reported on the previous tab, shouldn't there just one row for the intermediary? Or do you want us to

answer the same questions again here for the sub-grantees? And in the Budget tab, the LHCAs are separated. Does this mean we submit a budget for each sub-grantee individually?

Answer: Only Applicants applying independently as an LHCA should complete Chart A.1 "LHCA Characteristics." Applicants applying as an Intermediary, SHFA or MSO should complete Chart A.2 "Intermediary, SHFA or MSO Characteristics" and Chart A.2.a Sub Grantees' Branches (if applicable). If an Intermediary, SHFA, or MSO Applicant's network includes LHCA sub-grantees, then the Applicant should include the LHCAs in the "Funded Branches and/or Sub-grantees" rows of Chart A.2 and any LHCA sub-grantees' branches in Chart A.2.a.

Likewise, only Applicants applying independently as an LHCA should complete the budget Chart E.2. Applicants applying as an Intermediary, SHFA or MSO should complete Chart E.1 and include the total budget of all sub-grantees (including any LHCAs) and funded branches in Column C. Intermediary, SHFA or MSO Applicants should not complete a separate budget for each individual sub-grantee.

Question: In the budget line items, what the difference between "Total Other Direct Costs" and "Other"?

Answer: As detailed in Rating Factor 3, Sub-factor 1(b) Budget on NOFA page 24, in completing the "Total Other Direct Costs" line item on Chart E1 or Chart E2, Applicants should include expenses such as supplies; telephone/Internet; postage; office space; equipment rental/maintenance; printing and copying; marketing and outreach; training costs (supplies, room, tuition, testing, etc.) and travel. If necessary, Applicants can include other expenses in the "Other" line item. If Applicants include expenses in the "Other" line item, they must include an explanation of the value in the required budget narrative. See the instructions in Rating Factor 3, Subfactor 1(b) for complete details.

Question: In Chart D Leveraging, Column F (Use of Funds) – there is a drop down menu here, but the menu is empty? Should there be options to choose from in the drop down?

Answer: HUD did not intend to include a dropdown menu in Column F "Use of Funds." Applicants should type their own description into this column.

Question: My agency received funding under the FY 2012 and FY 2013 NOFAs. Do we have to submit another grant application for the FY 2014-2014 NOFA that was just published?

Answer: To be eligible for funding under the FY 2014-2015 NOFA, housing counseling agencies must submit a new grant application as required under the FY2014-2015 NOFA.

Question: I understand that changes were made to the Housing Counseling NOFA on March 6. I have downloaded and scanned through the old and new versions and see date changes on pages 1 and 16, and page number changes in the matrix on page 18. Are there any other changes we should be aware of? Or have you posted a notice somewhere that notes all the changes?

Answer: Three minor corrections to the NOFA were made on March 6th. The corrections do not substantially change the NOFA in any way with the exception of establishing April 7, 2014 11:59:59 PM Eastern Standard Time as the deadline for application submission. There will be no other changes. A notification was sent out the registered user in Grants.Gov.

Question: I have a question regarding our agency's eligibility for this grant. Our agency is a Tribally Designated Housing Entity (TDHE). We are currently providing housing counseling services under the Resident Opportunity Self-Sufficiency Grant. We are interested in continuing to provide housing counseling for our tenants but we are not a HUD-approved counseling agency. Would that make us ineligible for this grant? Any information would be greatly appreciated.

Answer: To be eligible for direct funding under this NOFA, an agency must be a Local Housing Counseling Agency (LHCA), Intermediary or Multi-State Organization (MSO) approved by HUD under 24 C.F.R. § 214 subpart B, or be a State Housing Finance Agency (SHFA). Additional Eligibility Criteria are described in Section III of the NOFA. Agencies that do not wish to directly apply for funding under this NOFA may affiliate with a HUD-approved Intermediary or SFHA that has chosen to compete for funding under the NOFA. As an affiliate of an Intermediary or SHFA, agencies may receive counseling funds in the form of a sub-grant based on the parent agency's distribution policies.

