

engaged in by one or more persons, including the filing or maintaining of a non-frivolous legal action that is protected by the First Amendment to the U.S. Constitution. This includes activities engaged in for the purpose of achieving or preventing action by a government official or entity.

(2) *Insurance Testing.* HUD will fund organizations that conduct insurance-related enforcement work under the FHIP, but no project that focuses exclusively on this issue will be funded.

(3) *All Applicants.* If a majority (51% or more) of the activities within your application, Statement of Work (SOW), or Budget are ineligible or you propose to carry out ineligible activities that total 51% or more, your application will be ineligible.

(4) *Imposed Burdens.* Registration fees, fundraising, professional/association dues, publications, and other fees or costs that result in burdens placed on the public being serviced by these awards are prohibited practices.

(E) *Objectives.* Applicants submitting applications to the Education and Outreach National Program's Model Codes Component and all the Regional/Local Community-Based Initiatives/Component must address all forms of housing discrimination covered under the Fair Housing Act.

For the Model Codes Component, applicants must partner with a Disability Advocacy Group to coordinate with current efforts by HUD to identify jurisdictions where activities can be targeted and education and outreach can be designed to provide technical assistance to these jurisdictions that wish to adopt HUD-recognized Fair Housing Act safe harbor codes. In addition, applicants must identify and coordinate with jurisdictions that want to update their existing codes to incorporate one of the safe harbors.

Lastly, President Bush announced an ambitious plan to help close the homeownership gap by increasing minority homeownership by 5.5 million families before the end of the decade. This year, HUD has included under this NOFA the *Fair Housing and Minority Homeownership Component*, where applicants must demonstrate the ability to conduct community outreach activities to educate people about their rights under the Fair Housing Act and to prepare them for homeownership. The goal of this Component is to improve access to homeownership by racial and ethnic minorities by educating them about fair housing, the home buying process and generally to help prepare participants for the responsibilities of homeownership.

(F) *Eligible Activities.* (1) *Private Enforcement Initiative (PEI).* This Initiative assists private, tax-exempt fair housing enforcement organizations in the investigation and enforcement of alleged violations of the Act and substantially equivalent State and local fair housing laws. As a condition of funding, you will be required to refer to HUD all cases arising from FHIP-funded enforcement activities (see Mandatory Referrals, Section IV below).

(a) *Eligible Applicants.* Eligible applicants are fair housing enforcement organizations (FHOs) with at least one year of experience in complaint intake, complaint investigation, testing for fair housing violations, and meritorious claims in the two years prior to the filing of this application (24 CFR 125.401(b)(2)) and *Qualified Fair Housing Enforcement Organizations (QFHOs)* with at least two years of enforcement-related experience, as noted above, and meritorious claims in the three years prior to filing this application, (24 CFR 125.103). You must certify, in the Statement of Eligibility that you submit with this application, that your organization is an FHO or a QFHO and document in the Statement of Eligibility that your organization has the required one or two years of enforcement-related experience. All applicants claiming QFHO and FHO status are required to be a 501(c)(3) tax-exempt organization and also to submit with their application a copy of its Letter of Determination from the Internal Revenue Service (IRS) in support of its 501(c)(3) tax-exempt status.

(b) *Eligibility of Successor Organization.* HUD recognizes that QFHOs and FHOs may merge with each other or other organizations. The merger of a QFHO or an FHO with a new organization, that has a separate Employer Identification Number (EIN), does not confer QFHO or FHO status upon the successor. To determine whether the successor organization meets the eligibility requirements for this Initiative, HUD will look at the enforcement-related experience of the successor organization (based upon the successor organization's EIN). The successor organization is not eligible to apply under this Initiative unless it establishes in the Statement of Eligibility that it is a private, tax-exempt organization with the requisite two years of enforcement related experience for a QFHO or one year experience for an FHO.

(c) *Eligible Activities* include either:

(i) Complaint intake of allegations of housing discrimination, testing, evaluating testing results, or providing

other investigative and complaint support for administrative and judicial enforcement of fair housing laws; or

(ii) Investigations of individual complaints and systemic housing discrimination for further enforcement processing by HUD, through testing and other investigative methods; or

(iii) Mediated agreements or other voluntary resolution of allegations of fair housing discrimination after a complaint has been filed; and

(iv) Litigating fair housing cases including procuring expert witnesses.

(2) *Education and Outreach Initiative (EOI).* This Initiative assists projects that inform the public about the rights and obligations under the Act and substantially equivalent State and local fair housing laws. Under this Initiative, you must develop a complaint referral process so that activities funded under this Initiative will result in referrals to HUD of fair housing complaints and other information regarding possible discriminatory housing practices. Applications are solicited for this Initiative under the EOI-Regional/Local/Community-Based Program—in which activities are conducted on a regional/local/community-based level; and, under a National Program. You may submit your application for the Regional/Local/Community-Based General Component, Disability Component, the Hispanic Fair Housing Awareness Component; the Fair Housing and Minority Homeownership Component or the National Program's Model Codes Component depending upon its focus.

(a) *Eligible Applicants.* Eligible applicants are QFHOs; FHOs; public or private, for-profit or not-for-profit organizations or institutions and other public or private entities that are formulating or carrying out programs to prevent or eliminate discriminatory housing practices (including entities that will be established as a result of receiving an award under this FHIP NOFA); agencies of State or local governments; and agencies that participate in the FHAP (see the list of FHAP agencies at Appendix D). If you are a disability advocacy group, an organization that identifies or connects/communicates with Hispanics, grassroots faith-based and other community-based organization, minority universities or institutions, or traditional civil rights organization, you are encouraged to apply under this Initiative.

(b) *Eligible Activities.* The following are eligible activities for EOI: Conducting educational symposia or other training; developing new and innovative fair housing activities or