



CDBG-DR

Due Diligence & Inactive Status Process

Lead Agency

City of Longmont



Purpose

The Boulder County Collaborative (BCC) Community Development Block Grant- Disaster Recovery (CDBG-DR) Housing Assistance Program (HAP) objective is to assist as many Boulder County residents as possible with their home repairs, replacement housing, home access, temporary rental assistance, down payment assistance and demolition and clearance needs in response to the September 2013 flood. Each BCC Administrative Entity (AE) will follow a due diligence and inactive process when administering all of its CDBG-DR grants.

During the course of processing an application, an applicant and/or various agencies, entities or businesses may be non-responsive to the AE's attempts to gather additional information and documentation. Due to the nature of disaster recovery, the AE does not want to unduly hold up an applicant moving forward in the program due to third-party verification not being received or returned. Similarly, funding for housing assistance is limited and if an applicant becomes non-responsive, other applications in progress may be delayed.

The AE will undertake the following Due Diligence Process to contact an applicant and/or various agencies, entities or businesses in order to complete an application and determine final eligibility for the CDBG-DR housing assistance programs.

In the case of a non-responsive applicant, the AE will make efforts to obtain needed documentation to complete an award. If after following the Due Diligence Process there is no response from the applicant, the applicant will be determined ineligible for the CDBG-DR HAP to which they applied. An ineligible determination by the AE may be appealed by the applicant by following the Appeal Procedure which will be provided with the final correspondence to the applicant from the AE.

In the case of third-party verification, the AE will follow the Due Diligence Process to make every effort to obtain required documentation. If after following this process, the documentation is not received from a third-party, the AE will use other documentation or records provided by the applicant and/or otherwise verified by the AE to complete the processing of the award.

Applicant Process

The applicant will begin the HAP process by completing an application and returning it with the required supporting documentation to the AE. The applications for the HAP programs include space for the applicant to list the contact information of two people who do not live in the applicant's household that may be contacted if the applicant cannot be reached.

- The application will be reviewed and any deficiencies identified, including information not completed on the application and/or missing required documentation will be requested in writing by letter, email, and/or fax. Missing information or documentation must be provided by the applicant within **15 days** of the date of the letter.

- If there is no response to the incomplete application letter after 15 days, the AE will contact the alternate contact(s) listed on the application, if contact information was provided. Contact will be via mail or phone, depending on the information provided. The AE will not reveal any private information to the alternate contact(s) but will inform the alternate contact(s) that their name was provided as an alternate contact for the applicant. The AE will explain that it is attempting to reach the applicant regarding assistance related to the flood. The alternate contact will be asked to notify the applicant to inform them to contact the AE regarding their housing assistance application. Additionally, the AE will mail a second incomplete application letter to the applicant requesting the required information or documents. The applicant will have **15 days** from the date of the second letter to provide the missing information or documents.
- If the required information is still not received after the second letter allowing 15 days, the AE will mail a third and final due diligence letter by certified mail to the address listed on the application giving 10 days to return the required documents.
- If the applicant does not respond within **10 days** of the date of the third certified letter, the AE will complete the Application Closeout Form and the applicant will be determined ineligible for the program(s) to which they applied.
- The AE will mail to the applicant at the mailing address listed on the application via certified mail an ineligible letter that will include the appeal procedure.

DOB Third Party Verification Process

The AE will request the disclosure of all financial assistance provided to applicants from the following agencies, entities, and/or businesses regarding duplication of benefits:

- Small Business Administration (SBA)
 - Federal Emergency Management Agency (FEMA)
 - Boulder County Long-Term Flood Recovery Group
 - The OUR Center
 - Boulder County Division of Housing and Human Services
 - Catholic Charities
 - Insurance companies that applicants received payment from an insurance claim or denial from an insurance claim filed by the applicant
 - Other organizations as identified
- Financial assistance requested to be disclosed includes, but is not limited to, assistance for rent, replacement housing, home repairs, food and gas, clothing, and/or the purchase of other personal property.
 - All applicants will sign Consent to Release Information form, permitting the above organizations to release financial information to the AE.
 - A request for information will be mailed to the appropriate organizations with a copy of the release signed by the applicant. Organizations will be requested to respond in writing regarding any and all financial assistance they have provided to applicants in response to the September 2013 flood. Organizations will be requested to respond within 15 days of the date of the letter. If an organization does not respond within the 15 day period, a second notice/reminder will be sent requesting any and all financial assistance provided to the applicant.

- If the two 15 day response periods expire and no information has been received from an organization, the AE will document that the organization is non-responsive and will proceed with determining an applicant's eligibility for the Flood Recovery Program using financial assistance documented by the applicant or otherwise verified by the AE.