All agencies, including affiliates and sub-grantees, are reminded that they are required to adhere to all HUD requirements as stated in HUD Handbook 7610.1 REV-5 for administration your housing counseling program. These requirements can be found on HUD's website.

Question: On Chart E of form 9906 you request FY13 total budget amounts. We had an extension of our FY12 grant that went 6 months into FY13. Do we include that portion of our FY12 grant that was expended in FY13 with what we expended of our FY2013 grant?

Answer: You should only include FY2013 funds on Chart E. Do not include any FY2012 funds even if an extension was granted.

Question: On page 3 you indicate that the FY14 NOFA may cover two years. Assuming it works how you lay out in the NOFA, as an intermediary, would we be able to add additional sub-grantees in FY15? We have an application cycle that allows new agencies to apply to us to become their intermediary. My reading of the NOFA causes

me to wonder if adding new agencies in FY15 is possible. With limited funding, we would not want to increase our funding pool to our existing sub-grantees if additional funds were not on the table for FY15. Hopefully this makes sense.

Answer: Intermediaries and SHFA's may add additional sub-grantees and affiliates in FY15 consistent with your agency's respective approval process. If HUD opts to run the FY2015 NOFA competition under the terms of this NOFA, the funding structure described in this NOFA will remain the same unless otherwise published by HUD. All FY2015 funding is subject to appropriations.

Question: Does the applicant need to indicate that their application should be considered for 2 years?

Answer: No, indicating a preference to be considered for FY 2015 is not necessary at this time.

Question: Our agency is a HUD-approved LHCA, and last year we received HUD Funding as a sub-grantee of our State Housing Finance Agency (SHFA). Are we allowed to apply for FY 2014 HUD funding as a LHCA and use any awarded funding for our main office in this state and our branch office located in a neighboring state? The neighboring state branch came into existence in September of 2013.

Answer: All LHCAs that are directly approved by HUD prior to the NOFA issue date are eligible to apply, as stated on page 7 of the Program Section of the NOFA under Eligibility Information. The fact that your agency received HUD grant funding as a sub-grantee of the SHFA the previous grant year does not preclude your agency from applying directly this year. Should your agency receive direct funding as an LHCA under the FY 2014-2015 NOFA, your main office and branch office would both be eligible to use the funds as long as both offices were included in the grant application. You would not be eligible to also receive funding from your SFHA for FY2014-15 if you apply as a LHCA.

Question: In the NOFA, at the bottom of page 21, the narrative says that each of the NOFA priorities has 1 point associated with it, but the point scores for both (a) and (c) are both 2 points. Are these errors? Also, there are no points associated with Partnerships with Fair Housing and Community-Based Organizations. Is that an oversight?

Answer: Rating Factor 2, sub-factor 2 consists of two NOFA Priorities. They are Affirmatively Furthering Fair Housing (AFFH) and Increased Energy Efficiency and the Health and Safety of Homes. Capacity to Provide Technical Assistance in Civil Rights and Fair Housing Law is part of the AFFH priority**.** On page 21 of the NOFA when we state that each NOFA Priority has a point value of one (1) point what we are referring to is that each priority has multiple parts each worth one point. Overall this sub-factor is worth up to four (4) points. Each of the NOFA priorities is worth up to two points. Applicants may earn 1 point for Partnerships with Fair Housing and Community-

Based Organizations. This is stated in the narrative description of this component of the AFFH priority on page 22 of the NOFA.

Question: My Agency received an extension of the period of performance for our FY 2013 HUD grant. This extension lasted until 1/31/2014. How will this extension impact the period of performance for FY14-15?

Answer: Periods of performance for FY 2013 and FY 2014 and FY 2014 and 2015 may overlap. The period of performance for one grant year will not impact the period of performance for a subsequent year's grant.

Question: My understanding is that, as a local housing counseling agency that is also a sub-grantee of our State Housing Finance Agency, we are unable to also apply through the NOFA as a direct grantee. Can you please confirm whether this is correct?

