

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT****[Docket No. FR-5700-N-30]****Notice of Funding Availability (NOFA) for the  
Energy Innovation Fund - Power Saver Pilot 203(k) Program**

**AGENCY:** U.S. Department of Housing and Urban Development, Office of the Assistant Secretary for Housing – Federal Housing Commissioner, in partnership with the Office of the Sustainable Housing and Communities.

**ACTION:** Notice of Funding Availability (NOFA)

**SUMMARY:** This Notice announces the availability of up to \$5 million in funding for the Energy Innovation Fund - PowerSaver Pilot 203(k) program, directed at the single family housing market, to enable homeowners to undertake energy efficiency improvements in their homes. This Notice specifically directs funding to existing FHA-approved Section 203(k) program lenders with a proven track record of originating and closing Section 203(k) loans to expand the existing PowerSaver pilot program to the Section 203(k) program. In addition to the application requirements described in this NOFA, the applicants must comply with all terms and conditions contained in the General Section to HUD's FY 2010 NOFAs for Discretionary Programs (General Section), posted to Grants.gov on June 7, 2010, and followed by a notice of web availability on Grants.gov published in the Federal Register (FR-5415-N-01).

**APPLICATION DEADLINE DATE:** The application deadline date is 11:59:59 p.m. eastern time on **September 12, 2013**. Please see the General Section for instructions for timely receipt, including actions to take if the application is rejected.

**FOR FURTHER INFORMATION CONTACT:** Questions regarding specific program requirements should be directed to the agency contact identified in this NOFA. Questions regarding the FY 2010 General Section should be directed to the Office of Departmental Grants Management and Oversight at (202) 708-0667 (this is not a toll-free number) or the NOFA Information Center at (800) HUD-8929 (toll-free). Persons with hearing or speech impairments may access these numbers via TTY by calling the Federal Information Relay Service at (800) 877-8339. The NOFA Information Center is open between the hours of 10:00 a.m. and 6:30 p.m. eastern time, Monday through Friday, except federal holidays.

**OVERVIEW INFORMATION**

**A. Federal Agency Name.** U.S. Department of Housing and Urban Development, Office of Housing, in partnership with the Office of Sustainable Housing and Communities

**B. Funding Opportunity Title.** Energy Innovation Fund – PowerSaver Pilot 203(k) Program.

**C. Announcement Type.** Initial announcement.

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**D. Funding Opportunity Number.** The Funding Opportunity Number for this NOFA is FR-5700-N-30. The OMB approval numbers for this program are 2502-0059, 2502-0561, 2502-0527, and 2502-0328.

**E. Catalog of Federal Domestic Assistance (CFDA) Number(s).** 14.319 Energy Innovation Fund.

**F. Application Deadline Date.** The deadline date is 11:59:59 p.m. eastern time on **September 12, 2013**. Applications must be received by Grants.gov no later than 11:59:59 p.m. eastern time on the application deadline date. See Section IV of the General Section regarding application submission procedures and timely filing requirements. Applicants need to be aware that, following receipt, applications go through a validation process in which the application may be accepted or rejected. Please allow time for the process to ensure that you meet the timely receipt requirements.

### **G. Additional Overview and Contact Information.**

**1. Purpose of the Program.** The purpose of this Notice is to expand the current PowerSaver Retrofit Pilot program to FHA's Section 203(k) home purchase and rehabilitation program, by making grants available to existing FHA-approved Section 203(k) lenders for this purpose. The overall goals of the PowerSaver Retrofit Pilot Program are: (1) to facilitate the testing and scaling of a mainstream mortgage product for home energy retrofit loans that includes liquidity options for lenders, resulting in more affordable and widely available loans than are currently available for home energy retrofits; and (2) to establish a robust set of data on home energy efficiency improvements and their impact – on energy savings, borrower income, property value, and other metrics – for the purpose of driving development and expansion of mainstream mortgage products to support home energy efficiency retrofits. For further information about the PowerSaver Retrofit Pilot program, see “What’s New” on FHA’s PowerSaver website at [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/housing/sfh/title/ti\\_home](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/title/ti_home).

**2. Authority.** The Consolidated Appropriations Act of 2010 (Public Law 111-117, approved December 16, 2009) included an appropriation of \$50 million for an Energy Innovation Fund to catalyze innovations in the residential energy efficiency sector that have promise of replicability and to help create a standardized home energy efficient retrofit market. Of the total, Congress appropriated \$25 million for a Single Family Energy Pilot Program, directed at the single family housing market.

**3. HUD’s General Section.** Since this NOFA utilizes FY 2010 funds appropriated by Congress in FY 2010, applicants for funding must carefully review the requirements described in this NOFA and HUD’s FY2010 General Section. Unless otherwise stated in this NOFA, the requirements of the General Section apply.

**4. Award Information.** HUD anticipates making up to four (4) awards, in proportion to the proposed loan volume described in successful applications.