Inactive Status Process:

After receiving an initial eligibility letter, applicants must complete the remaining HAP eligibility requirements by providing additional documents related to the damaged property or other items upon request by AE staff.

- The AE will request missing information or documentation in writing by letter, email, and/or fax. Missing information or documentation must be provided by the applicant within **15 days** of the date of the letter.
- If there is no response to the request for documentation or other required information after 15 days, the AE will contact the alternate contact(s) listed on the application, if contact information is provided. Contact will be via mail or phone or email, depending on the information provided. The AE will not reveal any private information to the alternate contact(s) but will inform the alternate contact(s) that their name was provided as an alternate contact for the applicant. The AE will explain that it is attempting to reach the applicant regarding assistance related to the flood. The alternate contact will be asked to notify the applicant to contact the AE regarding their housing assistance application. Additionally, the AE will mail a letter to the applicant requesting the missing information or documents. The applicant will have **15 days** from the date of the second letter to provide the missing information or documents.
- If there is no response at the end of the second 15 day period, the AE will issue a third letter notifying the applicant via certified mail that their application for HAP has been put on an inactive status.
- An Application Close-out Form will be sent via certified mail and will include the Appeal Procedure. No housing assistance funds will be set-aside for the applicant.

Rehabilitation, Replacement, Access, Demolition/Clearance and Temporary Assistance Housing Programs:

Following the letter identifying the type of housing assistance that the household is eligible for and upon receipt of all of the require documents, the applicant has 60 days in which to select or find a replacement home and a lot if applicable or agree to the approved repairs. The AE will continue to communicate with the applicant in order to document the progress being made regarding the housing search.

- If at the end of 60 days a home has not been located or the owner has not agreed to the approved repairs, the AE will send a letter notifying the applicant that action is required from them or the approved project will be placed in an inactive status. The applicant will be given an additional 30 days to locate replacement housing or agree to the approved repairs.
- If there is no response at the end of the second 30 day period, the AE will issue a third letter notifying the applicant via certified mail that their application for HAP has been put on an inactive status.
- An Application Close-out Form will be sent via certified mail and will include the Appeal Procedure. No housing assistance funds will be set-aside for the applicant.

Down Payment Assistance Program:

Initial Eligibility

Upon receipt of all of the required documents and being determined income-eligible for the Program, an applicant has 30 days to be preapproved for a mortgage and to meet with a housing counselor for a pre-purchase budget review before their final eligibility for the Program will be determined. The AE will continue to communicate with the applicant in order to document the progress being made to complete the application process.

- If at the end of 30 days the applicant has not submitted documentation of mortgage preapproval and/or has not scheduled an appointment with a housing counselor, the AE will send a letter notifying the applicant that action is required from them or the approved project will be placed in an inactive status. The applicant will be given an additional 30 days to obtain mortgage preapproval and meet with a housing counselor. Exceptions may be granted by the AE on a case-by-case basis for extenuating circumstances.
- If there is no response at the end of the second 30-day period, the AE will issue a third letter notifying the applicant via certified mail that their application for HAP has been placed on inactive status.
- An Application Close-out Form will be sent via certified mail and will include the Appeal Procedure. No housing assistance funds will remain committed for the applicant.

Final Eligibility

Final approval for the DPA program will be determined after an applicant has submitted all required documents, has been determined income-eligible, been preapproved for an acceptable mortgage, and has met with a housing counselor for a pre-purchase budget review. The AE will notify applicants when funding has been committed for their purchase.

Upon approval and a commitment of funds, the applicant has 60 days to go under contract for a home or to find a mobile home lot if applicable. The AE will continue to communicate with the applicant in order to document the progress being made regarding the housing search. Exceptions may be granted by the AE on a case-by-case basis for extenuating circumstances.

- If at the end of 60 days the applicant has not submitted a purchase contract on a home, or a lease commitment for a mobile home lot, the AE will send a letter notifying the applicant that action is required from them or the approved project will be placed in an inactive status. The applicant will be given an additional 30 days to submit a purchase contract signed by the buyer and the seller on a home or a lease commitment for a mobile home lot.
- If there is no response at the end of the second 30 day period, the AE will issue a third letter notifying the applicant via certified mail that their application for HAP has been placed on inactive status.
- An Application Close-out Form will be sent via certified mail and will include the Appeal Procedure. No housing assistance funds will remain committed for the applicant.

If at such time an applicant decides to renew its application status, the AE may consider re-instatement if funding is still available. Any re-certification period that has expired because of the inactive status will have to be up-dated along with the application and other requirements. In addition, the applicant may be placed on a waiting list if funding is not available.

Being placed on a wait list is not a guarantee of assistance. The AE reserves the right to consider special and extenuating circumstances on a case by case basis.