Answer: As stated on page 8 of the Comprehensive Housing Counseling Grant Program NOFA, applicants and sub-grantees are prohibited from accessing HUD Housing Counseling Program grant funding under this NOFA from multiple sources. The intent of this requirement is to prohibit an agency from applying for and/or receiving funds under this NOFA from multiple sources. However, there are two specific exceptions to this "double dipping" prohibition. See pages 8-9 of the NOFA for detailed information about these exceptions.

Question: On page 8, 4.a. of the NOFA, it states that applicants must propose a Work Plan as specified in the HUD-9906 Housing Counseling charts that includes the provision of counseling. Is this Work Plan a separate document, an actual Work Plan, or is the Work Plan the charts?

Answer: The NOFA states that all Applicants must propose a Work Plan as specified in the HUD-9906 Housing Counseling charts that includes the provision of housing counseling. Providing only education or marketing and outreach does not fulfill this requirement. HUD will be evaluating an agency's Work Plan based on the information provided in the Housing Counseling Charts required by this NOFA. All agencies, of course, must also maintain the more detailed Housing Counseling Work Plan required by HUD Handbook 7610.1, Chapter 3-2.

Question: What percentage of a grant can an Intermediary retain for Administrative purposes? Is it around 10 percent?

Answer: The NOFA does not set a specific percentage or amount Intermediaries can retain for administrative purposes. This is a cost reimbursement grant, so administrative expenses must be the actual cost to administer your agency's housing counseling program.

Question: I have a question regarding filling out the "Charts" for the 2014-2015 Comprehensive Counseling NOFA. Am I supposed to use the exact chart that is

supplied in the application package? I ask this because the chart is basically unusable. For example, on Chart A1, under "Rating Factor 3 - X," it asks us to list the "Name(s) of Housing Counseling Related Networks/Collaboratives, if Applicable." However, the box in which to enter this information is extremely small and can only fit 4 characters across. And because the sheet is protected, I cannot change the formatting to allow more room to enter this information. This problem occurs throughout the charts that were provided. Please let me know the best way to address this problem

Answer: Yes, you must use the exact charts supplied with the application package. Applicants can enter more than 4 characters in each box or cell, when necessary, such as in column X of Chart A1. Even if all of the information does not display in the cell, it will still be captured in Excel. Applicants can confirm this by selecting the cell and looking at the formula bar, which will show all information included in the cell.

Question: Do ALL applicants need to COMPLETE and SUBMIT HUD-2995? How do we find our certifying officer?

Answer: Applicants should indicate on Chart A1 or Chart A2 – (Column E) with an "x" whether the Applicant and if applicable, its sub-grantees and/or funded branches have obtained HUD2995 Certifications. Intermediaries, SHFAs and MSOs must obtain copies of the obtained HUD2995 certifications from all the sub-grantees and/or branches for which they checked Column E on Chart A2. The HUD2995 must be signed by the designated Preferred Sustainability Status Community point of contact. Designated PSS Communities Points of Contacts can be found on HUD's website.

Question: I have been reviewing the list of Intermediaries provided with the NOFA. It seems to me that most of these support organizations in their state. Do you have any information about some of the national ones? For example, reputation? Do you know how many LCHA's joined intermediaries last year? The NOFA refers to a base amount being provided to each affiliate of an intermediary. Do you know how much that was? Any and all information you can share would be helpful. Thanks.

Answers: The list of Intermediaries in Appendix A of the NOFA includes many organizations that support multi-state networks of Housing Counseling Agencies. Information can be obtained concerning each organization through the contact numbers and Web Sites included in the Appendix. We cannot provide information concerning the base amounts to be provided to each affiliate of an Intermediary. Many LHCAs chose to become part of an Intermediary or State Housing Finance Agency's grant application for FY 2013. We cannot provide the exact number.

Question: The OMB has recently provided guidance that indicates a recipient of federal funding doesn't necessarily need a Negotiated Indirect Cost Rate Agreement and can opt for a 10% indirect cost default rate. Is this going to be allowed during this year's funding cycle?

