



CONSTRUIMOS 

CDBG-DR PROGRAM GUIDELINES

HOUSING COUNSELING PROGRAM

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Established Periods of Time

Unless otherwise specified, all established periods of time addressed in this and all CDBG-DR Program Guidelines will be considered calendar days. On this matter, PRDOH, as grantee, will follow Rule 68.1 of the Rules of Civil Procedure of Puerto Rico, 32 LPRA Ap. V, R. 68.1.

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1 Overview/Background

The involvement of Housing and Urban Development (**HUD**) approved housing counseling agencies to provide case management, expertise in home repair financing and oversight, expertise in homeowner's insurance, connections to disaster recovery networks, and expertise in the construction process has proven to be a valuable part of long-term recovery.

Subsection 106(a) of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. § 1701x authorizes the provision of funding for public or private organizations to provide a broad range of housing counseling services to homeowners and tenants to assist them in improving their housing conditions and in meeting the responsibilities of tenancy or homeownership. This Section also states that the Secretary is authorized to provide counseling and advice to tenants and homeowners with respect to property maintenance, financial management, and such other matters as may be appropriate to assist them in improving their housing conditions and in meeting the responsibilities of tenancy or homeownership.

The Housing Counseling Program (**Program**) from the Puerto Rico Department of Housing (**PRDOH**) will serve Applicant needs in providing educational services to promote the understanding of housing counseling, mitigate default/foreclosure proceedings, and many other services through trained knowledgeable unbiased agencies.

According to the Action Plan Substantial Amendment for programs offered under Community Development Block Grant-Disaster Recovery (**CDBG-DR**), this Program has a total budget allocation of \$17,500,000 and has a maximum award of \$3,000,000 per housing counseling agency. If distinct HUD-certified counseling organizations are unable to provide services, any remaining funds may be made available to one (1) or more of the other contracted counseling providers.

2 Program Description

This Program will foster resilience through public education and advocacy delivered by HUD-Approved Housing Counseling Agency (**HCA**) professionals to explain the options available for Applicants receiving housing counseling services and/or in conjunction with other forms of housing assistance. These services may include a range of approved subjects, including but not limited to, one-on-one counseling and formal training sessions.

Through the Program, applicant education can be provided in formal classes, with established curriculum and instructional goals; in a group or classroom setting, or other formats approved by PRDOH. These may cover topics such as, but not limited to:

- Tenant rights;
- The home buying process;
- How to maintain a home or homeowner education;
- Budgeting;
- Fair Housing Act of 1968, as amended, 42 U.S.C. § 3601, *et seq.*;

- Identifying and reporting predatory lending practices;
- Rights for persons with disabilities;
- Foreclosure prevention and mitigation;
- Relocation;
- Disaster preparedness and recovery;
- Homeless services;
- Financial literacy;
- The importance of maintaining good credit; and
- Other HCA eligible disaster recovery services as discussed in the HUD Housing Counseling Disaster Recovery Toolkit.¹

Educational sessions regarding the Fair Housing Act, *supra*, may include the promotion and protection of civil rights and their relationship with ensuring equal opportunity housing. Therefore, these may range from topics such as identifying and reporting discriminatory policies, procedures, practices, fair lending, predatory lending; and Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C § 794.

The Program will provide documentation certifying completion of the educational courses delivered.

3 National Objective

The national objective of the Program is to benefit low- and moderate-income (**LMI**) persons (below 80% Area Median Family Income (**AMFI**)) according to HUD Modified Income Limits for CDBG-DR Puerto Rico, as well as those who are considered to be urgent need as defined by HUD. The Program will be offered as a public service.