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**5. Eligible Applicants.** Eligible applicants are limited to existing FHA-approved Section 203(k) lenders with a FY 2012 loan volume of at least 300 FHA-insured Section 203(k) loans. Note that previously-selected Title II FHA-approved PowerSaver lenders are automatically eligible to participate in the PowerSaver Pilot 203(k) Program as described in this NOFA, but are *not* eligible to receive additional grant funds provided through this NOFA.

**6. Match requirements.** None required.

**7. Eligible Activities.** These include activities aimed at lowering transaction costs associated with Section 203(k) home and rehabilitation loans that incorporate approved PowerSaver energy efficiency measures, marketing, and certain administrative costs.

**8. Available funds.** There are approximately \$5 million in Energy Innovation Fund funds for the PowerSaver Pilot 203(k) program.

## **FULL TEXT OF ANNOUNCEMENT**

### **I. FUNDING OPPORTUNITY DESCRIPTION**

This notice announces HUD's intention to extend the existing PowerSaver pilot program to the FHA Section 203(k) home purchase and rehabilitation program, and to offer funding through competition, made available as a Notice of Funding Availability (NOFA) to existing FHA-approved Section 203(k) lenders. Grant funds may be used to lower transactions costs associated with 203(k) home rehabilitation loans that incorporate approved PowerSaver energy efficiency measures, marketing, and certain administrative costs as specified in the NOFA.

#### **A. Program Description**

As described in the Federal Register Notices referenced below, FHA's goals for the PowerSaver Pilot Program are as follows: (1) to facilitate the testing and scaling of a mainstream mortgage product for home energy retrofit loans that includes liquidity options for lenders, resulting in more affordable and widely available loans than are currently available for home energy retrofits; and (2) to establish a robust set of data on home energy efficiency improvements and their impact – on energy savings, borrower income, property value, and other metrics – for the purpose of driving development and expansion of mainstream mortgage products to support home energy efficiency retrofits.

The Consolidated Appropriations Act of 2010 (Public Law 111-117, approved December 16, 2009, 123 Stat. 3034) appropriated \$50 million for an Energy Innovation Fund to enable HUD to catalyze innovations in the residential energy efficiency sector that have the promise of replicability and to help create a standardized home energy efficient retrofit market. Of the \$50 million appropriated for the Energy Innovation Fund, the Act stated that "\$25,000,000 shall be for the Energy Efficient Mortgage Innovation pilot program directed at the single family housing market." (See Public Law 111-117, at 123 Stat. 3089.)

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On November 10, 2010 (75 FR 69112), HUD published a Federal Register notice that announced its proposal to conduct the PowerSaver Retrofit Pilot Program and subsequently published a final notice (76 FR 17936) on March 31, 2011. HUD determined that the existing FHA Title I Property Improvement Loan Insurance program, with PowerSaver grant fund incentives and new requirements, was the most efficient and effective vehicle for federally-insured energy retrofit financing for homeowners in markets that are ready and able to utilize it. The November 10, 2010 Notice invited interested lenders to advise HUD of their interest in the program; HUD subsequently selected 18 lenders for participation in the Title I PowerSaver program, and awarded grant funds to the selected lenders in proportion to proposed loan volume and other criteria.

HUD is currently interested in expanding consumer participation in PowerSaver, and is therefore extending PowerSaver to FHA's Section 203(k) purchase-rehabilitation program (including the Streamlined 203(k) program) through this NOFA. This action complements and supports the objectives of the PowerSaver Retrofit Pilot Program as described in the prior notices.

## **B. FHA Section 203(k) program**

Section 203(k) insurance enables homebuyers and homeowners to finance the purchase (or refinancing) of a house as well as the cost of its rehabilitation through a single mortgage or to finance the rehabilitation of their existing home. The program is authorized under Section 203(k), Title II, of the National Housing Act (24 CFR 203.50).

The Section 203(k) program provides FHA insurance for a single, long term, fixed or adjustable rate loan that covers both the acquisition and rehabilitation of a property. The types of improvements that borrowers may make under the Section 203(k) program include structural alterations and reconstruction, elimination of health and safety hazards, major landscape work and site improvements, accessibility enhancements for persons with disabilities, and energy conservation improvements. The funds made available through this NOFA can be utilized for both the regular 203(k) and the Streamlined 203(k) programs ("Streamlined (k)").

HUD requires that properties with 203(k) loans, including Streamlined (k) loans, meet certain basic energy efficiency and structural standards, as follows:

- (1) *Addition to existing structure.* New construction must conform to local codes and HUD Minimum Property Standards in 24 CFR 200.926d.
  - (2) *Improving the thermal efficiency of the dwelling.*
    - a) Weather-strip all doors and windows to reduce infiltration of air when existing weather-stripping is inadequate or nonexistent.
    - b) Caulk or seal all openings, cracks or joints in the building envelope to reduce air infiltration.
    - c) Insulate all openings in exterior walls where the cavity has been exposed as a result of the rehabilitation. Insulate ceiling areas where necessary
    - d) Adequately ventilate attic and crawl space areas.
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*(3) Replacement Systems.*

- a) Heating, ventilating, and air conditioning system supply and return pipes and ducts must be insulated whenever they run through unconditioned spaces.
- b) Heating systems, burners, and air conditioning systems must be sized to be no greater than 15 percent oversized for the critical design, heating or cooling, except to satisfy the manufacturer's next closest nominal size.

