

(F) *Environmental Requirements.* In accordance with 24 CFR 50.19(b)(9) and (12) of the HUD regulations, activities assisted under this program are categorically excluded from the requirements of the National Environmental Policy Act and are not subject to environmental review under the related laws and authorities.

(G) *Financial Management Systems.* Applicants selected for funding must provide documentation demonstrating that the applicant's financial management systems satisfy the requirements in the applicable regulations at 24 CFR 84.21(b) and 85.20. Consistent with the requirements of the Single Audit Act Amendments of 1996 (31 U.S.C. 7501–07), if the applicant expended \$300,000 or more in federal awards in its most recent fiscal year, such documentation must include a certification from, or most recent audit by, the applicant's Independent Public Accountant that the applicant maintains internal controls over federal awards; complies with applicable laws, regulations, and contract or grant provisions; and prepares appropriate financial statements. The applicant will have at least thirty (30) calendar days to respond to this requirement. If an applicant does not respond within the prescribed time or responds with insufficient documentation, then HUD may determine that the applicant has not met this requirement and may withdraw the grant offer.

(H) *Indirect Cost Rate.* You must also submit documentation establishing your organization's indirect cost rate. Such documentation may consist of a certification from, most recent audit, or indirect cost rate agreement by, the cognizant federal agency or an Independent Public Accountant. If your organization does not have an established indirect cost rate, you will be required to develop and submit an indirect cost proposal to HUD or the cognizant federal agency as applicable, for determination of an indirect cost rate that will govern your award. Applicants that do not have a previously established indirect cost rate with a federal agency shall submit an initial indirect cost rate proposal immediately after the applicant is advised that it will be offered a grant and, in no event, later than three months after the effective date of the grant. OMB Circular A–122 established the requirements to determine allowable direct and indirect costs and the preparation of indirect cost proposals, and can be found at www.whitehouse.omb.gov.

V. Application Selection Process

(A) *General.* Applications will be evaluated competitively, and ranked against all other applicants that applied in the same funding category. For Category 2, applications by national and regional intermediaries will be scored and ranked in HUD Headquarters. For Category 1, LHCAs, and Category 3, SHFAs, applications will be scored and ranked by the relevant HOC. The Santa Ana HOC will score all applications under Category 4, Colonias, and Category 5, Predatory Lending Grants.

(B) *Factors For Award Used to Rate and Rank Applications.* Information on the application scoring process appears in section VI(B) of the General Section of this SuperNOFA. The Factors for Award, and maximum points for each factor, are outlined below.

These factors will be used to evaluate applications under Categories 1–5, and the maximum number of points for each applicant is 102 points for LHCAs and 100 for all other applicants. LHCAs are eligible for 2 bonus points if they can demonstrate that at least 51% of their proposed services: (1) Will be provided to residents of federally designated Empowerment Zones (EZs), Enterprise Communities (ECs), Urban Enhanced Enterprise Communities (EECs), Strategic Planning Communities, or Renewal Communities (RCs); and (2) are certified to be consistent with the area's strategic plan. Section VI(C)(1) of the General Section of this SuperNOFA, entitled "RC/EZ/EC," contains additional information regarding these bonus points.

HUD may rely on information from performance reports, financial status information, monitoring reports, audit reports and other information available to HUD in making score determinations under any Rating Factor.

Rating Factor 1: Capacity of the Applicant and Relevant Organizational Staff (35 Points)

HUD uses responses to this Rating Factor to evaluate the readiness and ability of an applicant to immediately begin the proposed work program, as well as the potential for an applicant to cost-effectively and successfully implement the proposed activities indicated under Rating Factor 3.

(A) *(6 points) Knowledge and Experience.* In rating this Section, HUD will consider the degree to which the applicant, and, if applicable, affiliates, has sufficient personnel with the relevant knowledge and experience to implement the proposed activities in a timely and effective fashion.

Specifically, for LHCAs, scoring will be based on the number of years of

recent housing counseling experience of counselors. For intermediaries and SHFAs, scoring will be based on: The number of years of recent housing counseling experience of counselors in affiliates and branches; and the number of years, for key intermediary/SHFA personnel, of recent experience running a housing counseling program consisting of a network of multiple counseling agencies. Related experience, such as experience in mortgage lending, will also be considered, but will not be weighted as heavily as direct housing counseling or housing counseling program management experience.

—Submit the names and titles of employees, including subcontractors and consultants, performing the activities proposed in Rating Factor 3. Clerical staff should not be listed. Describe each employee's, subcontractor's, or consultant's relevant professional background and experience. Experience is relevant if it corresponds directly to projects of a similar scale and purpose. Provide the number of years of experience for each position listed, and indicate when each position was held. Individual descriptions should be limited to one page. List recent and relevant training received.

Applicants for Category 5 should specifically highlight the predatory lending-related experience, both one-on-one and group sessions, of staff to demonstrate that your organization has the knowledge and capacity to effectively utilize a predatory lending grant. Also indicate whether or not relevant staff has received loss mitigation training.

(B) *Past Grantee Performance.* Sections B1 and B2 pertain to the applicant's performance with their FY01 HUD award for the grant period October 1, 2001–September 30, 2002, the most recent complete grant year. If you received no HUD grant for that grant period, the seven points available in Section B1, and the fourteen points available in Section B2, will be allocated to Section B3 (Impact of Leveraged Resources,) for a total of 24 points.

(B1) *(7 points) Quality and Complexity of Services.* In scoring this Section, HUD will evaluate the level of effort and time required to provide the housing counseling services captured in the form HUD–9902 for the time period October 1, 2001 to September 30, 2002. Scoring will be based on the degree to which the applicant demonstrates that, for each type of counseling service delivered, and compared to other