4 Eligible Use of Funds

HCA's can provide assistance in several ways. The most commonly used is one on one counseling due to the personalized approach of review for each family's financial and housing situation while identifying barriers to housing goals and developing an action plan to address each barrier. A part of those services can include, but is not limited to:

- Financial status or financial resource assessment;
- Applying for public and private resources;
- Negotiating mortgage and rent forbearance;
- Short and long-term budgeting living expenses;
- Explaining insurance options;
- Acting as a safeguard against fraud and scams;
- Hurricane season planning and preparation;
- Working with repair/reconstruction contractors;
- Walk-through of PRDOH Housing Recovery Programs;
- Link to short-term housing options;
- Services for renters including working with landlords, tenant rights, etc.;

¹ <https://www.hudexchange.info/resources/documents/Housing-Counseling-Disaster-Program-Guide.pdf>

- Relocation counseling for home purchase options;
- Establishing property purchase eligibility/capacity;
- Credit repair counseling;
- Group education addressing how to remediate mold; and
- Connection to other resources that provide home repair relief and emergency assistance.

5 Program Criteria

5.1. Goals

As part of the Program, PRDOH will work with HUD approved HCAs to ensure the following:

- 1) Deliver educational services to recovering residents on financial literacy; homebuyer counseling; credit repair counseling; expanding homeownership opportunities; improving access to affordable housing; and preserving homeownership; among other housing and financial topics.
- 2) Ensure counseling needs of low, very low and extremely low-income households are met to the greatest extent feasible.
- 3) Target initial outreach to recovering residents located in high-risk areas (identified flood areas, storm surge areas, and landslide risk areas) and/or those who were denied Federal Emergency Management Agency (**FEMA**) assistance.
- 4) Administer housing counseling programs in accordance -and remain in compliance- with corresponding departmental regulations and guidance and the following nondiscrimination regulatory and legislative requirements:
 - Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000d *et seq.*;
 - Title VIII of the Civil Rights Act of 1968, as amended, 7 C.F.R. § 1901.203 *et seq.*;
 - Executive Order 11063, as amended 27 FR 11527, 3 C.F.R. § 1959-1963 Comp., p. 652;
 - Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C § 794;
 - The Age Discrimination Act of 1975, as amended, 42 U.S.C. § 6101 *et seq.*;
 - Americans with Disabilities Act of 1990, as amended, 42 U.S.C. § 12101 *et seq.*;
 - Title IX of the Education Amendments of 1972, as amended, 20 U.S.C. § 1681 *et seq.*
- 5) Services may be delivered in any of the Puerto Rico disaster-declared municipalities for Hurricanes Irma and/or Maria. PRDOH may make geographic assignments based on capacity of respondent providers, application case-loads for programs, and other criteria. Geographic assignments may be adjusted throughout the program based on capacity and applicant need.

5.2. Training

As part of the Program, PRDOH may train HUD approved HCAs on programs offered under CDBG-DR. The curriculum will cover the scope of available programs and cover eligibility requirements in depth.

Additional training sessions to educate surge staff for housing counseling services can be provided on an as-necessary basis to ensure service providers are appropriately staffed to meet applicant needs. All HCAs receiving funding under this Program must participate in PRDOH-sponsored training, as required.

HCAs may be required to satisfactorily complete special training seminars, prove capacity to handle caseloads, be equipped with sufficient staffing to ensure ability to successfully provide services and complete a capacity assessment for their area of service.

6 General Eligibility of Housing Counseling Agencies

HCAs will provide counseling services to all residents of Puerto Rico. PRDOH chose the HUD approved HCAs that best met the criteria, not limited to the following:

- Are located in Puerto Rico and/or service Puerto Rico;
- Have documented HUD-certified team members;
- Have a proven track record of providing HUD counseling services and managing caseload;
- Have a proven ability to work with residents outside of the area of their locations as needed;
- Will provide a workplan for residents to provide an overview of the overall needs they will be addressing;
- Have been functioning for at least **one (1) year** in Puerto Rico;
 - HCAs without prior experience in Puerto Rico may be considered if they are able to provide documented experience in serving populations with similar demographic compositions and needs.

PRDOH will coordinate with each HCA to outline the requirements for the resident application, intake and process for receiving services. Residents will be paired with one of the housing counseling service providers based on an evaluation of their need, location and ability to interface with the housing counseling agencies.