**C. PowerSaver Energy Efficiency Measures.**

To qualify for the PowerSaver 203(k) Pilot Program incentives described under “Eligible Activities,” below, the home energy improvements installed with a Section 203(k) loan must at a minimum meet the 203(k) energy conservation standards noted above *and* either (1) include a minimum expenditure of \$3,500 on FHA PowerSaver Eligible Improvements as described on FHA’s PowerSaver website,

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/housing/sfh/title/ti\\_home](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/title/ti_home); or (2) include a whole house energy retrofit by a certified home energy performance contractor. The minimum \$3,500 expenditure on Power Saver features is for improvements that exceed improvements made to meet the Section 203(k) minimum standards.

Additionally, under the standard 203(k) program, all home energy improvements must be approved by a qualified 203(k) Consultant hired by the lender. Contractors providing energy services and improvements financed through a 203(k) loan may not serve as the 203(k) Consultant. Use of a 203(k) Consultant is not required under the 203(k) Streamline Program.

**D. Authority.**

Funding for this NOFA was provided under the Consolidated Appropriations Act of 2010 (Pub L. 111-117 approved December 16, 2009).

**II. ELIGIBILITY INFORMATION**

**A. Eligible Applicants**

Applicants for grant assistance under this NOFA are limited to existing FHA-approved Direct Endorsement (DE) Lenders with a minimum loan volume of 300 Section 203(k) loans insured by FHA in FY 2012 (October 1, 2011 through September 30, 2012). These lenders are as follows: Wells Fargo, Prospect Mortgage, Bank of America, Prime Lending A Plains Capital Company, Real Estate Mortgage Network, Michigan Mutual, American Financial Resources, AmeriFirst Home Mortgage, and Fifth Third Bank.

Title II FHA-approved lenders who were previously selected to participate in the initial Title I PowerSaver Pilot are automatically eligible to participate in the PowerSaver Pilot 203(k) Program, but are not eligible to receive additional grant funds provided through this NOFA. These previously-approved PowerSaver lenders may use grant funds that were previously

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awarded to them, in accordance with the purposes and requirements for use of grant funds that are defined in this notice.

## **B. Other**

### **1. Eligible Activities**

#### **(1) Use of Grant Funds for Lender Program Costs**

As was structured for the Title I product, grant recipients may utilize the funds provided under the 2010 Appropriations Act to support activities that lower costs to borrowers. Eligible uses of such payments are:

(1) Supporting costs associated with creating or enhancing staffing and/or systems necessary to deliver or report on PowerSaver insured loans. Supporting costs shall be limited to 20 percent of the lender's total grant award;

(2) Funding costs of loan marketing, origination, or underwriting. Use of grant funds for loan marketing purposes shall be limited to 10 percent of the total grant award, or up to 15 percent of the total grant award when approved by the Government Technical Representative for activities that are coordinated with HUD- or DOE-supported program-wide outreach or consumer education initiatives, and

(3) Offsetting costs associated with appraisals and other approved methods of property valuation.

#### **(2) Use of Funds for Energy Assessments**

An energy assessment is not required, but lenders may utilize PowerSaver grant funds to provide up to \$500 for energy assessments/audits conducted by a professional home energy inspector/contractor undertaken in conjunction with a 203(k) loan. In order to utilize PowerSaver grant funds for this purpose, the professional home energy inspector/contractor must meet one of the following requirements:

- Building Performance Institute (BPI) Certified Building Analyst
- BPI Certified Energy Auditor
- Home Energy (HERS) Rater or Auditor
- Accredited BPI Contractor

*Approved Energy Measures.*

Grant funds may only be used for the two purposes specified above at B.1. (1) and B.1.(2) – lender program costs or energy assessments - when eligible PowerSaver energy efficient measures that cost at least \$3,500 are installed as part of a Section 203(k) project. Eligible measures are shown on FHA's PowerSaver web page at

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/housing/sfh/title/ti\\_home](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/title/ti_home).

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Alternatively, grant funds may be used when cost-effective energy efficient improvements that cost at least \$3,500 (materials and labor), were recommended by a professional home energy inspector/contractor as defined in B. 1 (2 ), above, are installed as part of a 203(k) project and reduce existing energy consumption levels by at least 20 percent, as estimated in an energy assessment/audit.

### **(3) Leveraging of Grant Funds**

Approved PowerSaver lenders are encouraged to partner with and leverage resources from existing residential energy efficiency retrofit programs, inclusive of the Department of Energy's Better Building Neighborhood program and the Home Performance with Energy Star program. Such programs frequently offer rebates or other incentives to borrowers to offset the costs of energy improvements undertaken by homeowners. Additional incentives provided by state and local governmental entities, utility programs, and third party program providers may be available to offset the costs of energy efficiency upgrades and thereby reduce the mortgage amounts otherwise insured by FHA. Incentives provided by such external sources that offset the costs of energy improvement costs financed under a 203(k) loan or 203(k) Streamline loan may be accepted by the borrower without penalty.

