

<b>Guide for Review of CDBG-Funded Homeownership Assistance – Program Management and Individual Activities</b>			
<b>Name of Program Participant:</b>			
<b>Name(s) of Reviewer(s)</b>		<b>Date</b>	

**NOTE:** All questions that address requirements contain the citation for the source of the requirement (statute, regulation, NOFA, or grant agreement). If the requirement is not met, HUD must make a finding of noncompliance. All other questions (questions that do not contain the citation for the requirement) do not address requirements, but are included to assist the reviewer in understanding the participant's program more fully and/or to identify issues that, if not properly addressed, could result in deficient performance. Negative conclusions to these questions may result in a "concern" being raised, but not a "**finding.**"

**Instructions:** This Exhibit is designed to evaluate the program participant's Homeownership Assistance Program as set forth at 24 CFR 570.201(n) and further defined at Section 105(a) of the HCD Act. This Exhibit must be used in conjunction with individual project/activity reviews conducted using Section C of this Exhibit in order to make supportable determinations about the participant's Homeownership Assistance program as a whole. This Exhibit is divided into three sections: Section A covers program design and management; Section B summarizes individual activity reviews; and Section C is for conducting the individual activity reviews.

**Note:** Homeownership Assistance activities selected as part of the monitoring, but funded as public service activities or as special activities by Community Based Development Organizations (CBDOs), should be reviewed using Exhibits 3-3 or 3-16, respectively.

**Questions:**

A. PROGRAM DESIGN AND MANAGEMENT

1.

a. Describe the program participant's Homeownership Assistance program and the types of assistance provided.

**Describe Basis for Conclusion:**

b. Does the program participant place any additional restrictions on the homeowner, such as a requirement for a minimum number of years for occupancy by a low- or moderate-income household, or resale restrictions?

Yes No

**Describe Basis for Conclusion:**

2.

a. Has the program participant established written local operating procedures and policies for the program?	<input type="checkbox"/> <input type="checkbox"/> Yes No
<b>Describe Basis for Conclusion:</b>  	

b. If the answer to “a” above is “yes,” does a review of the procedures and policies generally indicate compliance with HUD regulations and policies?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
<b>Describe Basis for Conclusion:</b>  	

3.

Does the project file provide a description sufficient to demonstrate that the activity is eligible and has been properly classified under Subpart C of Part 570? [24 CFR 570.201(n) and 24 CFR 570.506(a)]	<input type="checkbox"/> <input type="checkbox"/> Yes No
<b>Describe Basis for Conclusion:</b>  	

4.

Does the activity meet the national objective criteria for housing? [24 CFR 570.208(a)(3) or 24 CFR 570.208(d)(5)(ii); may also qualify under 24 CFR 570.208(d)(6)(ii)]	<input type="checkbox"/> <input type="checkbox"/> Yes No
<b>Describe Basis for Conclusion:</b>  	

5.

Budget:	
a. Total CDBG funds budgeted for the Homeownership Assistance Program during the current Program Year: \$ _____	
b. Total amount obligated: \$ _____	
c. Total amount expended: \$ _____	
<b>Describe Basis for Conclusion:</b>	

6.

Did the program participant use one of the following definitions of income in carrying out homeownership activities? (If yes, specify which one.) - Section 8: _____ - Census long form: _____ - Adjusted gross income: _____ [24 CFR 570.3 and 24 CFR 570.506(b)]	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
	<b>Describe Basis for Conclusion:</b>	

7.

a. If applicable, does the program participant monitor its third party subrecipients or entities that carry out homeownership assistance activities on behalf of the program participant? [24 CFR 570.501(b)]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
<b>Describe Basis for Conclusion:</b>			
b. If the answer to "a" above is applicable, does the program participant have a written agreement in place for each subrecipient or entity that carries out homeownership assistance activities on behalf of the program participant? [24 CFR 570.503]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
<b>Describe Basis for Conclusion:</b>			

B. SUMMARY OF SECTION C – INDIVIDUAL REVIEWS

8.