6.1. Housing Counseling Staff

The HCA staff must possess a working knowledge of HUD and PRDOH's housing and single-family mortgage and insurance programs, such as FHA, as well as other state and local housing programs available in the community (including needs of renters) and Consolidated Plans (including an analysis of impediments to fair housing choice and the Puerto Rican housing market). The HCA staff should also be familiar with housing programs offered by conventional mortgage lenders and other housing or related programs that may assist their clients.

6.2. Housing Counseling Resources

The HCAs must have sufficient resources to implement the proposed housing counseling work plan.

The HCAs must employ trained and HUD-certified housing counseling staff, identifying counselors that have at least **six (6) months** of work experience in the job they will perform in the agency's housing counseling program. Evidence of staff training must be documented in agency records in employee files. Documentation of staff training was assessed when agencies completed applications for grant funding and will be further assessed when agencies receive performance reviews. So long as the HCAs maintain current HUD certification, newly hired employees should become certified within **one (1) year** of hire date.

6.2.1 Change Order

If an HCA lacks the resources needed to complete Program work, it may submit a request to acquire additional necessary resources. These resources may include, but are not limited to, staff members, technology, and office space. Change order requests with justification for the need of additional resources must be requested by the HCA and may be approved by Program Staff on a case-by-case basis.

PRDOH will evaluate all change order requests to determine whether additional resources are necessary and reasonable in order for the HCA to provide adequate levels of housing counseling to its assigned region.

Without prior authorization, any work performed outside of the approved scope of work by means of a change order, is not reimbursable under CDBG-DR. HCAs shall be responsible for all costs incurred due to activities performed beyond the approved scope of work or beyond the approved resource level without prior authorization by a duly authorized change order.

6.3.State and Local Requirements

In accordance with 24 C.F.R. § 214.103(k) a housing counseling agency, its branches, and affiliates must meet all state and local requirements for its operation.

6.4. Accessibility and Facilities

In accordance with 24 C.F.R. § 214.103(l), all housing counseling facilities of the agency and its branches, affiliates, and sub-grantees must meet the following criteria:

- The office should operate during normal business hours and offer extended hours when necessary;
- Provide privacy for in-person counseling and confidentiality of client records;
- Provide vital documents and information in alternative formats, as well as provide accessibility features or make alternate accommodations for persons with disabilities, in accordance with section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 794, 24 C.F.R. parts 8 and 9, and the Americans with Disabilities Act, as amended, 42 U.S.C. § 12101 *et seq.*;

- The housing counselor(s) must be fluent in the language of the clients they serve. In addition, all documents provided to clients must be available in both English and Spanish; and
- Have a clearly and properly identified office, with space available for the provision of housing counseling services. There must be permanent signage identifying the housing counseling office.

6.5. Ineligibility

HCA's must comply with all applicable fair housing and civil rights requirements in 24 C.F.R. § 5.105 (a).

HCA's are deemed ineligible if said agency:

- a) Has been charged with an ongoing systemic violation of the Fair Housing Act; or
- b) Has been a defendant in a Fair Housing Act lawsuit filed by the Department of Justice alleging an ongoing pattern or practice of discrimination; or
- c) Has received a letter of findings identifying ongoing systemic noncompliance under Title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act 1973, or section 109 of the Housing and Community Development Act 1974, as amended.

Under section 808(e)(5) of the Fair Housing Act, PRDOH has a statutory duty to affirmatively further fair housing in its activities. PRDOH requires the same of its subrecipients. HCA's must affirmatively further fair housing for classes protected under the Fair Housing Act. Protected classes include race, color, national origin, religion, sex, disability, and familial status. Housing counseling agencies are expected to help remedy discrimination in housing and promote fair housing rights and fair housing choice.

Therefore, if -and only if- the charge, lawsuit, or letter of findings referenced in subparagraphs (a), (b), or (c) has been resolved to PRDOH's satisfaction, then will the HCA be considered to be eligible. This result will vary on a case-by-case basis.

7 Outreach & Marketing

HCA's working as subrecipients with PRDOH are to provide outreach through multiple media platforms including but not limited to: radio, newspapers, social media, local marketing initiatives, local events, or fairs. This outreach should be documented, measurable, and create impact. Outreach will be measured through quarterly reports.