In addition, funds may not be used to directly subsidize or otherwise write down the interest rate on PowerSaver loans. Non-federal grant funds may be used for this purpose.

Grant funds may be available to lenders who request them, but are not required for participation. Lenders who do not seek funds may still participate in the PowerSaver - 203(k) Pilot Program.

## **2. Threshold Requirements for Funding Consideration.**

**(1) General Threshold Requirements.** See Sections C.2. through Section C.5 of the FY 2010 General Section for the threshold requirements applicable to all programs. In particular, applicants should review those provisions that could result in the failure to receive funding, including the DUNS Number Requirement, Resolution of Outstanding Civil Rights Matters, provisions relating to Delinquent Federal Debts, and the Name Check Review. Potential applicants also must ensure that they have an active registration with the federal System for Award Management (SAM) at [www.sam.gov](http://www.sam.gov), (formerly [Central Contract Registration \(CCR\)](#)). HUD will not make awards to entities that are debarred, suspended or are on the HUD Limited Denial of Participation List. HUD also reserves the right to review information in the Federal Award and Performance Integrity System (FAPIS).

**(2) Program- Specific Threshold Requirements.** In addition to the threshold requirements of the General Section, each application must meet the following program specific threshold requirements:

- a. *Direct Endorsement (DE) approved lender.* Lenders must be existing FHA-approved lenders that originate, purchase, hold, service, or sell loans insured under the 203(k) program regulations at 24 CFR § 203.50. Lenders must demonstrate a minimum of 300
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of 203k loans closed over the past year (i.e. Fiscal Year 2012, October 1, 2011 – September 30, 2012).

- b. *Computer system capabilities.* Lenders must have the technical capability to interface with FHA through FHA Connection. In addition, lenders must have the technical capability to interface with any other computer systems utilized by FHA or its contractors pertaining to the Retrofit Pilot Program.
- c. *Audit capabilities.* Lenders must have a demonstrated capacity to provide timely reports to FHA on origination and performance of retrofit loans. In addition, a lender must be able to provide an electronic loan package to HUD for a random sample of loans chosen for quality reviews.

### III. APPLICATION REVIEW INFORMATION

**A. Rating Criteria.** The maximum number of points to be awarded for the 203(k) PowerSaver demonstration is 100. The minimum score for an application to be considered for funding is 75 points.

**Rating Factor 1: Statement of Interest (10 points).** Describe your institution's interest in potentially participating in the program. HUD is interested in understanding the reasons for your interest, how it fits with your business strategy and goals, and how, specifically, your institution would be able to meet the goals of the Pilot Program as described in the notice.

**Rating Factor 2: Applicant's Relevant Experience and Capacity (up to 35 points).** Describe your capacity to successfully implement proposed activities, specifically including necessary financial resources, technical expertise, reporting systems and access to single family properties associated with proposed activities.

**2(a) Organizational Experience with 203(k) and similar lending initiatives (15 points).** Please describe your experience successfully originating FHA section 203(k) rehabilitation loans, or similar loans. HUD is interested in knowing the number of properties, in which your organization has been involved, and the kinds of work that was done to those properties, particularly in the area of energy investments if that information is known, if only anecdotally. If your institution does not have such experience and capacity, please describe how any other experience is relevant to determining your institution's ability to participate in the Pilot Program.

**2(b) Management team and key staff (up to 15 points).** Identify and describe management team and key staff (up to five people who are integral to implementation of the project). Applications that demonstrate recent (within five years) and relevant experience directly related to the proposed work activities will receive more points. HUD is particularly interested in the quality of the work experience and expertise of the management staff and the key staff responsible for each activity identified in the application. Applicants that demonstrate more recent and relevant experience will receive higher rating points.

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**Rating Factor 2(c). Collaborative capacity (5 points).** Please provide evidence of your institution's capacity to work with public sector agencies, nonprofit organizations, utilities, and/or home improvement contractors.

**Rating Factor 3: Soundness of Approach (45 points).** Describe in a clear statement the problem to be addressed, and how the activities under the proposed solution will demonstrate a sound approach to resolution of that problem.

**3(a) Projected activity and markets (10 points).** Please describe the volume of lending your institution anticipates doing under the two-year Pilot Program and the markets you intend to serve. HUD is especially interested in how you plan to use grant funds to encourage consumer participation in the program. To obtain maximum points under this subfactor, please describe how you plan to market the Pilot Program, including how you will provide information and otherwise attract eligible prospective borrowers without regard to race, color, national origin, sex, religion, familial status, or disability – for example, providing information in languages other than English, providing information in a manner that is effective for persons with disabilities, and marketing in media outlets or through community organizations to increase participation among populations less likely to use mainstream media.