Answer: OMB did published guidance on indirect cost rates in the Federal Register recently. The new rule provides that "In addition to the procedures outlined in the

appendices in paragraph (e) of this section, any non-Federal entity that has never received a negotiated indirect cost rate, except for those non-Federal entities described in Appendix VII to Part 200—States and Local Government and Indian Tribe Indirect Cost Proposals, paragraph (d)(1)(B) may elect to charge a de minimis rate of) 10% of modified total direct costs (MTDC) which may be used indefinitely. As described in § 200.403 Factors affecting allowability of costs, costs must be consistently charged as either indirect or direct costs, but may not be double charged or inconsistently charged as both. If chosen, this methodology once elected must be used consistently for all Federal awards until such time as a non-Federal entity chooses to negotiate for a rate, which the non-Federal entity may apply to do at any time." 2 C.F.R. §200.414(f); *see also* 78 F.R. 78589. This Guidance can be found on-line.

Question: In the beginning of the webinar the presenter mentioned that testing and certification for counselors is an eligible request for HUD reimbursement in this NOFA. But how do we know to include it on the RFP if we don't know the cost, or when the requirement will be implemented?

Answer: HUD is still developing the counselor testing and certification process and for this reason, a prospective cost has not yet been determined. We included eligibility for this cost in FY 2014-2015 NOFA which means that an agency can be reimbursed for up to the actual cost. Agencies may want to consider the cost of HECM testing and certification as guide with an inflation factor.

Question: With the new proposed counselor certification requirements as a result of the Dodd Frank Act, should we proceed with renewing our housing counselor certifications through our usual methods or wait for the changes to take effect? We have counselors who need to have their certifications renewed, and need to know if we should spend the dollars now and possibly have to spend them again later this year to meet requirements

Answer: Until such time that the counselor certification requirements of the Dodd-Frank act are implemented, agencies must follow the current requirements for HUD approval. Also, you should be aware that the Dodd-Frank act does not change the requirements for HECM counselors to retake the HECM exam every 3 years.

Question: In the FY 2014-2015 CHC NOFA Application, in Chart G "Oversight Activities" in Column C, should we use the number of current sub grantees (FY14) or the number of grantees from FY13?

Answer: Chart G, Column C should reflex number of sub-grantee's for the FY14 application.

Question: Question regarding Chart E.1. If non-HUD funds are used for items like office supplies and are included in the budget on line **#15 - Total Other Direct Costs** for Sub-Grantees, do these expenditures need to be verified by Intermediaries?

Answer: You are not required to submit this information as part of the grant application, but this information must be available should HUD require it as part of a performance review.

Question: My organization has received funding from HUD as a HUD approved LHCA for the past 6 years. We have a potential partner (an organization that is not a HUD approved Housing Counseling Agency) that would like to help us provide more in-depth counseling and workshop/education for attaining, securing and retaining rental housing. This organization has 10-20 years' experience in providing renters with rental and tenant's rights counseling and advocacy. My questions are:

1. Can we apply with this nonprofit as a sub-grantee if the proposed partner is not a HUD approved counseling agency?
2. Can we apply for this grant as an LHCA if this organization were to be our sub-grantee, or would this make us an intermediary? If so, would we have to get approval from HUD to be an intermediary if we're already a HUD approved LHCA? If we were to apply as an intermediary, would this hurt our chances for funding, or reduce the amount of funding we could apply for?
3. Would we need to provide a draft sub-grantee agreement with our application?
4. Last, how would we create a sub-grantee allocation plan if the total grant amount, or even baseline grant amounts for direct grantees and sub-grantees, is unknown?

Answer: Under current guidelines, an LHCA cannot sub grant funds to other LHCA's or take the non-HUD approved agency on as affiliate. Also, to become a HUD approved Intermediary, an agency would have had to meet HUD requirements for designation as an Intermediary and obtained that approval prior to the publication of the FY 2014-2015 NOFA.

Question: On the SF424 the instructions are to insert $1.00 in 18a. What are the instructions for 18b,c,d,e,and f? I did not hear the instructions on the webinar for the remaining (18b,c,d,e,and f) sections of SF424.

Answer: We only pointed out what to input in Block 18a. of the SF424, because under this NOFA applicants do not identify a proposed grant amount. The remaining blocks in Section 18. should be completed as described in the form instructions.
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