

**2009 & Prior Year Funding Community HOME Investment Program (CHIP)  
 Program Clarifications/Updates  
 Updated as of July 27, 2011**

| Clarification Number | Date Issued   | Clarification  |                |   |   |          |   |          |   |          |   |          |   |          |   |          |   |          |    |          |
|----------------------|---|--|----------------|---|---|----------|---|----------|---|----------|---|----------|---|----------|---|----------|---|----------|----|----------|
| 1                    | 6/4/10  | <p>DCA recognizes that the owner contribution requirements instituted by many local governments as part of their CHIP-funded programs have impeded their ability to assist those homeowners most in need of homeowner rehabilitation assistance in their communities. As a result, DCA will permit all grantees funded in the <u>2009 CHIP Application Cycle</u> to adjust their program requirements for Homeowner Rehabilitation Activities to eliminate an owner contribution for eligible homeowners (1) where a <u>project set-up has not been made in IDIS by DCA by June 4, 2010</u> and (2) with an <u>income equal to or less than 50% of the Statewide Non-Metropolitan Area Median Income adjusted for household size</u> as shown below:</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Household Size</th> <th style="text-align: center;">Income Limit Below Which An Owner Contribution Can Be Eliminated as part of the Communities Local Program Design.</th> </tr> </thead> <tbody> <tr><td style="text-align: center;">1</td><td style="text-align: center;">\$16,205</td></tr> <tr><td style="text-align: center;">2</td><td style="text-align: center;">\$18,520</td></tr> <tr><td style="text-align: center;">3</td><td style="text-align: center;">\$20,835</td></tr> <tr><td style="text-align: center;">4</td><td style="text-align: center;">\$23,150</td></tr> <tr><td style="text-align: center;">5</td><td style="text-align: center;">\$25,465</td></tr> <tr><td style="text-align: center;">6</td><td style="text-align: center;">\$27,780</td></tr> <tr><td style="text-align: center;">7</td><td style="text-align: center;">\$30,095</td></tr> <tr><td style="text-align: center;">8+</td><td style="text-align: center;">\$32,410</td></tr> </tbody> </table> <p>All other activity types (down payment assistance, new construction, etc...) funded in 2009 and all activity types, including homeowner rehabilitation, funded in a grant awarded in 2008 or in any prior year must follow their existing owner contribution terms of their program design as required in their agreement with DCA.</p> | Household Size | Income Limit Below Which An Owner Contribution Can Be Eliminated as part of the Communities Local Program Design. | 1 | \$16,205 | 2 | \$18,520 | 3 | \$20,835 | 4 | \$23,150 | 5 | \$25,465 | 6 | \$27,780 | 7 | \$30,095 | 8+ | \$32,410 |
| Household Size       | Income Limit Below Which An Owner Contribution Can Be Eliminated as part of the Communities Local Program Design. |  |                |   |   |          |   |          |   |          |   |          |   |          |   |          |   |          |    |          |
| 1                    | \$16,205  |  |                |   |   |          |   |          |   |          |   |          |   |          |   |          |   |          |    |          |
| 2                    | \$18,520  |  |                |   |   |          |   |          |   |          |   |          |   |          |   |          |   |          |    |          |
| 3                    | \$20,835  |  |                |   |   |          |   |          |   |          |   |          |   |          |   |          |   |          |    |          |
| 4                    | \$23,150  |  |                |   |   |          |   |          |   |          |   |          |   |          |   |          |   |          |    |          |
| 5                    | \$25,465  |  |                |   |   |          |   |          |   |          |   |          |   |          |   |          |   |          |    |          |
| 6                    | \$27,780  |  |                |   |   |          |   |          |   |          |   |          |   |          |   |          |   |          |    |          |
| 7                    | \$30,095  |  |                |   |   |          |   |          |   |          |   |          |   |          |   |          |   |          |    |          |
| 8+                   | \$32,410  |  |                |   |   |          |   |          |   |          |   |          |   |          |   |          |   |          |    |          |