**3(b) Product plan and business model (25 points).** Please describe your institution's product plan and business model as you envision it for lending under the Pilot Program. Specifically, please inform HUD of the following: (1) Will you originate and service loans, or originate only? (2) What do you expect in terms of loan performance? (3) What fees will you charge? (4) What steps will you take to ensure the lowest cost of financing for consumers? (5) How will you market the product? (6) To what extent will you work with public agencies, contractors, utilities, and other organizations? (7) How will you ensure quality control of contractors? (8) Will you hold loans; sell whole loans and/or issue securities backed by pools of loans, or some combination? (9) Implementation Plan, including timetable for key tasks and activities.

**3(c) Use of HUD incentive payments (10 points).** To the extent that you request to utilize funds from HUD for incentive payments to lower costs for borrowers, please describe how much funding you will request, the number of loans you anticipate making (a range is appropriate if necessary), and the bona fide benefit that would accrue to borrowers through the uses of the funds. Note: To the extent these answers would contain proprietary information, please contact HUD based on information provided in the notice.

**Rating Factor 4. Data Collection and Program Evaluation (10 points).** Please describe how you plan to support HUD's goal for this pilot to establish a robust set of data on home energy efficiency improvements and their impact – on energy savings, borrower income, property value, and other metrics – for program evaluation purposes and for evaluating the ability of mainstream mortgage products to support home energy efficiency treatments. This may include a plan for reporting post-retrofit energy savings data to HUD, for all borrowers or a reasonable sample of borrowers.

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## IV. APPLICATION AND SUBMISSION INFORMATION

**A. Address to Request Application Package.** Copies of the published NOFAs and application forms for HUD programs announced through NOFAs may be downloaded from the Grants.gov website. Applicants can find this funding opportunity and link to the application and Instructions Download with additional forms at [http://www.grants.gov/applicants/find\\_grant\\_opportunities.jsp](http://www.grants.gov/applicants/find_grant_opportunities.jsp) . If you have difficulty accessing the information you may receive customer support from Grants.gov by calling their Support Desk at (800) 518-GRANTS, (TTY: 1-800-877-8339) or sending an email to support@grants.gov. The customer support center is open twenty-four hours a day, seven days per week, except federal holidays. The customer service representatives will assist applicants in accessing the information and addressing technology issues, including accessibility problems, in accordance with Section 508 of the Rehabilitation Act (see paragraph 4(h), Accessible Technology). Applicants must ask for a Grants.gov call center ticket number if not provided one by the call center customer service representative. In case of issues, HUD relies on Grants.gov and CCR call center ticket logs as part of the review of records.

**B. Content and Form of Application Submission.** Applicants are to follow the submission requirements below.

**1. Application Format.** The application narrative response to the Rating Factors is limited to a maximum of 5 pages (excluding appendices and worksheets) of size 8½ x 11” using a 12-point (minimum) font with not less than 3/4” margins on all sides. Any materials that the applicant intends to have included in the formal review must be incorporated in the 5-page limit of the proposal narrative. A maximum of 15 additional pages will be allowed as appendices, including, for example, resumes of key team members. Materials provided in the appendices must be referenced and discussed in the narrative response. Materials provided in the appendices must directly apply to the specific rating factor narrative. Information that is not referenced or does not directly apply to a specific narrative response may not be evaluated by reviewers.

**2. Application Abstract.** A single page abstract with a summary of the objectives and expected results must be included in the proposal. The abstract must include: the applicant name; a point of contact (name, telephone number, and email); the total proposed budget and additional leveraged resources, if any; and a narrative summary of the objectives and expected results of the proposal. Information contained in the abstract will not be considered in the evaluation and scoring of your application. Any information you wish to be considered must be provided under the appropriate rating factor response. The abstract does not count against the 5-page narrative or 15-page appendix.

### 3. Application Checklist

a. Your application must contain all of the required information noted in this NOFA and the General Section. These items include the certifications and assurances listed in the General Section that are applicable to this NOFA. The forms required for application submission and

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instructions can be found in the application at <http://www.grants.gov>. The “Checklist and Submission Table of Contents” below includes a list of the required items needed for submitting a complete application and receiving consideration for funding. Inclusion of this “Checklist and Submission Table of Contents” with your proposal is recommended but not required. The Checklist does not count against the 5-page narrative or 15-page appendix.

**b. Checklist and Submission Table of Contents**

- (1) Abstract (limited to a maximum of 1 page).
- (2) Narrative response to rating factors (limited to 5 narrative pages)
- (3) Other materials in support of rating factors, such as:
  - (a) Organizational chart, bios, or resumes for key personnel; the percent of time those key personnel will spend on the grant; and evidence of partnerships. (Limited to 15 pages).
  - (b) Form SF-424, Application for Federal Assistance. In block 8.d of the form, you must include a 9 digit number for your organization’s zip code (zip plus 4). Block 15, Estimated Funding (rows m b. through f.) requires you to enter “0” for any items for which you are not providing a matching contribution.
  - (c) Form HUD-2880, Applicant/Recipient Disclosure/Update Report (“HUD Applicant Recipient Disclosure Report” on Grants.gov);
  - (d) Form SF-LLL, Disclosure of Lobbying Activities (if applicable); and
  - (e) Form HUD-96011, Third Party Documentation Facsimile Transmittal (“Facsimile Transmittal Form” on Grants.gov). (Used as the cover page to transmit third party documents and other information designed for each specific application for tracking purposes. HUD will not read faxes that do not use the HUD-96011 as the cover page to the fax.)

