

RD AN No. 4805 (1944-I)
June 1, 2016

TO: All State Directors
Rural Development

ATTENTION: Rural Housing Program Directors
Self Help Coordinators

FROM: Tony Hernandez *David Lipsetz* *for*
Administrator
Rural Housing Service

SUBJECT: Self-Help Technical Assistance Grants Servicing

PURPOSE/INTENDED OUTCOME:

This Administrative Notice (AN) is issued to provide guidance for Section 523 Mutual Self-Help Grant administration and oversight in accordance with Rural Development (RD) Instruction 1944-I.

COMPARISON WITH PREVIOUS AN:

There is no previous guidance on this topic.

BACKGROUND:

In accordance with RD Instruction 1944-I, §1944.417, the agency is responsible for monitoring and servicing self-help grants, which includes reviewing and acting on requests for extensions and other modifications to the grant agreement. To assist in this task, the agency has contracts with regional Technical and Management Assistance (T&MA) providers across the Nation. RD offices are encouraged to work with the T&MA providers to ensure the success of the Mutual Self-Help program. The amount of

EXPIRATION DATE:
June 30, 2017

FILING INSTRUCTIONS:
Preceding RD Instruction 1944-I

servicing needed for each grant will vary; however, RD staff are reminded that the T&MA providers are to assist the agency in our monitoring functions and should be coordinated with four quarterly meetings, events, sight visits, property inspections, etc. to ensure they support RD in the monitoring of the grants.

IMPLEMENTATION RESPONSIBILITIES:

The following provides a baseline for grant oversight nationwide and will be adhered to as a minimum standard.

Grant Draw Request

No more than monthly, the grantee may request a draw from their section 523 grant funds by submitting form SF-270 'Request for Advance or Reimbursement' and a copy of their working budget to the appropriate RD oversight official. The request should outline the amount of funds expended in the previous month, the remaining balance of the grant, the amount needed for the next 30 days (this may be shown on the working budget sheet) and a written justification if the funding request exceeds the projected need for the following month. Attachment 1 provides a sample draw request form which could be submitted with form SF-270 and a working budget.

Grant draw requests should be based solely on production and need. For example, if a grantee does not have homes in construction, a temporary layoff of their construction supervisor may be appropriate. The RD approval official will review the draw request and if acceptable, request that funds be delivered via the Automated Clearing House (ACH) in the Automated Discrepancy Processing System (ADPS). If the draw request appears unacceptable, the RD oversight official should immediately contact the grantee to resolve the discrepancy.

Progress Reporting and Grant Monitoring

Quarterly, the grantee must submit RD Instruction 1944-I, Exhibit B and/or Self-Help Automated Reporting and Evaluation System (SHARES) report equivalent to the RD office with grant oversight, as well as to their regional T&MA provider. Regardless of the grant close date, these reports are due no later than the 15th of January, April, July, and October. Meeting the report deadlines is a requirement of the grant agreement and failure to adhere to this strict schedule could negatively impact the grantee when the final grantee evaluation is completed at the end of the grant period pursuant to §1944.410 (a) (5) 'Meeting other objectives in the grantee agreement.'

Quarterly Meetings

Quarterly meetings should be held as soon as practicable after quarterly reports are received, and may be held in person or via conference call. This meeting provides an excellent opportunity for the RD oversight official to thoroughly review the quarterly report and the grant status with the grantee, T&MA provider and the RD office processing the 502 Direct Self-Help loan packages. The grantee's progress in assisting the projected numbers of families, Equivalent Units (EU's) earned, percentage of very-low applicants served, family labor contribution, as compared with the time elapsed in the grant and grant funds drawn to-date should also be reviewed at this meeting. Additionally, the grantees implementation schedule is a valuable tool in assessing the grant progress and should be revised as changes are needed due to early completions, construction delays, etc. Other meeting agenda items may include but are not limited to; the quality of the 502 packages, marketing efforts, environmental reviews for new developments and any other topics effecting the grant performance. Minutes of quarterly meetings should be taken and documented in the grant case file.

This AN should be used as a guide for Section 523 Grant administration and oversight. State Offices needing further guidance on this AN should contact Andria Hively, Finance & Loan Analyst for the Single Family Housing Direct Loan Division at 360-753-7724 or Carolyn Bell, Branch Chief at (202) 720-1532.

Attachments

ELECTRONIC FUNDS TRANSFER
AUTOMATED CLEARINGHOUSE SYSTEMS
(EFT/ACH)

Date: _____

Borrower Name: _____

Borrower Case #: _____

Fund Code/Loan #: _____

9 Digit Routing Number: _____

Account #: _____

Type of Account (checking or savings): _____

Name of Financial Institution: _____

Bank Contact and Telephone #: _____

Undisbursed Amount: _____ \$

Amount of Payment: _____ \$

Remaining undisbursed funds (after this request): _____ \$

RD Office Use: Authorized by: _____ Date: _____

Entered by: _____ Date: _____