§ 280.30  Grant agreement.

(a) General. The recipient’s responsibilities under NHOP will be incorporated in a grant agreement executed by HUD and the recipient.

(b) HUD Monitoring. HUD will monitor the recipient’s performance to determine whether the recipient is complying with the requirements of the grant agreement. HUD will rely on such data as information obtained from the recipient’s records and reports, findings from on-site monitoring and audit reports.


§ 280.35  Minimum participation.

Except as provided in paragraph (a) or (b) of this section, the recipient may not begin the construction or substantial rehabilitation of homes until 25 percent of the homes to be constructed or substantially rehabilitated under the program are contracted for sale to purchasers who intend to live in the homes and the downpayments required under § 280.45(b) have been made.

(a) Recipients may submit a phasing plan to HUD for approval. The phasing plan may propose that the grantee begin construction or substantial rehabilitation on an individual phase of the program when 25 percent of the homes in the individual phase of the program have been pre-sold. Each phase for which approval is sought must contain at least 16 homes. Each submission must include documentation that the phasing plan has been approved by the unit of local government in which the homes are to be located.

(b) Recipients may construct and substantially rehabilitate homes for the purpose of display to potential homeowners. The maximum number of display homes is limited to five percent of the number of homes to be constructed or substantially rehabilitated under the program, or three homes, where the program involves less than 60 homes.