**C. Receipt Dates and Times - Timely Receipt Requirements.**

Your completed application must be received by Grants.gov no later than 11:59:59 p.m. eastern time on the application deadline date. Following receipt the application will go through a validation process. If the application fails the Grants.gov validation process, it will be rejected.

Please see the General Section to HUD’s FY 2010 NOFAs for instructions for timely receipt, including actions to take if the application is rejected. Applicants should carefully read the section titled “INSTRUCTIONS ON HOW TO DOWNLOAD AND APPLICATION PACKAGE AND APPLICATION INSTRUCTIONS” in the General Section to HUD’s FY 2010 NOFAs. This section contains information on using Adobe Reader, HUD’s timely receipt policies, and other application information.

**D. Intergovernmental Review.** This program is not subject to the provisions of Executive Order 12372, “Intergovernmental Review of Federal Programs.”

**E. Funding Restrictions.**

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1. Applicants may not use funds for the ineligible administrative activities or ineligible costs described in OMB Circulars A-102, A-110, A-87 or A-122.
2. Grantees that have not retained required staff to perform the work, as negotiated with HUD as part of the terms and conditions of the award may be provided a set date by which additional staff who are capable of performing the required work elements and are approved by HUD must be hired or face termination of the award.
3. Grantees that do not meet performance standards and requirements may be terminated by HUD or HUD may reduce the activities in the award and reduce funding associated to the reduced work level. Any funds recaptured may be provided to another provider that is deemed capable of performing the duties taken from the poor performing provider.

**F. Waiver of Electronic Submission Requirement.** Applicants are required to submit applications electronically via the website: [http://www.grants.gov/applicants/apply\\_for\\_grants.jsp](http://www.grants.gov/applicants/apply_for_grants.jsp) . See the General Section for additional information on the electronic process and how to request a waiver from the electronic submission requirement, if necessary. Applicants should submit their electronic submission waiver requests in writing by email, mail, or fax. Electronic submission waiver requests must be submitted no later than 15 days prior to the application deadline date and should be submitted by mail to the agency contact provided in this NOFA. If an electronic submission waiver is granted, the application must be received by HUD no later than **4 p.m. eastern time on the application deadline date**. The electronic submission waiver approval notification will provide further information on where to send the application and the number of copies to be provided.

## V. AWARD ADMINISTRATION INFORMATION

### A. Award Notice

**1. Preliminary Selection/Notification.** HUD will notify all applicants as to the outcome of the preliminary selection process. Successful Energy Innovation Fund – PowerSaver Pilot 203(k) Program applicants will be notified of the preliminary selection and will receive instructions for proceeding to negotiations. When an applicant is preliminarily selected for an award, HUD will require the applicant's participation in negotiations to determine the specific terms of the Grant Documents. HUD will follow the negotiation procedures described in the General Section. The selection is preliminary and does not become final until the negotiation between an applicant and the HUD is successfully concluded, a Final Work Plan is approved by HUD, and the Grant Documents are signed and executed. Costs may be denied or modified if HUD determines that they are not allowable, allocable, and/or reasonable. In cases where HUD cannot successfully conclude negotiations with a selected applicant or a selected applicant fails to provide HUD with requested information, HUD will not make an award to that applicant.

**2. Debriefing.** For a period of 60 days, beginning 15 days after the final awards for assistance are publicly announced, HUD will provide to a requesting unsuccessful applicant a debriefing related to its application. A debriefing request must be made in writing or by email by the applicant's authorized official whose signature appears on the SF424, or his or her successor in

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the office and submitted to the agency contact for this NOFA. Information provided during a debriefing will include, at a minimum, the final score received for each rating factor, final evaluation comments for each rating factor, and the final assessment indicating the basis upon which assistance was provided or denied.

## **B. Administrative and National Policy Requirements.**

**1. General Section.** In addition to the requirements listed below, please refer to Section III of the General Section for additional details regarding the Administrative and Policy Requirements applicable to all HUD programs.

**2. Coastal Barriers Resources Act.** HUD funding under this NOFA may not be used for activities within a Coastal Barrier Resources System.

**3. Lead-Based Paint Hazard Control.** All pre-1978 residential property assisted under the Energy Innovation Fund - PowerSaver Pilot 203(k) Program is covered by the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act (42 U.S.C. 4851 et seq.), and HUD's implementing regulations at 24 CFR part 35, specifically subparts A, B, K, and R, and, if grant funds are used for section 203(k) borrower incentives, subpart J. The Environmental Protection Agency's Renovation, Repair and Painting Rule, found within 40 CFR 745 (see <http://www.epa.gov/lead/pubs/renovation.htm>), applies to pre-1978 housing and child-occupied facilities when renovation, repair or painting work is conducted.

