

OHFA Comments on Draft HAF Guidance on Participant Compliance and Reporting Responsibilities (released March 30, 2022)

Overall concerns/questions:

- ***Final guidance unlikely to be published in advance of May quarterly report due date.*** Comments on this guidance are due April 14 to Treasury. Then Treasury will need time to make revisions/updates and release the final guidance. With this timeline, it seems unlikely that the final guidance will be published sufficiently in advance of the May 16 quarterly report due date, leaving almost no time for HAF participants to prepare. Implementation of any new rules or requirements should be delayed to a reasonable date to allow for adoption by participants.
- ***Changes to data collection requirements mid-program negatively impact data quality.*** OHFA has been providing HAF assistance since July 2021 and has nearly a year of data on programs and applicants. Changes to data collection, as outlined in this guidance, are unable to be gathered retroactively, leaving a large portion of the data incomplete. This adversely affects data quality and OHFA's ability to use this data for rigorous analysis. Treasury has provided no explanation as to why these proposed requirements were not offered upon the program's initial implementation, or what has changed that makes these proposed requirements necessary. The addition of new data collection requirements at this late date is unreasonable and places an undue burden on participants.
- ***Changes to reporting and data collection require additional administrative costs.*** It would have been beneficial to receive more detailed guidance as OHFA was setting up the program last July. At this point, many of the changes to reporting and data collection, as outlined here, will require additional administrative dollars to adjust IT systems and reporting procedures. Treasury's creation of new data elements at this late date will lead participants to utilize their awarded dollars for extensive, expensive, and unnecessary reprogramming efforts. This is an irresponsible waste of federal dollars, which could have been avoided by requiring such data elements at the program's inception.
- ***Conflict with new guidance.*** If something in a HAF participants approved plan conflicts with this new guidance, does the participant need to make updates to the plan and resubmit? If existing plans are not grandfathered (as they have

already been approved by Treasury), then this is another example of how the long delay in the release of these proposed rules will lead to the additional and unnecessary expenditure of grant funds and increased administrative burdens on behalf of participants to simply remain compliant with Treasury's moving targets.

- **Template.** It would be helpful to have a template for the quarterly reports and/or the annual report so that HAF participants can better prepare.

Comments on Definitions:

Definition of "Obligation/Obligated" (page 3) – It is odd to include expended funds as part of the definition of obligated funds. From a Finance/Accounting perspective, one would expect obligated to include only outstanding contracts so that as the amount of expended increases, the amount of obligated decreases. The encumbrance associated with any obligation is released as the expenditure occurs. Can Treasury provide clarification as to why obligated funds are inclusive of expended funds?

Comments on Part 1: General Guidance

- *Guiding Principles: "Swift and effective implementation is vital, and Participants must balance facilitating program access and **maintaining a robust documentation and compliance regime**" (page 5).*
 - What is the definition of "robust?" If the meaning of this is that OHFA should maintain documentation in accordance with generally accepted grant requirements, then "appropriate" would be a better term.
 - OHFA was informed by Treasury at the start to make this process to reduce barriers for applicants. The direction provided in the proposed guidance seems to contradict this policy approach. Is this directed at the HAF participant's internal process for documenting the program? Or is this directed at the applicant submitting documentation? Please clarify this verbiage, as it appears on its face, that Treasury is requiring participants to gather substantially more documentation through our program efforts.
- *Guiding Principles: "HAF-funded programs should advance shared interests and promote equitable delivery of government benefits and opportunities to underserved communities, as outlined in Executive Order 13985, On Advancing Racial Equity and Support for Underserved Communities Through the Federal Government" (page 5).*
 - How will the HAF participant be measured in this regard? Please provide clarification on Treasury's expectations for how and what OHFA should

measure to ensure the advancement of shared interests and the promotion of equitable delivery of benefits and opportunities.

- **Reporting: “HAF participants will be required to submit quarterly reports until September 30, 2026...” (page 6)**
 - ARP legislation specifies that HAF funds remain available until September 30, 2025. The new guidance from Treasury is requiring OHFA to submit quarterly reports until September 30, 2026. Please clarify what activity Treasury expects between September 30, 2025 and September 30, 2026.
- **Reporting: “Certain reporting may continue on an annual basis for **four years, until August 2027, to ensure that programs funded by the HAF program maintain operations.**” (page 6)**
 - This time period is unclear and what is “certain reporting?” Is it four years following the end of the program, which would be 2030? Or, is it until August 2027, which would be four years following what significant date?
 - If no additional homeowners are assisted, what “programs funded by the HAF Program” will need to “maintain operation”? In reality, no programs will be operating after the end of the program in 2026.
- **Other Compliance Obligations: Civil Rights Compliance (page 10).**
 - The proposed guidance is incomplete and unclear. How exactly will participants be measured in this regard? How do we check and/or indicate to Treasury that OHFA is in compliance?

