

**DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT**

**Office of the Assistant Secretary for
Housing-Federal Housing
Commissioner [Docket No. N-95-
3863; FR-3829-N-01]**

**Notice of Funding Availability (NOFA)
for Fiscal Year 1995, Section 8
Community Investment Demonstration
Program**

AGENCY: Office of the Assistant
Secretary for Housing-Federal Housing
Commissioner, HUD.

ACTION: Notice of funding availability
(NOFA) for Fiscal Year (FY) 1995.

SUMMARY: This NOFA announces the availability of up to \$251,168,250 of FY 1995 section 8 budget authority for a national competition to be administered by the Department of Housing and Urban Development pursuant to section 6 of the HUD Demonstration Act of 1993. That section directs the Secretary to carry out "a demonstration program to attract pension fund investment in affordable housing through the use of project-based rental assistance under section 8 of the United States Housing Act of 1937." This NOFA invites pension funds (public or private) or their affiliates, as defined in Section I(c) of this NOFA, to submit applications to participate in this new demonstration program.

Under the Section 8 Community Investment Demonstration Program, selected pension funds will provide permanent financing for the newly constructed or substantially rehabilitated affordable multifamily rental housing to be occupied by low income families. Each selected pension fund will receive a set-aside of Section 8 budget authority to be used as rental assistance payments. This project-based rental assistance will supplement rents paid by the low income occupants of the dwelling units in the project. No more than 50 percent of the units in any project (except properties owned by HUD or properties with mortgages held by HUD) may be assisted; however, HUD may provide exceptions to this rule for limited special circumstances such as meeting the needs of the homeless, disabled or displaced. In the case of HUD-owned properties, the number of units required to be assisted will be determined in the disposition plan in accordance with statutory requirements. The pension fund will provide assistance from its set-aside for one-half the number of units to be assisted as determined in the disposition plan; HUD will provide the

other one-half from its property disposition set-aside.

Participating pension funds will select properties they wish to permanently finance and will submit project-specific proposals to HUD for approval. If the project-specific proposal is approved by HUD, a portion of the pension fund's Section 8 set-aside will be reserved for the project. After completion of construction or rehabilitation, pursuant to an agreement between HUD and the project owner, a Housing Assistance Payments Contract (Contract) will be executed between the owner and HUD. Under this Contract, the owner will be responsible for all management and operation of the project, including determining eligibility of and leasing to low-income families.

This NOFA contains information for applicants regarding the allocation of section 8 budget authority; the application process, including the application requirements and the deadline for filing applications; pension fund selection criteria; and the criteria for selecting specific projects to be financed and assisted.

Detailed instructions and guidelines for implementing this demonstration are contained in HUD Notice 95-2. Prospective applicants should request a copy of this Notice from the HUD program office referred to below before submitting an application to participate in the demonstration.

DATES: Applications must be received no later than 5:00 pm EST on March 16, 1995. The above-stated application deadline is firm as to date, hour and place, unless HUD extends the deadline by an appropriate notice in the **Federal Register**. In the interest of fairness to all competing applicants, the Department will treat as ineligible for consideration any application that is received after the deadline. Applicants should take this practice into account and make early submission of their materials to avoid any risk of loss of eligibility brought about by unanticipated delays or other delivery-related problems.

ADDRESSES: The HUD headquarters is the official place of receipt of all applications. The address is Department of Housing and Urban Development, Office of Insured Multifamily Housing Development, Room 6134, 451 Seventh Street, SW, Washington, DC 20410-8000. Each submission should be clearly identified on the exterior as a "Section 8 Community Investment Demonstration Program Application."

FOR FURTHER INFORMATION CONTACT: Joseph E. Malloy, Office of Insured Multifamily Housing Development,

Room 6134, telephone (202) 708-3000, or Richard L. Schmitz, Policies and Procedures Division, Room 6138, telephone (202) 708-1113, at the address indicated above. The telecommunications device for the deaf (TDD) telephone number is (202) 708-4594. (These are not toll-free numbers.)

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act Statement

The information collection requirements contained in this NOFA have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1980. OMB has approved the section 8 information collection requirements under the assigned control number 2577-0169.

(I) Purpose and Substantive Description

(A) Background

Section 6 of the HUD Demonstration Act of 1993 (Pub. L. 103-120, 107 Stat. 1144, approved October 27, 1993) directs the Secretary of HUD to carry out a demonstration program to attract pension fund investment in affordable housing through the use of project-based rental assistance under section 8 of the United States Housing Act of 1937. In carrying out this demonstration program the Secretary must ensure that not less than 50 percent of the funds appropriated for each year are used in conjunction with the disposition of either: (1) Multifamily properties owned by the Department; or (2) multifamily properties securing mortgages held by the Department.

In FY 1994, an appropriation of \$100 million was authorized and provided to carry out this demonstration program. On April 26, 1994 (59 FR 21826), HUD announced the availability of \$100 million in FY 1994 section 8 budget authority for a national competition to be administered by the Department of Housing and Urban Development pursuant to Section 6 of the HUD Demonstration Act of 1993 (the Act). Six pension funds were selected to participate in this demonstration in response to the April 1994 NOFA. The full \$100 million in budget authority was set aside for use in connection with the new construction or substantial rehabilitation of affordable multifamily rental housing to be developed under this demonstration.

Approximately \$334,891,000 has been authorized and provided for FY 1995. This NOFA announces the availability of up to \$251,168,250 of FY 1995 budget authority. A separate NOFA, announcing the availability of the remaining budget authority, will be

published in the **Federal Register** at a later date.

Project-based Section 8 assistance under the program will be provided pursuant to a contract entered into by the Secretary and the owner of the eligible housing that: (1) Provides assistance for a term which, taking into account the financing and other factors relating to the specific project proposal, is not less than 60 and not greater than 180 months; and (2) provides for contract rents to be determined by the Secretary.

The Section 8 Fair Market Rent Schedule for this demonstration is 120 percent of the Existing Housing Fair Market Rent Schedule most recently published in the **Federal Register**. Initial gross rents (contract rents plus allowance for tenant paid utilities) for any new construction project, and any substantial rehabilitation project with per unit rehabilitation costs of \$5000 or more, may not exceed the Fair Market Rents applicable to this demonstration. Initial gross rents for any substantial rehabilitation project with per unit rehabilitation costs of less than \$5000 may not exceed 100 percent of the published Existing Housing Fair Market Rent Schedule.

Contract rents also must be reasonable on the basis of comparison with rents for unsubsidized units of similar age, design and location which include comparable amenities and services.

HUD's single and multifamily mortgage insurance programs, the risk sharing programs under Section 542 of the Housing and Community Development Act of 1992, and Veterans Administration and Farmers Home Administration loan and loan guarantee programs are not available for housing developed or assisted under this demonstration program. A pension fund must provide permanent financing for projects for which project-specific proposals are submitted to HUD or for which assistance is provided under this demonstration; however, the pension fund may not have an ownership interest in such projects. The Secretary may establish such other standards regarding financing and securitization of project mortgages as the Secretary deems appropriate.

Finally, the Department has determined that section 3 of the Housing and Urban Development Act of 1968 and the regulations at 24 CFR part 135 (see June 30, 1994 Interim Rule, 59 FR 33866) are applicable to funding awards made under this NOFA. The purpose of section 3 is to ensure the training and employment of residents and business concerns for economic opportunities generated by certain HUD

financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, be directed to low- and very-low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very-low-income persons.

(B) Allocation Amounts and Number of Units To Be Assisted

From the amounts of Section 8 assistance made available in VA, HUD-Independent Agencies Appropriations Act for FY 1995 (Pub. L. 103-327, 108 Stat. 2299, approved September 28, 1994) the Department has set aside approximately \$334,891,000 in budget authority for this demonstration program, of which up to \$251,168,250 is being made available through this NOFA. The number and type of units that can be assisted will depend upon the level of gross rents (*i.e.*, contract rents plus allowance for tenant paid utilities), the contract administration fee and the term of contract for specific projects.

Budget authority will be distributed under this NOFA in the following manner:

Category A Applicants

Approximately \$167,445,500 of Section 8 budget authority is being made available under this NOFA for Category A participants. At least 50 percent of this amount must be used for HUD-owned properties or properties with HUD-held mortgages.

A Category A applicant must identify and document in its application the presence of a pipeline of projects for which project-specific proposals sufficient to use the total amount of the set-aside requested by it can be submitted to HUD within the timeframes specified in section I(i) of this NOFA. This identification and documentation also must substantiate the applicant's ability to meet the requirement that at least 50 percent of any set-aside awarded to the fund must be used for HUD-owned properties or properties with HUD-held mortgages. The maximum amount that may initially be awarded to any one applicant may not exceed \$167,445,500 or the amount sufficient to fund the pipeline identified and documented in its application for participation, whichever is less. The information required to support such identification and documentation is contained in HUD Notice 95-2.

Category B Applicants

Approximately \$83,722,750 of Section 8 budget is being made available under this NOFA for Category B participants. A Category B participant is not required to demonstrate the presence of the type of pipeline described above but must be able to submit project specific proposals within the time frames specified in Section I(ii) of this NOFA.

A category B participant may receive an initial set-aside of not more than \$10 million. A Category B participant may use the entire amount of any set-aside awarded to it for non-HUD properties (although HUD-owned properties or properties with mortgages held by HUD are eligible).

(C) Eligible Applicants

Each applicant for participation in this program must demonstrate to the satisfaction of the Department that: (1) It is a trust, fund, plan or other program established or maintained by an employer or other person for the purpose of providing income or benefits to employees after the termination of employment or deferring income by employees until the termination of employment; (2) it is an entity that serves as an investment advisor to or engages principally in the investment of the funds of such a trust, fund, plan, or other program; or (3) it is a partnership or organization established to invest pension funds in affordable multifamily housing.

Each applicant must demonstrate to the satisfaction of HUD that the trust, fund, plan or other program which it administers, invests or to which it serves as an advisor is fully capitalized at the time the application for participation in the demonstration is submitted and that capitalization is not contingent upon or in any way delayed by pending approval of the application. If the applicant administers, invests or serves as an advisor to one or more trust, fund, plan or other program, each such trust, fund, plan or program must be identified in the application together with documentation as to full capitalization of each.

Each applicant must demonstrate its ability and intent to provide permanent financing in connection with projects to be developed under this demonstration.

Each applicant must also demonstrate the availability of adequate staff capacity to perform the functions required under this demonstration or its ability to contract for or to enter into a partnership to obtain such services, in which case the applicant will still be responsible for overall program administration and decisions.

(D) Pension Fund Applications

All applications from pension funds must contain information specifying the number of projects and units expected to be financed, the number and percent in each project expected to receive Section 8 assistance, contract terms anticipated, anticipated initial contract rents, total Section 8 budget authority requested, the number of units to be newly constructed and the number to be substantially rehabilitated; types of families (e.g., elderly or large families or families with special needs (disabled, displaced or homeless)) and number of each expected to be assisted. Pension funds that submitted applications in response to the April 26, 1994 NOFA, including those pension funds that were selected, must submit applications in response to this NOFA if they wish to be eligible for a portion of the FY 1995 budget authority.

All applications must contain sufficient supporting information, in narrative and/or numerical form, as appropriate, to enable HUD to evaluate the applicant on the basis of the Pension Fund Selection Criteria set forth in subpart (E) below.

(E) Pension Fund Selection Criteria

All applications for participation in the demonstration will be evaluated on the basis of the following criteria:

1. Past involvement in and capacity to permanently finance multifamily housing;
2. Capability to make overall program and mortgage finance decisions;
3. Use of its own resources, including how it will maximize any Section 8 set-aside awarded to it;
4. Current multifamily pipeline and ability to move housing to construction/rehabilitation start in a short time frame;
5. Use of HUD-owned properties or properties with mortgages held by HUD in a variety of geographic locations (required of Category A applicants only);
6. Efforts to promote economic or neighborhood development and/or employment opportunities for project area residents while achieving ethnic, cultural and gender diversity;
7. Efforts to ensure compliance with the requirements of section 3 and the implementing regulations at 24 CFR part 135 by project owners, contractors and subcontractors; and
8. Consideration of housing needs created by dislocation of major employment sources.

Additional, more detailed information and instructions with respect to the above criteria, as well as on application and program procedures in general, are

contained in HUD Notice 95-2 which will be provided to pension funds upon request to the HUD program headquarters office referred to above. Applicants should refer to HUD Notice 95-2 for details as to the supporting information required for each criterion.

Acceptable applications received by the deadline date and time specified above will be evaluated against each other. Category A applications will be evaluated separately from Category B applications. Applications will be selected on the basis of numerical ratings assigned to the criteria identified above.

The Department will formally notify each pension fund as to whether or not it was selected to participate in this demonstration program and the amount of set-aside awarded.

(F) Guidelines on Eligible and Ineligible Projects

Pension funds selected by HUD to participate in this demonstration must submit proposals for projects they wish to permanently finance to the Department for approval.

1. Eligible Projects

New construction projects are eligible under this demonstration. In addition, the following types of existing projects are eligible for substantial rehabilitation:

- A multifamily project owned by the Secretary or subject to a mortgage held by the Secretary;
- A multifamily project eligible for assistance as a troubled project under section 201 of the Housing Community Development Amendments of 1978;
- A multifamily project located in an empowerment zone or enterprise community designated pursuant to Federal law;
- Any other multifamily project, including those to be occupied by homeless persons or homeless families as defined in section 103 of the Stewart B. McKinney Homeless Assistance Act.

2. Ineligible Projects

Certain projects are not eligible for use in this demonstration. These include:

- (a) Projects that are subject to mortgage prepayment restrictions, including projects meeting the definition of "eligible low income housing" under the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (LIHPRHA);
- (b) Projects that are subject to section 250(a) of the National Housing Act; and

(c) High rise elevator projects for families with children unless HUD determines there is no practical alternative.

(G) Project Selection Criteria

Pension funds may establish their own criteria for selecting project-specific proposals but such criteria must, in the aggregate, reflect the following public purposes to the satisfaction of the Secretary:

- Achieving economic mix;
- Increasing housing choices and fostering neighborhood diversity;
- Providing affordable housing for large, low-income families and providing access to necessary supportive facilities and services;
- Involving other state and local and public and private resources to achieve these objectives and to limit Section 8 assistance to less than 50 percent of the units (except in HUD-owned properties or properties with mortgages held by HUD and under limited special circumstances approved by HUD such as assistance for homeless, disabled, or displaced;
- Facilitating maximum use of available Section 8 budget authority by limiting gross rents to less than the Fair Market Rent Limitations and contract terms to less than 15 years;
- Facilitating geographic/locality diversity of project sites and complying with any applicable court orders;
- For Category A participants, using HUD owned properties and properties with mortgages held by HUD in a variety of geographic locations, and giving preferences to projects in Empowerment Zones;
- Meeting special needs of homeless, disabled, or displaced individuals; and
- Complying with section 3 responsibilities, as set forth in 24 CFR part 135.

A list of HUD-owned properties is available from HUD Headquarters, Office of Preservation and Property Disposition, telephone (202) 708-3343, or (202) 708-4595 (TDD). Information on properties with mortgages held by HUD is available from the Office of Multifamily Housing Management in HUD Headquarters, telephone (202) 708-3730, or (202) 708-4594 (TDD).

More detailed information with respect to these criteria and methods of selection is contained in HUD Notice 95-2. HUD Notice 95-2 sets forth the format and specific information needed for pension funds to meet the requirements of this subpart (G).

(H) Use of HUD Inventory

A Category A participant will be required to use at least 50 percent of its Section 8 set-aside in connection with HUD-owned properties or properties with mortgages held by HUD unless the Department determines that requirements of section 6(b) of the Act will otherwise be met and approves an exception.

In the case of HUD-owned properties, the number of units required to be assisted will be determined in the disposition plan in accordance with statutory requirements. The pension fund will provide assistance from its set-aside for one-half the number of units to be assisted as determined in the disposition plan; HUD will provide the other one-half from its property disposition set-aside.

A Category B participant may, but will not be required to, use any of its set-aside for HUD-owned properties or properties with mortgages held by HUD.

(I) Section 8 Project-Specific Contract Award

(i) *Category A Participants.* A Category A participant will have 120 days from the date of its selection to participate in the demonstration to submit project-specific proposals utilizing 75 percent of the total amount of its Section 8 set-aside under this NOFA. It will have 10 months from the date of selection to commit (*i.e.*, close on construction financing) its Section 8 set-aside to specific projects.

A Category A participant will have 180 days and 12 months, respectively, to submit project-specific proposals and to close on construction financing for the remaining 25 percent of its Section 8 set-aside.

(ii) *Category B Participants.* A Category B participant must submit project-specific proposals sufficient to use 50 percent of its Section 8 set-aside under this NOFA within 6 months from the date of selection to participate in the demonstration. It will have 10 months from the date of selection to reach closing of construction financing.

A Category B participant will have 12 months and 16 months, respectively, to submit project-specific proposals and to close on construction financing for the remaining 50 percent of its Section 8 set-aside.

(iii) *Uncommitted Set-asides.* Any amount of set-asides not committed to specific projects by the end of the time periods indicated above, or any extensions of these time periods granted by HUD, may be withdrawn by HUD and reallocated to other pension funds based on the performance of the

receiving pension fund in utilizing its previous allocation(s) or to pension funds not previously selected by HUD due to the lack of available budget authority.

(J) Receipt and Processing of Project-Specific Proposals

Project-specific proposals must include the information and certifications identified in HUD Notice 95-2 and be submitted in the format specified therein.

After receipt of a project-specific proposal, HUD will, in accordance with HUD Notice 95-2, obtain and issue appropriate Davis-Bacon wage rate determinations and perform certain HUD-retained reviews for compliance with:

- Site acceptability criteria for this demonstration;
- Environmental requirements, except that HUD may accept and adopt an environmental review conducted by a CDBG or HOME grantee in accordance with 24 CFR part 58;
- Affirmative Fair Housing Marketing requirements;
- Previous participation of project principals in HUD programs; and
- Subsidy layering guidelines, unless the Housing Credit Agency has agreed to perform subsidy layering reviews for projects receiving Low Income Housing Tax Credits or some form of HUD assistance.

Upon completion of the HUD reviews, HUD will notify the pension fund whether or not the proposal is acceptable and of the steps requisite to execution of the HAP Agreement.

(K) Post Approval Processing

The HAP Agreement may not be executed nor may construction or substantial rehabilitation begin until the certifications required by HUD Notice 95-2 are submitted to and found acceptable by HUD.

(L) Contract Administration

The statute calls for assistance to be provided through "a contract entered into by the Secretary and the owner." It is the Department's intent to enter into a HUD/Private Owner HAP Agreement and Contract. HUD will then enter into a contract with an HFA or PHA that has jurisdiction over the geographic area in which the project is located. For a fee, the HFA or PHA will carry out certain administrative or ministerial functions that otherwise would be the responsibility of HUD as the Section 8 Contract Administrator. Any administrative fee payable to the HFA or PHA will not exceed 5 percent of the published 2 bedroom Fair Market Rent

for Existing Housing for the area and will be payable out of the Section 8 contract and budget authority reserved for each project.

(M) Project Construction and Completion

Project construction, completion and cost certification requirements are contained in HUD Notice 95-2. HUD may perform field reviews if necessary to substantiate compliance with program requirements.

(N) HUD-Private Owner HAP Contract

If the pension fund and owner are in compliance with HUD Notice 95-2, HUD will execute a HUD/Private Owner HAP Contract with the owner. The contract will contain provisions relative to: (1) The terms of the contract which may be not less than 5 nor more than 15 years; (2) the responsibilities of the owner for project management and maintenance; (3) a prohibition on the use of other Federal programs so long as the contract is in effect; (4) a limitation on assistance for the project to the housing assistance payments available under the Contract; (5) the requirement that in the event the project is refinanced to lower the interest rate and/or debt service payment, HUD may reduce the Contract rents; and (6) the right for HUD to terminate the Contract for cause if the owner fails to perform in accordance with the provisions of the Contract.

II. Other Matters*(A) Environmental Impact*

A Finding of No Significant Impact with respect to the environment was made in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969, at the time of development of the NOFA published on April 26, 1994 (59 FR 21826). The Finding remains applicable to this NOFA and is available for public inspection during regular business hours in the Office of General Counsel, the Rules Docket Clerk room 10276, 451 Seventh Street, SW, Washington, DC 20410.

(B) Federalism Impact

The General Counsel, as the Designated Official under section 6(a) of Executive Order 12612, *Federalism*, has determined that this NOFA does not have substantial, direct effect on the States, on their political subdivisions, or on the relationship between the Federal government and the States, or on the distribution of power or responsibilities among the various levels of government, because this NOFA would not

substantially alter the established roles of HUD, the States and local governments.

(C) Impact on the Family

The General Counsel, as the Designated Official under Executive Order 12606, the Family, has determined that this notice does not have potential for significant impact on family formation, maintenance, and general well-being within the meaning of the Executive Order and, thus, is not subject to review under the Order. This is a funding notice and does not alter any HUD program requirements affecting the family.

(D) Accountability in the Provision of HUD Assistance

HUD has promulgated a final rule to implement section 102 of the Department of Housing and Urban Development Reform Act of 1989 (HUD Reform Act). The final rule is codified at 24 CFR part 12. Section 102 contains a number of provisions that are designed to ensure greater accountability and integrity in the provision of certain types of assistance administered by HUD. On January 16, 1992, HUD published at 57 FR 1942, additional information that gave the public (including applicants for, and recipients of, HUD assistance) further information on the implementation of section 102. The documentation, public access, and disclosure requirements of section 102 are applicable to assistance awarded under this NOFA as follows:

(1) Documentation and Public Access

HUD will ensure that documentation and other information regarding each application submitted pursuant to this NOFA are sufficient to indicate the basis upon which assistance was provided or denied. This material, including any letters of support, will be made available for public inspection for a five-year period beginning not less than 30 days after the award of the assistance. Material will be made available in accordance with the Freedom of Information Act (5 U.S.C. 552) and HUD's implementing regulations at 24 CFR part 15. In addition, HUD will include the recipients of assistance pursuant to this NOFA in its quarterly **Federal Register** notice of all recipients of HUD assistance awarded on a competitive basis. (See 24 CFR 12.14(a) and 12.16(b), and the notice published in the **Federal Register** on January 16,

1992 (57 FR 1942), for further information on these requirements.)

(2) Disclosures

HUD will make available to the public for five years all applicant disclosure reports (HUD Form 2880) submitted in connection with this NOFA. Update reports (also Form 2880) will be made available along with the applicant disclosure reports, but in no case for a period generally less than three years. All reports—both applicant disclosures and updates—will be made available in accordance with the Freedom of Information Act (5 U.S.C. 552) and HUD's implementing regulations at 24 CFR part 15. (See 24 CFR Part 12 subpart C, and the notice published in the **Federal Register** on January 16, 1992 (57 FR 1942), for further information on these disclosure requirements.)

(E) Prohibition Against Lobbying Activities

The use of funds awarded under this NOFA is subject to the disclosure requirements and prohibitions of section 319 of the Department of Interior and Related Agencies Appropriations Act for Fiscal Year 1990 (31 U.S.C. 1352) (the "Byrd Amendment") and the implementing regulations at 24 CFR part 87. These authorities prohibit recipients of Federal contracts, grants, or loans from using appropriated funds for lobbying the Executive or Legislative Branches of the Federal Government in connection with a specific contract, grant, or loan. The prohibition also covers the awarding of contracts, grants, cooperative agreements, or loans unless the recipient has made an acceptable certification regarding lobbying. Under 24 CFR part 87, applicants, recipients, and subrecipients of assistance exceeding \$100,000 must certify that no Federal funds have been or will be spent on lobbying activities in connection with the assistance.

(F) Prohibition Against Lobbying of HUD Personnel

Section 13 of the Department of Housing and Urban Development Act (42 U.S.C. 3537b) contains two provisions dealing with efforts to influence HUD's decisions with respect to financial assistance. The first imposes disclosure requirements on those who are typically involved in these efforts—those who pay others to influence the award of assistance or the taking of a

management action by the Department and those who are paid to provide the influence. The second restricts the payment of fees to those who are paid to influence the award of HUD assistance, if the fees are tied to the number of housing units received or are based on the amount of assistance received, or if they are contingent upon the receipt of assistance.

HUD's regulation implementing section 13 is codified at 24 CFR part 86. If readers are involved in any efforts to influence the Department in these ways, they are urged to read the final rule, particularly the examples contained in appendix A of the rule. Appendix A of this rule contains examples of activities covered by this rule.

Any questions concerning the rule should be directed to the Office of Ethics, Room 2158, Department of Housing and Urban Development, 451 Seventh Street, SW, Washington DC 20410. Telephone: (202) 708-3815 (voice/TDD). This not a toll-free number. Forms necessary for compliance with the rule may be obtained from the local HUD office.

(G) Prohibition Against Advance Information on Funding Decisions

Section 103 of the HUD Reform Act proscribes the communication of certain information by HUD employees to persons not authorized to receive that information during the selection process for the award of assistance. HUD's regulation implementing section 103 is codified at 24 CFR part 4. In accordance with the requirements of section 103, HUD employees involved in the review of applications and in the making of funding decisions are restrained by 24 CFR part 4 from providing advance information to any person (other than an authorized employee of HUD) concerning funding decisions, or from otherwise giving any applicant an unfair competitive advantage. Persons who apply for assistance in this competition should confine their inquiries to the subject areas permitted by 24 CFR part 4. Applicants who have questions should contact the HUD Office of Ethics (202) 708-3815 (voice/TDD). (This is not a toll-free number.)

Dated: January 6, 1995.

Nicolas P. Retsinas,

Assistant Secretary for Housing-Federal Housing Commissioner.

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