Initial outreach should be targeted to recovering residents located in high risk areas (identified flood areas, storm surge area, and landslide risk areas) and/ or those who were denied Federal Emergency Management Agency (FEMA) assistance for outreach based on capacity of respondent providers, application case-loads for programs, and other criteria.

The provision of information to raise awareness about critical housing topics, such as predatory lending, fair lending, and fair housing issues, including what to do if you think you've been discriminated against (i.e. how to file a complaint) and the availability of housing counseling and other forms of assistance, should be part of the outreach and marketing performed. Marketing and outreach include distributing materials, presenting at community events, conducting informational campaigns, such as public service announcements (**PSAs**), advertisements, or other forms of media campaigns, and advocating with lenders and other industry partners.

All outreach plans must be submitted to PRDOH for review and approval prior to the HCA beginning work. Outreach and marketing materials related to CDBG-DR programs must be pre-approved by PRDOH before publication and should be provided in both English and Spanish.

8 Application Requirements & Selection

8.1. Selection Review of HCA Awardees

Existing or new housing counseling agencies servicing Puerto Rico were encouraged to apply for the grant funding provided through this Program.

PRDOH published a Notice of Funding Available (**NOFA**), requesting documentation that outlined the qualifications based on previous work experience, capacity and ability to provide services as well as methodology and approach to provide the requested scope of services.

Scoring and funding methodology for the NOFA was intended to ensure that Program goals are met. PRDOH assigned a ranking and scoring system in the NOFA. Scoring under this NOFA rewarded high-quality services, oversight and quality control, meeting key needs, and efficient program administration.

These qualifications included, but were not limited to, the HCAs:

- Being located in Puerto Rico and/or service Puerto Rico;
- Having a proven track record of providing these types of services in Puerto Rico as demonstrated through an understanding of:
 - The needs and problems of the target population;
 - How the agency will address one or more of these needs and problems with its available resources;
 - The type of housing counseling services offered;
 - Fee structure, if applicable;
 - The geographic service area to be served; and
 - The anticipated results to be achieved within the period of approval.
- Having a proven track record for managing their caseloads;
- Having sufficient staff to properly service residents in Puerto Rico;
- Having a proven record of expertise in the area of service they will be applying;
- Having a proven ability to work with residents outside of the area of their locations;

- Having a proven methodology for program/project implementation that yields results.

Approval of HCAs was based on PRDOH's verification of all documents and information submitted. PRDOH maintains the right to request additional documentation or provide addenda as needed. HCAs with branches or affiliates for which the parent entity exercises control over the quality and type of housing counseling services rendered, must submit a single application for approval.

These decisions were made based on applicable statutes, codes of federal regulation, state and local codes and ordinances, local guidelines, and Program guidelines.

8.2. Approval of Application

If the application package is selected by PRDOH for funding, PRDOH will approve an agency for a period up to **two (2) years**, with options to extend. PRDOH will notify the agency of its approval in the form of a Notice of Approval to the agency's main office. This notification will outline the eligibility determination made and outline next steps, if applicable.

Upon approval, PRDOH will provide an Award Notice that will include information on the amount of funding made available to the HCA, as awardee. PRDOH will notify the winning awardee(s) and host a kickoff meeting to outline the services, training sessions, and any other additional requirements to be completed, including the preparation of a CDBG-DR Housing Counseling Work Plan.

9 Housing Counseling Work Plan

9.1. Required Components

The Housing Counseling Work Plan must:

- Describe the demographics, housing needs and problems, and geographic boundaries of the service target area(s).
- Identify housing counseling services to be provided in response to one or more of the needs in targeted communities and geographic areas where the agency and its branches and affiliates will provide their housing counseling services.
- Identify group education, marketing and outreach strategies.
- Address, if appropriate, alternative settings or formats for the provision of housing counseling services for cases in which the agency and the client mutually agree on the need for an alternative setting or alternative format and cases in which the agency's facilities are not accessible.
 - Alternative formats can include telephone counseling or remote counseling systems designed using video-call technology, video cameras, and the internet. Video-call technology systems can also be used to deliver group education workshops and sessions.

