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Topic

This revised issue of HOME FACTS explains the process for the repayment of funds expended on ineligible costs or activities to a HOME participating jurisdiction's (PJ's) HOME Investment Trust Fund Treasury account. Instructions are also provided on making revisions in IDIS to reflect changes in draws when funds are repaid. All other previous guidance is obsolete.

Requirement

In accordance with 24 CFR 92.503(b), any HOME funds invested in housing that does not meet the affordability requirements for the period specified in §92.252 or §92.254, or a project that is terminated before completion for whatever reason, must be repaid by the PJ. HUD will instruct the participating jurisdiction to either repay the funds to the HOME Investment Trust Fund Treasury account or the local account.

IMPORTANT NOTE: HOME allocations made since 2002 are subject to the National Defense Authorization Act, which limits the length of time appropriated funds remain available for expenditure. Beginning in FY 2015, this law provides that HUD has four years from the start of the federal fiscal year to obligate HOME funds, and grantees have five additional years to expend them, after which the funds will no longer be available because the grant is cancelled. For example, funds appropriated in FY 2023 will no longer be available to PJs as of September 30, 2031. Furthermore, if a PJ repays funds to a line of credit and identifies cancelled grants (i.e., currently 2002-2014 HOME grants) as the grants to which the funds are to be repaid, the funds will be considered "miscellaneous revenue" repaid to the U.S. Treasury and would no longer be available to the PJ. In order avoid recapture and retain such funds for future use, HOME PJs or their CPD Field Office Representatives must contact the Office of Affordable Housing Programs (OAHP) **PRIOR** to submitting repayments to HOME grants.

Process

1. Contact your CPD Representative or OAHP

In order to determine whether funds should be repaid to the HOME Investment Trust Fund Treasury account or the local account, the PJ or its CPD Field Office Representative must contact OAHP. If it is determined that funds should be repaid to the PJ's Treasury account, the PJ should follow the steps below. If funds should be repaid to the PJ's local account, OAHP will work with the Field Office and/or the PJ to properly reflect the repayment in IDIS.

2. Repaying Funds to the Treasury account

a. Submit Repayment via Check

A remittance to the line of credit (i.e., the Treasury account) of <u>less than $2,000</u> may be made by sending a check for the amount to HUD'S Miscellaneous Lockbox at the following address:
US Bank
HUD-FAD Collections Ft. Worth
Grant Number(s) _____
PO Box 6200-05
Portland, OR 97228-6200

The normal time span for processing checks is 4 to 6 weeks before showing as a negative draw in IDIS.

Note: <u>No checks should be sent directly to HUD Headquarters or CPD Field Offices.</u>

b. Repaying Funds via Wire Transfer
Any remittance to the line of credit (i.e., the Treasury account) of $2,000 or more must be sent via wire transfer. Wire transfer payments must be sent using the Department of Treasury's Financial Communications System (TFCS). For funds and deposit messages to be routed correctly and efficiently, all wire transfer messages should conform to the format described in the table below.

All wire transfers must be repaid through the PJ's local financial institution. If the local financial institution is not a member of the TFCS, it must have a correspondent bank relationship with a member bank that will transfer the funds by wire to the Treasury. The normal time span for processing funds repaid to the line of credit is 10 to 15 days before showing as a negative draw in IDIS.

The following information is required to complete a wire transfer to HUD:

Bank	U.S. Treasury FRB New York
Bank Address	New York, NY
ABA Routing Number (Treasury Department Code)	021030004
Account Number (Agency Location Code)	86011101
Account Holder	U.S. Department of HUD (Ft. Worth, TX)
Memorandum/Third Party Information	PJ Name; Grant Number; Attn: HUD CPD/HOME/IDIS; Memo: Dollar amount and reason for wire transfer.

c. Repaying Funds to the Correct Grant(s)
The applicable grant number(s) must be entered in the memo field on the check or on the wire transfer. Funds must be repaid to the grant from which they originated. For example, if the repayment is for an ineligible HOME activity for which funds were disbursed entirely from the PJ's 2023 HOME grant, the repayment must be applied to the 2023 HOME grant. In order to prevent the accidental repayment of HOME funds to expired grants (i.e., currently FY 2002-2014, and as of September 30, 2023, 2015 HOME grants), the PJ must contact its CPD Field Office Representative or OAHP before making any repayments. The IDIS *PR05 Drawdown Report by Project and Activity* identifies the specific grant(s) for which funds were disbursed for each activity.

3. Revising IDIS to Reflect Changes in Draws
After the repayment has been processed by HUD accounting, it will appear in IDIS as a negative voucher for the grant year to which the funds were repaid. In addition, the funds will be reflected under the activity number for the CPD program from which the funds were drawn. For the HOME Program, repaid funds are receipted under *IDIS Activity ID* "1".

Use the following steps to revise the negative voucher(s) so that the repaid funds may then be used for other eligible HOME activities:

    A. Select the "Funding/Drawdown" tab from the top of the screen.
    B. Click the "Search Voucher" button located under the "Drawdown" section on the left side of the screen.
    C. Enter the number "1" in the "IDIS Activity ID" field and click the "Search" button.

D. Select the line item from the collection item voucher you want to process by clicking its "Maintain-Approve" link in the last column.
   NOTE: The "Maintain and Approve Voucher" screen provides access to the "Approve", "Revoke", "Revise", "Cancel", and "View" functions.
E. Select the "Revise" link to display the "Revise Voucher Line Item" screen.
F. Enter the IDIS Activity ID of the activity being repaid in the "IDIS Activity ID" field at the bottom of the screen).
G. Enter a negative sign and the amount of HOME funds being repaid to the activity in the "Amount" field (no commas).
H. Click the "Save" button to process the revision and return to the "Maintain and Approve Voucher" screen. IDIS will immediately display two new voucher line items: one line item is for the negative amount that was revised from IDIS Activity ID 1and the other is for the HOME activity that received the repaid funds.
I. De-fund the activity from which the funds were repaid. Use the "Search" button under the "Activity Funding" menu to search for the activity from which the funds were repaid and proceed to reduce funding to the revised amount or to $0 if all funds were repaid.
J. If there is more than one repayment of funds, repeat these steps for each to ensure the repaid funds are available to be used for other eligible activities.
K. If the entire amount drawn for the ineligible activity is repaid and the activity funding is reduced to $0, the activity "Status" should be changed to "Cancelled." If this was only a partial repayment and there are still drawn funds associated with the activity, it cannot be cancelled in IDIS.

Do you have Questions?
If the repayment of funds is not reflected in IDIS as a negative draw within the normal processing times indicated above, or if you require further assistance correcting the negative figures in IDIS or with HOME repayments in general, contact the Ask A Question portal located on the HUD Exchange at https://www.hudexchange.info/get-assistance/.