**4. Funding Restrictions.** Funds cannot be used for the following activities:

1. Income payments to subsidize individuals or families;
2. Political activities;
3. Projects or activities intended for personal gain or private use;
4. No profit is permitted with regard to grant funds;
5. A limit of up to 10 percent of any grant may be used for Administrative Costs, and
6. Compliance with Fair Housing and other Civil Rights Laws.

(1) With the exception of federally recognized Indian tribes and their instrumentalities, (a) applicants and their sub recipients must comply with all applicable fair housing and civil rights requirements in 24 CFR 5.105(a), including, but not limited to, the Fair Housing Act; Title VI of the Civil Rights Act of 1964; Section 504 of the Rehabilitation Act of 1973; Titles II and III of the Americans with Disabilities Act; Section 109 of the Housing and Community Development Act of 1974;

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(b) if the applicant's state or local government has passed a law or laws proscribing discrimination in housing based on sexual orientation or gender identity, or a law or laws proscribing discrimination based on lawful source of income, the applicant and any proposed subrecipients must comply with those laws,

(2) If the applicant is conducting programs or activities with funds received under a HUD program NOFA in a state or local jurisdiction that has passed a law or laws proscribing discrimination in housing based upon sexual orientation or gender identity, or a law or laws proscribing discrimination in housing based on lawful source of income, the applicant and its subrecipients must comply with those laws of the states or localities in which the programs or activities are conducted;

(3) If you are a federally recognized Indian tribe, you must comply with the nondiscrimination provisions enumerated at 24 CFR 1000.12, as applicable.

## **C. Reporting.**

### **1. Semi-Annual Reporting Requirements**

All grant recipients must report to HUD semi-annually according to the requirements established by HUD. Biannual report requirements are as follows:

a. Report on the status of the milestones in the Work Plan, comparing the schedules for milestone completion and expenditures to actual activity.

b. Report on the dollar amount of funds expended to date, the amount of sub-awards made, if any, and the amount of funds remaining. The report must provide information for total expended, federal dollars expended, and for non-federal funds expended.

c. Report on the number of 203(k) PowerSaver loans originated.

d. Report on management questions. HUD is interested in understanding and reporting on the effects of the grant activities on the macro level. Therefore, the second semi-annual report for each funding year shall be an annual report and shall include regular semi-annual reporting described above plus the following additional information:

(1) The number of units and the number of properties receiving energy retrofits. (2) Specific retrofit measures being applied, if available.

(4) Estimated and actual costs of the retrofit measures.

(5) If available, energy consumption reductions anticipated and/or realized.

(6) If available, anticipated or realized financial savings from improved energy efficiency for the participating borrowers.

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## 2. Final report

A final report to HUD is due 60 days after the end of the project period. As part of the final report, the Grantee will provide all closeout documents required by HUD. The report will provide a final summary of program activities and outcomes including:

- a. A review of actual outcomes compared to anticipated outcomes. The review must refer to the original problem statement, methodology, and replicability discussions provided in the application abstract and compare the outcomes of the Program activity to the original expectations.
- b. A discussion of lessons learned, including consideration of anticipated and unanticipated problems and solutions.
- c. A discussion of the benefits that resulted from the Program activity including any post-retrofit energy savings data that may be available.

**3. Reports required for release of HUD funds.** Grantees are required to have HUD approval before making any withdrawal of grant funds from the eLOCCS system.

## 4. Transparency Act Reporting - Recipient Reporting to Meet the Requirements of the Federal Financial Assistance Accountability and Transparency Act of 2006 as amended.

**(1) Prime Grant Awardee Reporting.** Prime recipients of HUD financial assistance are required to report certain subawards in the Federal Government-wide website [www.fsr.gov](http://www.fsr.gov) or its successor system.

Starting with awards made October 1, 2010, prime financial assistance awardees receiving funds directly from HUD were required to report subawards and executive compensation information both for the prime award and subaward recipients, including awards made as pass-through awards or awards to vendors, if (1) the initial prime grant award is \$25,000 or greater, or the cumulative prime grant award will be \$25,000 or greater if funded incrementally as directed by HUD in accordance with OMB guidance; and (2) the subaward is \$25,000 or greater, or the cumulative subaward will be \$25,000 or greater. For reportable subawards, if executive compensation reporting is required and subaward recipients' executive compensation is reported through the SAM system, the prime recipient is not required to report this information. The reporting of award and subaward information is in accordance with the requirements of Federal Financial Assistance Accountability and Transparency Act of 2006, as amended by section 6202 of Public Law 110-252, hereafter referred to as the "Transparency Act" and OMB Guidance issued to the Federal agencies on September 14, 2010 (75 FR 55669) and in OMB Policy guidance. The prime awardee will have until the end of the month plus one additional month after a subaward or pass-through award is obligated to fulfill the reporting requirement. Prime recipients are required to report the following information for applicable subawards:

- (a) Name of entity receiving award;
  - (b) Amount of award;
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- (c) Funding agency;
- (d) North American Industry Classification System (NAICS) code for contracts/CFDA program for financial assistance awards;
- (e) Program source;
- (f) Award title descriptive of the purpose of the funding action;
- (g) Location of the entity (including Congressional district);
- (h) Place of Performance (including Congressional district);
- (i) Unique identifier of the entity and its parent; and
- (j) Total compensation and names of top five executives.