- Detail the agency's plan for follow-up communication with the client.
- Identify existing fee structure and provide information on how to ensure that participants seeking CDBG-DR funded services will not be charged.
 - Services provided through CDBG-DR Housing Counseling services must be free of charge to participants. The HCA will receive payment from PRDOH to provide these services.
 - HCAs will be reimbursed for the following eligible activities: delivery of counseling and education services that benefit clients, including the supervision and quality control necessary to provide high quality services; cost of client education and materials; program oversight; cost of compliance and quality control; supervision of housing counseling staff; housing counselor training; and marketing and outreach initiatives.
- HCA Work Plans are subject to approval by PRDOH. Once approved, any changes to the Work Plan must be subsequently approved.

9.2. Recordkeeping and Reporting

As per 24 C.F.R. § 214.315, the HCAs must have an established system of recordkeeping that permits PRDOH and HUD to easily access all information needed for a performance review.

Participating HCAs must ensure the confidentiality of each client's personal and financial information, both electronic and paper, including credit reports, whether the information is received from the client or from another source. Failure to maintain the confidentiality or improper use of credit reports may subject the agency to penalties under the Fair Credit Reporting Act, as amended, 14 U.S.C. § 1681 *et seq.* Hard copies of client files must be kept in locked filing cabinets and electronic client files must be kept secure and be accessible only by authorized employees.

Participating HCAs shall utilize an electronic housing counseling client management system for the collection and reporting of client-level information including, but not limited to, financial and demographic data, counseling services provided and outcomes. Agencies shall be required to interface with PRDOH's databases.

Reports will be submitted to PRDOH on progress of the outreach, rate of intake, identification of any key areas of resident need not being met and goal achieved/remaining.

9.3. Identification of Program Participants

PRDOH will work with HCAs to identify their pipeline of potential participants. Participants may be referred by other CDBG-DR funded programs, including the Home Repair, Reconstruction or Relocation (R3 Program), directly from PRDOH, or self-referred. Participants will be referred based on both service area and specific services provided by an HCA. Once an HCA receives a referral from one of these sources, they shall contact the participant within **two (2) business days** to initiate intake.

9.3.1 Relocation Voucher Participants of the R3 Program

Applicants to the Home Repair, Reconstruction, or Relocation Program (R3 Program) who are provided a Relocation Voucher will be required to participate in the Housing Counseling Program. As a condition of receiving a relocation award from the R3 Program, these applicants must complete a homeowner education course provided by a CDBG-DR funded HCA and provide documentation certifying completion of the curriculum. The homeowner education course must be completed prior to the applicant's R3 Program real estate closing event. For more information regarding the R3 Program, please see the program guidelines for the Home Repair, Reconstruction, or Relocation Program, available at www.cdbg-dr.pr.gov.

The Housing Counseling Program will provide applicants with support throughout the relocation process by assisting with things like: identifying a suitable replacement home, homeowner education, and connecting applicants with social services providers in the areas being considered by the applicant for relocation.

Applicants must work with an HCA to identify a suitable replacement home. R3 Program Staff will verify that the applicant has taken appropriate action to identify suitable options commensurate to household composition and family needs and work closely with the applicant's HCA to ensure sufficient efforts are being made.

9.4. Initial Consultation with Program Applicants

HCAs will provide Applicants an initial consultation upon successful completion of intake for counseling services. In order to best serve the Applicant, while scheduling this consultation, the HCA should confirm resident information, such as contact information, recovery needs, etc.

At the initial consultation, the HCA will meet and discuss the housing needs with the Applicant and any other household members that attend. The HCA must confirm the application information and collect any documents supplied by the Applicant in connection to their particular needs, as well as provide a list of additional documentation that will be required as next steps based identified needs.

Applicants should provide all required documents within a reasonable timeframe to ensure progress and success of their participation in the Program. HCAs are responsible for two (2) follow up contacts with the Applicant to meet their consulting needs and/or maintain the application status as current.

If the Applicant fails to attend two (2) scheduled consultations without notifying the HCA, then their case may be put on hold. The Applicant will be notified of this action.

