

Funding Availability for the Section 8 Homeownership Voucher—Housing Counseling Grant Program

Program Overview

Program Purpose. This grant program supports the delivery of housing counseling services to potential homebuyers and homeowners utilizing Section 8 Homeownership Vouchers (hereafter referred to as Homeownership Vouchers) under HUD's Homeownership Voucher Program. The primary objectives of the program are to: help Homeownership Voucher Program participants make the transition from renting to homeownership; to assist them in evaluating their readiness and in making informed decisions; to help them meet the responsibilities of homeownership; and to encourage increased participation by Public Housing Agencies (PHAs) in HUD's Homeownership Voucher Program.

Available Funds. \$2 million in Fiscal Year 2003 Funds.

Application Deadline. June 25, 2003.

Match. No match is required.

However, in order to receive points under Rating Factor 4, applicants are required to demonstrate the commitment of other private and public sources of funding to supplement HUD funding for the applicant's proposed counseling program relevant to the Homeownership Voucher Program.

I. Application Submission, Further Information and Technical Assistance

Application Kits. There is no application kit. Specific application submission requirements are outlined in Section VI of this NOFA.

Application Due Date. Completed applications must be submitted on or before June 25, 2003.

Mailing. See the General Section of the SuperNOFA for mailing instructions and procedures.

Application Submission Procedures. All applicants must submit an original and two copies of a complete application to 'Director, Program Support Division, Room 9266, Office of Single Family Housing, HUD Headquarters, 451 Seventh Street, SW., Washington, DC 20410.' The envelope should be clearly marked, "FY 2003 Homeownership Voucher—Housing Counseling Grant Application (Category 1/2/3/4.)" Please indicate the grant category for which you are applying.

Further Information. Local housing counseling agencies (LHCAs) and state housing finance agencies (SHFAs) should call the Homeownership Center (HOC) serving their area (See Appendix B for the contact information for the HOCs). National and Regional

Intermediaries should contact HUD Headquarters, Program Support Division at (202) 708-0317 (this is not a toll-free number). Persons with hearing or speech impairments may access any of these numbers via TTY by calling the toll-free Federal Information Relay Service at 1-800-877-8339.

Satellite Broadcast. HUD will hold an informational broadcast via satellite for potential applicants to learn more about the program and the application. For more information about the date and time of the broadcast, consult the HUD Web site at <http://www.hud.gov/grants>.

II. Amount Allocated

Under this SuperNOFA, \$37.561 million of the \$39.74 million appropriated for Housing Counseling in FY 2003 is made available for eligible applicants. Specifically, \$2 million is available through this NOFA for counseling activities occurring in conjunction with HUD's Homeownership Voucher Program, and \$35.561 million is available for general counseling services through a separate NOFA found elsewhere in this SuperNOFA. Through that separate NOFA, up to \$250,000 is available for counseling services that specifically target Colonias, and \$2.7 million is available for counseling services addressing predatory lending. An allocation of \$1 million of the \$39.74 million appropriated is available for counseling in conjunction with the Home Equity Conversion Mortgage (HECM) Program, as provided in section 255(k) of the National Housing Act (12 U.S.C. 1715z-20).

With the balance of FY03 appropriation, and additional carry-over funding, an allocation of up to \$4 million has been set aside for housing counseling support such as training and tuition assistance for housing counselors, or other HUD counseling initiatives and activities, or both.

Grant Categories. HUD will award grants to qualified public or private nonprofit organizations to provide housing counseling services in conjunction with the Homeownership Voucher Program through four grant categories: (1) Local Housing Counseling Agencies (LHCA); (2) National Intermediaries; (3) Regional Intermediaries; and (4) State Housing Finance Agencies (SHFAs).

Category 1—Local Housing Counseling Agencies (LHCAs). \$750,000 is available from HUD to directly fund HUD-approved LHCAs.

Award: No individual LHCA may be awarded more than \$60,000.

Category 2—National Intermediaries. \$950,000 is available from HUD to

directly fund HUD-approved national intermediaries.

Awards for HUD-approved national intermediaries may not exceed \$400,000. **Category 3—Regional Intermediaries.** \$150,000 is available from HUD to directly fund HUD-approved regional intermediaries.

Awards for HUD-approved regional intermediaries may not exceed \$150,000. **Category 4—State Housing Finance Agencies (SHFA).** \$150,000 is available to fund SHFAs that provide housing counseling services directly or serve as intermediaries to affiliates who offer housing counseling services.

Award: There is no cap on awards for SHFAs.

III. Program Description/Eligibility

(A) Eligible Service Recipients. Housing counseling services funded under this NOFA can only be provided to Homeownership Voucher recipients whom a PHA has indicated are eligible to participate in the Homeownership Voucher Program, having met programmatic requirements and additional PHA eligibility requirements, if applicable, and who will receive the benefit of homeownership voucher assistance should they purchase a home.

(B) Eligible Activities. Agencies selected as grantees and, if applicable, their sub-grantees, will only be reimbursed for activities that are eligible according to the criteria outlined in this Section.

According to the Final Rule on the Homeownership Voucher Program (FR-4427-F-02), suggested topics for the PHA-required pre-assistance counseling program include: how to negotiate the purchase price of a home; how to obtain homeownership financing and loan pre-approvals, including a description of types of financing that may be available, and the pros and cons of different types of financing; alternative sources of mortgage credit; how to find a home, including information about homeownership opportunities, schools, and transportation in the PHA jurisdiction; advantages of purchasing a home in an area that does not have a high concentration of low-income families and how to locate homes in such areas; how to design features to provide accessibility for persons with disabilities; funding for modifications that will make housing accessible and available to clients and their family members with disabilities; advocating with lenders for non-traditional lending standards; information on fair housing, including fair housing lending and local fair housing enforcement agencies; information about the Real Estate Settlement Procedures Act (12 U.S.C.