

program in accordance with the terms of the approved application and this part, including failure to provide the contributions toward the match. Corrective or remedial actions that HUD may instruct the recipient to undertake include;

(i) Preparing and following a schedule of actions or a management plan for properly completing the approved activities;

(ii) Cancelling or revising the affected activities before expending grant funds for them, revising the grant budget as necessary, and substituting other eligible activities;

(iii) Discontinuing draws under the C/MI System, and not incurring further costs for the affected activities;

(iv) Reimbursing its HOPE 3 program account in the amount not used in accordance with this part and the grant agreement; and

(v) In the case of implementation grants, making additional matching contributions in substitution for contributions not in compliance with this part and the grant agreement or submitting to HUD acceptable evidence that matching contributions sufficient to meet the total match required under this part and the grant agreement will be made, before additional draws are made.

(2) If HUD determines that the recipient is not complying with the corrective or remedial actions agreed upon with the recipient, or as otherwise authorized in the grant agreement, HUD may implement the following additional corrective and remedial actions:

(i) Changing the method of payment under the C/MI System to a reimbursement basis;

(ii) Suspending the recipient's authority to make draws under the C/MI System for affected activities;

(iii) Reducing (deobligating) the grant in the amount affected by the performance deficiency, including, in the case of implementation grants, failure to furnish matching contributions in the required amount;

(iv) Terminating the grant for all further activities and initiating close-out procedures;

(v) Taking action against the recipient under 24 CFR part 24 and Executive Order 12549 (3 CFR, 1986 Comp., p. 189)

with respect to future HOPE 3, HUD, or Federal grant awards; and

(vi) Taking any other remedial action legally available.

(3) If the amount of grant funds that has been disbursed under the C/MI System exceeds the amount finally determined by HUD to be authorized (including any authorized deobligation), the recipient must repay such excess amount to HUD, and will have no right to reclaim or reuse such excess amount.

(c) *Failure to complete and transfer a property to a homebuyer.* If a property assisted under this part or credited as match is not completed and transferred to homebuyers as required under this part, whether voluntarily by the recipient or otherwise, grant expenditures on the property are considered ineligible, and HOPE 3 funds for acquisition and rehabilitation must be repaid to the program account. Preliminary costs (such as architectural and engineering, inspection, and appraisal fees) expended before acquisition are considered general program expenses and need not be repaid.

(d) *Failure to provide homeownership opportunities under an implementation grant.* Failure to provide at least 70 percent of the number of homeownership opportunities proposed in the application for an implementation grant within the timeframe specified in § 572.210(f) may result in remedial actions, as described in paragraph (b) of this section, being taken by HUD, including requiring repayment of all or part of the grant.

§ 572.230 Cash and Management Information (C/MI) System.

Disbursement of HOPE 3 grant funds is managed through HUD's Cash and Management Information (C/MI) System for the HOPE 3 program. Funds that may be disbursed through the C/MI System include funds awarded to the recipient and obligated through the grant approval letter issued by HUD. HOPE 3 funds are drawn down by the recipient or its authorized designee from a United States Treasury account for the program, using the Treasury Automated Clearinghouse (ACH) System. Any drawdown of HOPE 3 funds

from the United States Treasury account is conditioned upon the submission of satisfactory information about the program and compliance with other procedures specified by HUD in HUD's forms and issuances concerning the C/MI System.

[62 FR 34145, June 24, 1997]

§ 572.235 Amendments.

Amendments to the approved program must be documented or approved by HUD in accordance with instructions provided by HUD.

Subpart D—Selection Process

§ 572.300 Notices of funding availability (NOFAs); grant applications.

When funds are made available for planning grants or implementation grants under this part, HUD will publish a NOFA in the FEDERAL REGISTER, in accordance with the requirements of part 4 of this title, and will select applications for funding on a competitive basis as provided in the applicable NOFA.

[62 FR 34145, June 24, 1997]

§ 572.315 Rating criteria for planning grants.

Any planning grants made by HUD under the HOPE 3 program will continue to be governed by the provisions in this section in effect immediately before October 16, 1996. When or before HUD announces the availability of funds for planning grants under this part, these provisions will be recodified.

[61 FR 48798, Sept. 16, 1996]

Subpart E—Other Federal Requirements

§ 572.400 Consolidated plan.

Applicants must provide a certification of consistency with the approved consolidated plan, in accordance with 24 CFR 91.510.

[60 FR 36018, July 12, 1995]

§ 572.405 Nondiscrimination and equal opportunity requirements.

In addition to the nondiscrimination and equal opportunity requirements

set forth in 24 CFR part 5, the following requirements apply to homeownership programs under this part:

(a) *Modification of fair housing and nondiscrimination requirements for Indian tribes and IHAs.* (1) The Indian Civil Rights Act (25 U.S.C. 1301 *et seq.*) applies to tribes when they exercise their powers of self-government. Thus, it is applicable in all cases when an IHA has been established by exercise of such powers. In the case of the IHA established pursuant to State law, the applicability of the Indian Civil Rights Act shall be determined on a case-by-case basis. Development subject to the Indian Civil Rights Act must be developed and operated in compliance with its provisions and all implementing HUD requirements, instead of title VI and the Fair Housing Act and their implementing regulations.

(2) In the case of Indian tribes and IHAs, compliance with the requirements of this section shall be to the maximum extent consistent, but not in derogation of, the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e(b)).

(b) *Affirmative fair housing marketing.* The recipient must adopt a strategy for informing and soliciting applications from people who are least likely to apply, because of race, color, religion, sex, disability, familial status, or national origin, for the program without special outreach, consistent with the affirmative fair housing marketing requirements. (See 24 CFR 92.351 for an example of an affirmative strategy.) Paragraph (b) of this section does not apply to Indian tribes and IHAs, as described in paragraph (a)(1) of this section.

(c) *Authority for collection of racial, ethnic, and gender data.* HUD requires submission of racial, ethnic, and gender data under this part under the authority of section 562 of the Housing and Community Development Act of 1987 and section 808(e)(6) of the Fair Housing Act.

(d) *Requirements applicable to religious organizations.* Where the applicant is, or proposes to contract with, a primarily religious organization, or a wholly secular organization established by a primarily religious organization, to provide, manage, or operate housing