HCAs will individualize consulting recommendations for each Applicant based on their identified need and provide services in line with those needs. Upon completion of service

delivery to a participant, the HCA will provide any required beneficiary and outcome information to PRDOH.

9.5. Termination of Services

Participating HCAs must document termination of housing counseling in the client's file. Termination occurs or may occur under any of these conditions:

- The client meets their housing need or resolves the housing problem;
- The agency determines that further housing counseling will not meet the client's housing need or resolve the client's housing problem;
- The agency attempts to, but is unable to, locate the client;
- The client does not follow the agreed-upon action plan;
- The client otherwise terminates housing counseling; or
- The client fails to appear for housing counseling appointments.

9.6. Application Closeout

Participating HCAs shall coordinate a closeout process with the Applicant, which may include an exit interview and an evaluation of the services needed, services provided, and outstanding needs, if any. Applicants may provide feedback to the HCA in writing.

Any complaint submitted to the HCA should be discussed, documented, and resolved with a report. See Complaints and Appeals section of the Cross-Cutting Guidelines found at www.cdbg-dr.pr.gov. HCAs are responsible for completing aggregate reports to quantify the services they have provided and the outcomes for each case.

10 Program-based Reconsideration and/or Administrative Review

Participants in the Program may contest any determinations or denials based on Program policy. However, an Applicant may not challenge a federal statutory requirement.

Applicants have the right to request a Program-based Reconsideration with the Program or request an Administrative Review directly with PRDOH, as stated below.

10.1. Program-based Reconsideration Request

Applicants may file a Program-based Reconsideration Request when it is believed there is an error with Program determinations. An Applicant must submit a written Reconsideration Request directly with the Program within **twenty (20) days** of being notified of the determination, as outlined in the notice. Applicants who file a Program-based Reconsideration Request are encouraged to provide individual facts or circumstances, as well as supporting documents to justify their petition. The date of notification is that on which the Program determination was sent to the applicant.

In the Reconsideration Request process, the Program will only review facts and information already included in an Applicant's file, unless the Applicant submits new

documentation. The Program has the discretion to accept or reject new documentation based upon its relevance to the Program-based Reconsideration Request.

The Program will review and address the Reconsideration Request within **fifteen (15) days** of its receipt. Applicants will be notified of the reconsideration determination via a Reconsideration Request Approved or a Reconsideration Request Denied notification. Applications with an approved Reconsideration Request will return to active Program status and continue with the process as normal. The original determination remains for participants with a denied Reconsideration Request.

Filing a Program-based Reconsideration Request does not substitute, negate, or preclude any legal right that an Applicant has to challenge a determination made by the Program.

Therefore, Applicants who believe the initial determination of the Program to be erroneous, may submit either a Program-based Reconsideration Request or a petition for review of the decision made by the Program by filing an Administrative Review Request at the PRDOH in accordance with Regulation Number 4953, of August 19, 1993, which regulates the Formal Adjudication Process for the PRDOH and its Adjunct Agencies (Regulation 4953).

10.2. Administrative Review Request

If an Applicant disagrees with a Program determination, or with the Reconsideration Request Denial determination, said party may file directly to PRDOH, as grantee, an Administrative Review Request. The Applicant must submit such request, in writing, within **twenty (20) days** of being notified of a Program determination or a Reconsideration Request Denial determination. The date of notification is that on which a determination was sent to the Applicant.

Applicants who submit an Administrative Review Request must follow the procedure established in Regulation 4953. After the Administrative Adjudicative Procedure concludes, applications with approved Administrative Review Requests will return to active Program status and continue within the process as normal. The original determination remains for participants with a denied Administrative Review Request.

If the Applicant disagrees with any final written determination on an Administrative Review Request notified by PRDOH after completing the Administrative Adjudicative Procedure, said party may file a Judicial Review petition before the Court of Appeals of Puerto Rico within **thirty (30) days** after a copy of the notice has been filed. See Act No. 201-2003, as amended, known as the Judiciary Act of the Commonwealth of Puerto Rico of 2003, 4 LPRA § 24 *et seq.*, and section 4.2 of Act 38-2017, as amended, known as the Uniform Administrative Procedures Act of the Government of Puerto Rico, 3 LPRA § 9672.