Summarize the conclusions reached in carrying out individual activity/project reviews under Section C of this Exhibit. Include any findings, concerns and/or observations. As applicable, questions in the above sections should cross-reference the information in this Section, using the Project/Application/Identifying Number from Section C of this Exhibit to support determinations regarding the management of this participant's Homeownership Assistance Program.

**Describe Basis for Conclusion:**

C. INDIVIDUAL HOMEOWNERSHIP PROGRAM FILE REVIEW

**Instructions:** For activities that qualify under 24 CFR 570.201(n), select a sample of individual homebuyer files to review. Determine if the program participant, the subrecipient or contractor made accurate determinations regarding the household size and income of each homeowner.

**Note:** Only use Section C from this Exhibit to capture the results of the individual homebuyer review. Attach all completed Section C reviews to Exhibit 3-22.

Homebuyer Name or Identifying Number: _____
Property Address: _____
Project/Application/Identifying Number: _____
Type of Program Activity (check all that apply):
<input type="checkbox"/> Interest Subsidy <input type="checkbox"/> Mortgage Principal Reduction <input type="checkbox"/> Acquisition Financing <input type="checkbox"/> Downpayment Assistance (up to 50% of mortgagee's required downpayment) <input type="checkbox"/> Closing Costs
Type of Financial Assistance (loan, grant, deferred loan): _____

9.

If the assistance was provided under 24 CFR 570.201(n), is there documentation that shows the homebuyer was a low- or moderate-income household at the time assistance was provided, based on the applicant's household size and household income? [24 CFR 570.201(n), 24 CFR 570.208(a)(3) and 24 CFR 570.506(b)(4)(vii)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>Describe Basis for Conclusion:</b>		

10.

a. For each file reviewed, provide the following occupancy information: Household size: _____ Household income, as calculated by the program: _____ HUD-published income limit for this household size: _____ Date the eligibility determination was made: _____ Date the HUD income limits were applied: _____ (Note: See 24 CFR 570.3 definitions for "Household" and "Income.")
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b. Based on the definition of income selected for this activity, was the household income calculated correctly? [24 CFR 570.506(b)(4)(vii)]	<input type="checkbox"/> <input type="checkbox"/> <b>Yes</b> <b>No</b>
<b>Describe Basis for Conclusion:</b>	

c. Did the household's calculated annual income fall within the HUD-published income limits? [24 CFR 570.506(b)]	<input type="checkbox"/> <input type="checkbox"/> <b>Yes</b> <b>No</b>
<b>Describe Basis for Conclusion:</b>	

11.

If downpayment assistance was provided, is there documentation to show that not more than 50% of the downpayment required by the mortgagee was provided on behalf of the purchaser? [24 CFR 570.201(n)]	<input type="checkbox"/> <input type="checkbox"/> <b>Yes</b> <b>No</b>
<b>Describe Basis for Conclusion:</b>	

12.

Do costs associated with the assistance provided appear reasonable? [OMB Circular A-87, Attachment A, paragraph C.2; 24 CFR 570.502]	<input type="checkbox"/> <input type="checkbox"/> <b>Yes</b> <b>No</b>
<b>Describe Basis for Conclusion:</b>	

13.

Was this home constructed prior to 1978? (If yes, complete Exhibit 24-2, <i>Guide for Review of Lead-Based Paint Compliance in Properties Receiving Acquisition, Leasing, Support Services, or Operations Assistance</i> in Chapter 24 of this Handbook.)	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>Describe Basis for Conclusion:</b>		

14.

Does the activity meet the categorical exclusion requirements of 24 CFR 58.35(b)(5)? If “no,” then further review is warranted (see Chapter 21, <i>Environmental Monitoring</i> , of this Handbook).	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
<b>Describe Basis for Conclusion:</b>			