Comments on Part 2: Reporting Requirements and Deadlines

- **Quarterly Reporting: “The subsequent Quarterly Reports will **cover one calendar quarter** and must be submitted to Treasury within 45 calendar days after the end of each calendar quarter” (page 12).**
 - The language here indicates the report should cover a single quarter, however the timeline chart indicates that the period covered is from award date to end of the calendar quarter. Will the reports be both quarterly and cumulative? Please clarify.
- **Quarterly Reporting, Programmatic Information Requirements – b. Homeowner Applications: **Number of unique Homeowners whose application was denied** (page 13).**
 - For OHFA’s Utility Assistance Plus program, the Community Action Agencies do not provide a reason for denials. This metric may make

sense for the mortgage assistance programs, but it's not clear how it is a useful metric to capture for non-mortgage assistance programs.

- The categories for denial reasons are broad and not indicative of what OHFA is seeing in practice. How were these categories determined?
- Allowing for an “Other” category with a narrative decreases data quality as it allows for too much subjectivity in data entry. OHFA would suggest a more comprehensive list of categories rather than allowing for a narrative.
- *Quarterly Reporting, Programmatic Information Requirements – b. Homeowner Applications: Number of unique Homeowners that received assistance on **more than one application** (page 13).*
 - Please clarify what is meant by “more than one application.” Is it simply homeowners who received assistance from more than one program (mortgage, utility, repair, etc.)? If so, could the language be changed to read: “Number of unique Homeowners that received assistance **from more than one program?**”
- *Quarterly Reporting, Programmatic Information Requirements – d. Delinquencies: HAF participants will be required to report on the number of delinquencies **resolved** using HAF assistance. Delinquencies can be resolved through two forms of HAF assistance: **Monetary or Non-Monetary** (page 14).*
 - Please clarify what “resolved” means or provide a definition in the “Definitions” section. Is it that a delinquency no longer exists? If so, a delinquency could be “resolved” through foreclosure, which is not a desirable outcome. What outcomes indicate a desirable/positive resolved delinquency?
 - For non-monetary assistance, what is the level of detail needed to prove a delinquency was “resolved” by a Legal Aid or Housing Counseling Agency? Is it that a Legal Aid filed a motion or is it necessary to track the result of the motion as well? What are the outcomes that need to be reported here to show resolution?
 - Has Treasury considered the possibility that Legal Aids won't be able to report information due to confidentiality? If that is the case, it may be extremely difficult to get an accurate count of unique homeowners who utilized their services and received monetary assistance.
- *Quarterly Reporting, Programmatic Information Requirements – g. Expenditures: HAF participants will be asked to report expenditures on a cumulative basis on at the following levels: **the participant-level, program-level, and program design element-level** (page 14).*

- Please provide more information about what expenditure information is being asked for at each of these levels, and in particular, at the program design element-level.
- *Quarterly Reporting, Programmatic Information Requirements – g. Obligations: HAF participants will be asked to report expenditures on a cumulative basis on at the following levels: **the participant-level, program-level, and program design element-level** (page 14).*
 - Please provide more information about what expenditure information is being asked for at each of these levels, and in particular, at the program design element-level. It seems like an undue burden to ask for obligated information at the program design element-level.

Comments on Appendix 1: Race, Ethnicity, and Gender Categories

- Changes mid-program as to what data is being collected by OHFA will negatively impact data quality and OHFA's ability to use this data for rigorous analysis. It would have been better to specify these race, ethnicity, and gender categories in more detail at the start of the program last July.
- *Race (page 19)*
 - It is unclear how granular Treasury would like race data collected. Is Treasury asking for race data broken down further than the general categories of American Indian/Alaska Native, Asian, Black/African American, etc.? OHFA has not been collecting data broken down into racial subcategories (i.e., Chinese, Filipino, Japanese). To do so mid-program would negatively impact data quality and OHFA's ability to use this data for rigorous analysis.
- *Gender (page 19)*
 - OHFA has not been collecting data broken down into female, male, and non-binary. While OHFA would certainly agree that this a more inclusive way to track gender categories, to change our data collection mid-program would negatively impact data quality and OHFA's ability to use this data for rigorous analysis.

Comments on Appendix 2: Targeting Categories

- *Housing Type (page 21)*

- OHFA has not been collecting data on housing type. To do so mid-program would negatively impact data quality and OHFA's ability to use this data for rigorous analysis. This data is also extremely difficult to capture. What data source does Treasury expect HAF participants to use to easily gather this data? What is the utility of capturing this data for non-mortgage programs? How does this metric assist HAF participants in using data to improve processes and outcomes?