

on-going resource beyond the contract period.

(c) In planning a homeownership counseling and training program, whether self-administered or contracted, the LHA shall consult with HUD for advice and information on programs, qualified contractors, local resources, reasonable costs, and other similar matters.

(d) Where the program is to be contracted to an outside group, proposals shall be secured either by public advertising or by sending requests for proposals to a number of competent public or private organizations.

(e) In areas where there are large concentrations of homebuyers who do not read, write, or understand English fluently, the native language of the people shall be used. If feasible all instructional materials shall be in both languages.

**§ 904.204 General requirements and information.**

(a) The counseling and training program shall be designed to meet the needs of the homebuyers and be sufficiently flexible to meet new needs as they arise. The nature of the program suggests four phases of counseling: (1) Pre-occupancy; (2) move-in; (3) post-occupancy; (4) assistance to the HBA. While some elements of the program lend themselves more to one phase than another, the program areas shall be coordinated and interrelated. It is recommended that the entity providing these services work closely with the participants and ensure that policies established are agreeable to both the LHA and the homebuyer.

(b) The following is a description of major elements of the program which experience thus far has shown to be relevant. More detailed information is set forth in Appendix I, "Content Guide for Counseling and Training Program."

(1) *Pre-occupancy phase.* The purpose of this phase is to prepare the selected families to assume the responsibilities of homeownership, and to provide an opportunity for the LHA and each family to reassess the family's potential for successful participation in the homeownership development.

(i) An overload of information should be avoided in this phase since many of the subjects will be dealt with in greater depth after the family is in occupancy, and experience has shown that much of the information will be more relevant at that time.

(ii) This phase should be completed for each family before the beginning of its occupancy.

(2) *Move-in phase.* During this phase, the counseling and training staff should be available to the homebuyers on an individual basis. Services may include (i) inspecting the units, interior and exterior, with the homebuyers and a representative of the LHA, (ii) testing appliances and equipment, (iii) providing information on the moving process (packing, trucks, etc.), and (iv) assisting homebuyers in making adjustments occasioned by the move, serving as liaison among homebuyers, LHA, builder and other agencies, and assisting homebuyers in meeting new neighbors.

(3) *Post-occupancy phase.* Before this phase begins, a period (possibly one month) should elapse to allow homebuyers an opportunity to adjust to their new surroundings. This is a time when new questions and problems come to light that can be dealt with in further counseling and training. This phase should be designed to cover many of the same basic subjects as the pre-occupancy phase, both by review and refresher where necessary but in much greater depth.

(4) *Assistance to the HBA.* The parties responsible for the counseling and training program shall be responsible for the formation, incorporation, and development of the HBA, including the execution of the Recognition Agreement between the LHA and HBA, as provided in subpart D of this part.

**§ 904.205 Training methodology.**

Equal in importance to the content of the pre- and post-occupancy training is the training methodology. Because groups vary, there should be adaptability in the communication and learning experience. Methods to be utilized may include group presentations,

small discussion groups, special classes, and workshops. Especially important to a successful program are individual family home visits for discussion and instruction on unique problems and operation of equipment.

**§ 904.206 Funding.**

(a) *Source of funds.* For purpose of funding counseling and training pursuant to this subpart and for establishing the HBA, the LHA shall include an amount equal to \$500 per dwelling unit in the development cost budget. If additional funds should be needed for any of these purposes, the LHA with the assistance of the CPC, if any, shall explore all other possible sources of services and funds.

(b) *Planned use of \$500-per-unit funds.* These funds are to be used to pay for:

- (1) Pre- and post-occupancy counseling and training;
- (2) Establishment and initial operation of the HBA (for operation in the management phase, see § 904.305).

In planning the use of these funds, the LHA shall recognize that for a number of years after the initial counseling and training there is likely to be some turnover and follow-up counseling and training needs. Therefore, the LHA shall limit the amounts for the counseling and training of the initial homebuyers and shall reserve a reasonable amount for future counseling and training needs during the management phase of the development.

(c) *Period of availability of \$500-per-unit funds.* These funds shall be available during the development phase, and a specific amount shall be set aside, in accordance with paragraph (b) of this section, to be used for ongoing needs after the close of the development period.

(d) *Budgeting of \$500-per-unit funds.* (1) The Development Cost Budget submitted with the Development Program shall include an estimated amount for counseling and training program costs. However, such costs shall not be incurred until after HUD approval of the counseling and training program.

(2) Upon HUD approval of the counseling and training program, the LHA shall include the approved amount in its Contract Award Development Cost Budget. This amount shall constitute

the maximum amount that may be included for such purposes in the project development cost; provided that, if the approved amount is less than \$500 per dwelling unit, it may, if necessary, be amended with HUD approval, but not later than the Final Development Cost Budget and subject to the \$500-per-unit limitation.

(e) *Application for approval of counseling and training program.* (1) The LHA shall submit an application for approval of a counseling and training program and for approval of funds therefor. This application shall be submitted to HUD at the time of the submission of the development program or as soon thereafter as possible but no later than the submission of the working drawings and specifications.

(2) The application shall include a narrative statement outlining the counseling and training program, including any services and funds to be obtained from other sources, together with copies of any proposed contract and other pertinent documents. This statement shall include the following:

- (i) Indication that the training entity is completely knowledgeable of the Homeownership Opportunity Program and is aware of the needs and problems of prospective homebuyers;
- (ii) The method and/or instruments to be used to determine individual training and counseling needs;
- (iii) The scope of the proposed program, including a detailed breakdown of tasks to be performed, products to be produced, and a time schedule, including provision for progress payments for specific tasks;
- (iv) An outline of the proposed content of the counseling and training to be provided, and the local community resources to be utilized;
- (v) The methods of counseling and training to be utilized;
- (vi) The experience and qualifications of the organization and of personnel who will directly provide the counseling and training;
- (vii) The estimated cost, source of funds, and methods of payment for the tasks and products to be performed or produced, including estimates of costs for each of the following categories:

(a) Counseling and training during development phase: