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U.S. Department of Housing and Urban Development
Columbus Field Office
Office of Community Planning and Development
200 North High Street
Columbus, Ohio 43215-2499

AUG 28 2009

Mr. Michael Hiler
Office Chief, Ohio Office of Housing
and Community Partnerships
77 South High Street, P.O. Box 1001
Columbus, OH 43216-1001

RECEIVED
AUG 31 2009
OHL

Dear Mr. Hiler:

SUBJECT: Request for Waiver
Neighborhood Stabilization Program (NSP) Requirement
to Use a HUD-Approved Housing Counseling Agency

This is in response to your letter of June 29, 2009, which requests a waiver of the requirement that NSP assisted homebuyers must receive and complete at least 8 hours of counseling from a HUD-approved housing counseling agency before obtaining a mortgage loan.

Based on the information herein, and in consideration of the authority provided me (under Section F (b) on page 12 of the Notice of Allocations, Application Procedures, Regulatory Waivers Granted to and Alternative Requirements for Emergency Assistance for Redevelopment of Abandoned and Foreclosed Homes Grantees under the Housing and Economic Recovery Act, 2008; Revisions to Neighborhood Stabilization Program (NSP) and Technical Corrections, commonly referred to as the Bridge Notice), I find good cause to grant a waiver to the homebuyer counseling requirement specifying that HUD-approved housing counseling agencies provide the required counseling for NSP-assisted homebuyers.

REQUEST

The State of Ohio is requesting a waiver of the NSP homebuyer counseling requirements specified in Section II paragraph B.3.b of the October 6, 2008, Federal Register Notice (73 FR 58334).

DISCUSSION

In Ohio, Habitat for Humanity affiliates thoroughly screen potential homebuyers and provide extensive homebuyer counseling to every qualifying homebuyer participating in the program. Due to the intense, hands-on screening process and exceptional counseling program, the default rate for the Ohio Habitat for Humanity homebuyers is extremely low. This low default rate indicates that the Habitat for Humanity affiliates are providing satisfactory homebuyer counseling for participating homebuyers. Therefore, to require those homebuyers to participate in an additional 8-hour counseling session is repetitive and, more importantly, costly to the low- and moderate-income homebuyers who may be required to miss work in order to attend counseling sessions.

DECISION

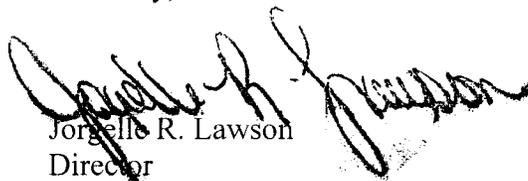
We hereby grant a waiver of the homebuyer counseling requirement specifying that HUD-approved housing counseling agencies provide the required counseling before an NSP-assisted homebuyer obtains a mortgage loan. The waiver allows the State of Ohio to permit Habitat for Humanity affiliates to provide the 8-hours of homebuyer counseling to individuals or families purchasing a home with NSP funding, that was built by an Ohio Habitat for Humanity affiliate. This waiver applies only to Habitat for Humanity affiliates and their clients and does not reduce or eliminate the requirement that homebuyers receive a minimum 8 hours of counseling.

JUSTIFICATION

Individuals purchasing a home built by an Ohio Habitat for Humanity affiliate will receive a minimum 8 hours of homebuyer counseling and will not have to participate in an additional 8 hour session provided by a HUD-approved housing counseling agency. However, the State must ensure that counseling services offered by Habitat for Humanity affiliate(s) meet or exceed HUD's regulatory requirements at 24 CFR 214.103 for approval of housing counseling agencies and the requirements at 24 CFR 214.300 for counseling services. Allowing the State of Ohio to use Habitat for Humanity affiliates will enable Ohio's NSP grant funds to be used expeditiously and meet the obligation and expenditure timeframes specified in the Housing and Economic Recovery Act of 2008.

If you have any questions or require further information or assistance, please contact Mr. Larry Goodwin, Community Planning and Development Representative, at 469-5737, x8255.

Sincerely,



Jorgelle R. Lawson

Director

Office of Community

Planning and Development

cc:

Bill Graves

Doug Harsany