

amounts to State recipients, whether the State:

(i) Has distributed these grant amounts in a timely manner and in accordance with the requirements of this part; and

(ii) Has made such reviews and audits of its recipients as may be appropriate to determine whether they have satisfied the requirements of paragraph (b)(1)(i) through (b)(1)(iii) of this section.

[55 FR 20050, May 14, 1990, as amended at 61 FR 7062, Feb. 23, 1996]

§ 511.81 Grantee reports to HUD.

(a) *Management reports.* Grantees shall submit management reports on their Rental Rehabilitation Program in such format and at such time as HUD may prescribe.

(b) [Reserved]

(Approved by the Office of Management and Budget under control number 2506-0080)

[55 FR 20050, May 14, 1990, as amended at 61 FR 7062, Feb. 23, 1996]

§ 511.82 Corrective and remedial actions.

(a) *General.* HUD will use the procedures in this section in conducting the performance review as provided in § 511.80(a) and in taking corrective and remedial actions.

(b) *Performance review.* (1) If HUD determines preliminarily that the grantee has not met the performance review standards in § 511.80, the grantee will be given notice of this determination and an opportunity to demonstrate, within the time prescribed by HUD and on the basis of substantial facts and data, that it has done so.

(2) If the grantee fails to demonstrate to HUD's satisfaction that it has met the performance review standards in § 511.80, HUD will take appropriate corrective or remedial action in accordance with this section.

(c) *Corrective and remedial actions.* In formulating appropriate corrective or remedial actions for performance deficiencies, HUD will take one or more of the actions specified in paragraphs (c)(1), (c)(2), and (c)(3) of this section. The action chosen will be designed to prevent a continuation of the deficiency; mitigate, to the extent pos-

sible, its adverse effects or consequences; and prevent its recurrence. In addition to these actions, HUD will take the action specified in paragraph (c)(4) of this section, when paragraph (c)(4) of this section is applicable.

(1) HUD may request the grantee to submit and comply with proposals for action to correct, mitigate and prevent performance deficiencies, including:

(i) Preparing and following a schedule of actions for carrying out the affected rental rehabilitation activities, consisting of schedules, timetables and milestones necessary to implement the affected activities;

(ii) Establishing and following a management plan that assigns responsibilities for carrying out the remedial actions;

(iii) Cancelling or revising activities likely to be affected by a performance deficiency, before expending grant amounts for the activities;

(iv) Reprogramming rental rehabilitation grant amounts that have not yet been expended from affected activities to other eligible activities; and

(v) Suspending disbursement of grant amounts for affected activities for a period of not more than 60 days.

(2) [Reserved]

(3) When HUD determines that a grantee has failed to meet one or more of the requirements of this part, HUD may reduce or withdraw rental rehabilitation grant amounts, or take other action as appropriate, except that rental rehabilitation grant amounts already expended on eligible activities will not be recaptured from existing grant allocations or obligations or deducted from future grants made available to the grantee. For purposes of paragraph (c)(3) of this section—

(i) *Grant amounts already expended on eligible activities* includes all grant amounts that have been disbursed under this part for eligible activities, and

(ii) *Other action as appropriate* means any remedial action legally available, including, without limitation, affirmative litigation, such as suits for declaratory judgment, specific performance, temporary or permanent injunctions, and any other available remedies other than those for recovery of money.