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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

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OHCP

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Mr. Michael Hiler
Office Chief, Ohio Office of Housing
and Community Partnerships (OHCP)
77 South High Street, PO Box 1001
Columbus, OH 43216-1001

Dear Mr. Hiler:

SUBJECT: Request for Exception -- Neighborhood Stabilization Program (NSP)
Requirement to use a HUD-approved Housing Counseling Agency

This is in response to your letter dated March 22, 2010, which requests an exception to 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, we find good cause to grant an exception to the homebuyer counseling requirement specifying that HUD-approved housing counseling agencies provide the required counseling for NSP-assisted homebuyers. This authority is provided 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.

REQUEST

The State of Ohio is requesting an exception to 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, there are qualified homebuyer counseling personnel in rural areas currently providing homebuyer counseling to potential homebuyers participating in the Community Housing Improvement Program (CHIP), a competitive program funded with Community Development Block Grant Program and HOME Investment Partnerships Program dollars. These experienced counselors are available to provide quality homebuyer counseling to potential NSP homebuyers. By using these counselors, low- and moderate-income homebuyers will have greater access to the 8 hours of required housing counseling. Greater access will reduce the need for potential homebuyers with limited incomes to miss work and travel significant distances to attend counseling sessions.

DECISION

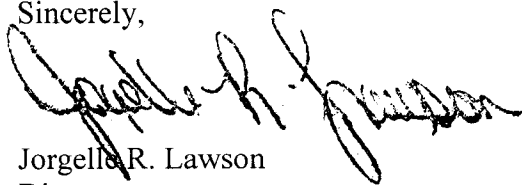
We hereby grant an exception to the homebuyer counseling requirement specifying that HUD-approved housing counseling agencies provide the required counseling before an NSP-assisted homebuyer obtains a mortgage loan. The exception allows the State of Ohio to permit housing counseling organizations and personnel currently funded by CHIP to provide the required 8 hours of housing counseling to individuals or families purchasing a home with NSP funding. This exception applies only to rural areas of Ohio where no HUD-approved housing counseling agencies are located or where they have limited capacity to serve NSP clients.

JUSTIFICATION

Individuals purchasing a home assisted with NSP funds throughout Ohio will receive a minimum of 8 hours of homebuyer counseling provided by experienced housing counselors. Please note that the State must ensure that counseling services are offered by housing counseling organizations funded by CHIP with a State-accepted Policies and Procedures Manual. Further, the counseling services offered must 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 experienced housing counselors in rural areas of Ohio 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 Beth Graham, NSP Specialist, of my staff, at 469-5737, x8231.

Sincerely,



Jorgelle R. Lawson
Director
Office of Community
Planning and Development

cc:
William Graves
Doug Harsany