If the Applicant fails to file a Program-based Reconsideration Request, or to contest a determination under the Administrative Adjudicative Procedure with PRDOH within the time allotted, the inaction will be deemed as an acceptance of the determination.

11 Program Compensation and Closeout

Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed and meet the standards required in 2 C.F.R Part 200.430(h)(8)(i).

PRDOH will require HCAs to provide final reports for the outcomes of all residents serviced, as well as summary dashboards to indicate hard metrics of results achieved with the funding provided. All records shall be retained and maintained for a period of at least **five (5) years**, starting from the closeout of the grant. Furthermore, they must be made available to PRDOH upon request.

All HCAs must be able to demonstrate and document the actual cost of service provision. The amount billed cannot exceed the actual cost of the service provided.

The records must support the distribution of employees' salaries and wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two (2) or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

11.1. Invoicing

Budget estimates alone (i.e., estimates determined before the services are performed) do not qualify as support for charges to awards. Records must reasonably reflect the total activity for which employees are compensated. Costs for Program delivery such as outreach publications, rental space for group meetings and associated operational expenses may be reimbursed by the Program in accordance with the subrecipient agreement.

HCAs will submit requests for payment in accordance with PRDOH invoicing guidance. Funds will be disbursed monthly on a draw basis. No disbursements are allowed unless the CDBG-DR Agreement is signed and dated by both parties (HCA and PRDOH). Only costs identified in the CDBG-DR Agreement will be considered eligible for payment/reimbursement by this Program. Accounting of disbursements and expenditures will be ongoing to ascertain that funds are expended according to the terms of the CDBG-DR written agreements. This process will help identify those Housing Counseling Agencies that do not comply with agreed upon goals. Quarterly, HCAs will track and report to PRDOH fund commitments and expenditures, and beneficiary information when available.

12 CDBG-DR Compliance

12.1. Citizen Participation

Throughout the duration of the grant, all citizen comments on PRDOH's published Action Plan, any substantial amendments to the Action Plan, performance reports and/or other issues related to the general administration of CDBG-DR funds, including all programs

funded by this grant, are welcomed. The Citizen Participation Plan is posted as a stand-alone document at www.cdbg-dr.pr.gov. For more information on how to contact PRDOH, please refer to www.cdbg-dr.pr.gov.

12.2. Related Laws and Regulations

This Program Guideline makes reference as to how the provisions of certain laws apply to the Housing Counseling Program. However, other related laws may exist which are not included in these Guidelines. This does not negate or preclude the Program from applying the provisions of those laws, nor an applicant from receiving services, when applicable. Moreover, PRDOH enact, or may have enacted, regulations that address how the laws mentioned in these Guidelines are managed.

If there are any discrepancies between these Guidelines and the laws and/or regulations mentioned in them, then the latter will prevail over the Guidelines. If at any time the laws and/or the applicable regulations mentioned in these Guidelines are amended, the new provisions will apply to the Program without the need to amend these Guidelines.

12.3. Cross-Cutting Guidelines

Some federal and local requirements apply to all programs funded by CDBG-DR. These Cross-Cutting Guidelines cover topics such as: financial management; environmental review; labor standards; acquisition; relocation; fair housing; among others. The requirements described in the above referenced Cross-Cutting Guidelines, apply to all programs described in PRDOH's CDBG-DR Initial Action Plan and its amendments. For more information, please refer to the Cross-Cutting Guidelines found at www.cdbg-dr.pr.gov.

13 Program Oversight

Nothing contained within these Program Guidelines is intended to limit the role of PRDOH, HUD, and/or corresponding authorities from exercising oversight and monitoring activities of the Program.

14 Severability Clause

If any provision of this Program Guideline, or the application thereof to any person, partnership, or corporation, or circumstance, is held invalid by a competent court, the remainder of this Program Guideline and the application of such provisions to any other person, partnership, corporation, or circumstance, shall not be affected thereby.

END OF GUIDELINES.