For the purposes of reporting into the FFATA Subaward Reporting System (FSRS) reporting site, the unique identifier is the DUNS number the entity has obtained from Dun and Bradstreet and, for prime awardees, the DUNS number registered in SAM as required by HUD regulation 24 CFR 5.1004. This information will be displayed on a public government website pursuant to the Transparency Act.

**(a) Prime Grant Awardee Executive Compensation Reporting.** Prime awardees must also report in the government-wide website the total compensation and names of the top five executives in the prime awardee organization if:

(i) More than 80 percent of the annual gross revenues are from the Federal Government, and those revenues are greater than \$25 million annually; and

(ii) Compensation information is not readily available through reporting to the Securities Exchange Commission (SEC).

**(b) Subaward Executive Compensation Reporting.** Prime grant awardees must also report in the government-wide website the total compensation and names of the top five executives in the subawardees if:

(i) More than 80 percent of the annual gross revenues are from the Federal Government, and those revenues are greater than \$25 million annually; and

(ii) This required compensation information is not readily available through reporting to the SEC. For applicable subawards, if executive compensation reporting is required and subaward recipients' executive compensation is reported through the SAM system, the prime recipient is not required to report this information.

**(c) Transparency Act Reporting Exemptions.** The Transparency Act exempts any subawards less than \$25,000 made to individuals and any subawards less than \$25,000 made to an entity whose annual expenditures are less than \$300,000. Subawards with a cumulative total of \$25,000 or greater are subject to subaward reporting beginning the date the subaward total award amount reaches \$25,000. The Transparency Act also prohibits reporting of any classified information. Any other exemptions to the requirements must be approved by the Office of Management and Budget.

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**5. Compliance with Section 872 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (Pub. L. 110-417).** For compliance with these requirements, see the General Section of the 2010 NOFA.

**D. Recapture or Deobligation of Funds.** Funds not being utilized in the manner provided or otherwise contemplated under the final Work Plan are subject to recapture or deobligation by HUD, in HUD's sole discretion.

**1. Causes for recapture or deobligation of funding** may include, but are not limited to:

- a. failure to meet required deadlines for performance by Grantee and/or a sub-grantee;
- b. non-performance or improper performance under the terms of the Grant Documents; and
- c. suspension, debarment, or other serious enforcement actions taken against the Grantee, a recipient or affiliates thereof;

**2. If awarded funds are recaptured or deobligated for any reason,** HUD reserves the right, in its sole discretion, to:

- a. award those funds to the next highest-ranking applicant on the list of qualified applications received by HUD; and/or
- b. award those funds to other award recipients that have demonstrated high-performance in their grant activity based on timeliness and milestones met under the terms of a Work Plan, and whose grant activity offers a clear avenue for furthering the existing protocol.

**3. Any re-award of funds** pursuant to this section is subject to a maximum funding cap for the total award (initial award amount plus any additional award of recaptured funds from other grants) of five million dollars (\$5 million).

## **VI. OTHER INFORMATION**

### **A. Agency Contact.**

For further information or technical assistance, you may contact Michael Freedberg, Office of Sustainable Housing and Communities, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 10180, Washington, DC 20410, telephone (202) 402-4366 (this is not a toll-free number). This number can be accessed via TTY by calling the toll-free Federal Information Relay Service Operator at (800) 877-8339. For technical support for downloading an application or electronically submitting an application, please call Grants.gov help desk at 800-518-GRANTS (this is a toll-free number) or send an email to support@grants.gov. Before the application deadline date, HUD staff may provide general guidance and technical assistance about this NOFA. However, staff is not permitted to assist in preparing the application. Also,

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following selection of applicants, but before awards are announced, staff may assist in clarifying or confirming information that is a prerequisite to the offer of an award.

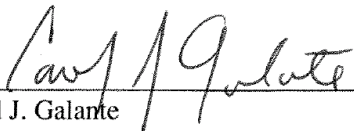
### **B. Paperwork Reduction Act Statement.**

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) is not applicable to the information collection requirements in this Notice, since the number of eligible applicants falls below the requirements of the Act.

### **C. Environmental Impact**

A Finding of No Significant Impact (FONSI) with respect to the environment was prepared in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The FONSI is posted on-line at [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/housing/sfh/title/ti\\_home](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/title/ti_home).

Dated: August 13, 2013

  
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Carol J. Galante  
Assistant Secretary for Housing -  
Federal Housing Commissioner

[FR-5700-N-30]

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