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|   |           | <p>DCA will not require a local community implementing a homeowner rehabilitation program using 2009 CHIP funds to submit documentation of this adjustment to its program design. However, DCA will monitor all State Recipients to ensure that no households with incomes above those stated in the above chart receive funding without the owner contribution required in the community's original program design. A community that fails to meet this requirement may be subject to repayment of the grant assistance to DCA for the ineligible household at DCA's sole determination.</p>  |
| 2 | 5/20/2011 | <p><b>Grantee Authorized Signature Card (CA-9)</b><br/>         DCA has put in place a signature card authorizing the Authorized Local Official to designate individual(s) to sign on behalf of the Grantee. This procedure will allow the local official to designate an appropriate person to sign documents. Completion of this form is voluntary on behalf of the Authorizing Official of the Grantee. If no individual(s) is designated in either Section 1 or Section 2, the Authorizing Official will be required to sign all documents submitted by the Grantee. (Click on link - <a href="http://www.dca.ga.gov/housing/housingdevelopment/programs/documents/CA-9-AuthorizedSignatureCardforProgramPolicyandActivityDocuments.pdf">http://www.dca.ga.gov/housing/housingdevelopment/programs/documents/CA-9-AuthorizedSignatureCardforProgramPolicyandActivityDocuments.pdf</a>)</p> <p><b>PLEASE NOTE:</b> Federal environmental requirements do not allow for any individual other than the Chief Elected Official of the Grantee to certify compliance of the Tier One Environmental Review or the Site Specific Environmental Screening Checklist required by Tier Two. Therefore, the requirement for the Authorized Local Official's signature on these documents will not change.</p> |
| 3 | 5/20/2011 | <p><b>CHIP Quarterly Report</b><br/>         Effective immediately, CHIP Quarter Reports will no longer be required for submission. However, DCA recommends that you maintain the use of this form with your internal records for reconciliation purposes.</p>   |
| 4 | 5/20/2011 | <p><b>Completion Reports</b><br/>         Effective immediately, completion reports will be required to be submitted with the final draws on all activities. Final draws will not be processed without submittal of the completion report.</p>   |

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| 5 | 5/20/2011 | <p><b>Tier 2 Environmental Review Process</b><br/>Effective immediately, all set up requests must include the documentation identified on the Tier 2 Environmental Review Process for 2009 and Prior Year Awards (Click on Link - <a href="http://www.dca.ga.gov/housing/housingdevelopment/programs/documents/Tier2EnvironmentalReviewRequirementsforCHIPProgram.pdf">http://www.dca.ga.gov/housing/housingdevelopment/programs/documents/Tier2EnvironmentalReviewRequirementsforCHIPProgram.pdf</a>).</p>  |
| 6 | 5/20/2011 | <p><b>DCA's CHIP Mailing and Contact Information</b><br/>Georgia Department of Community Affairs<br/>60 Executive Park South N.E.<br/>Atlanta, Georgia 30329-2231<br/><b>FAX: 404/679-3145</b></p> <p>CHIP Manager - Michelle Lewis – 404/679-0659; <a href="mailto:michelle.lewis@dca.ga.gov">michelle.lewis@dca.ga.gov</a><br/>CHIP Representative - Kay Garrison – 404/679-0573; <a href="mailto:kay.garrison@dca.ga.gov">kay.garrison@dca.ga.gov</a><br/>CHIP Coordinator - Kawanna Greenleaf – 404/679-0680; <a href="mailto:kawanna.greenleaf@dca.ga.gov">kawanna.greenleaf@dca.ga.gov</a></p>   |
| 7 | 5/20/2011 | <p><b>Award Adjustment</b><br/>State Recipients that are approved for an award adjustment for project-related funds will also receive a corresponding percentage adjustment of administrative funds.</p>   |
| 8 | 5/20/2011 | <p><b>Lead-Based Paint</b><br/>Please note changes to Lead Safe Housing Rule effective April 22, 2010 have incorporated one major change – Renovation firms must be certified. At least one certified renovator must be at the job or available when work is being done. The certified renovator may be a certified LBP abatement supervisor who has completed the 4-hour Renovation, Repair and Painting Rule (RRP) refresher course. – otherwise, all other requirements remain the same. The course may be found on-line at: <a href="http://www.epa.gov/lead/pubs/training.htm">http://www.epa.gov/lead/pubs/training.htm</a><br/><b>NOTE:</b> A copy of the completed certification must be placed in the grant file. Recipients are encouraged to take the assessment class as early as possible as HUD indicates that receipt of the certification may take as long as three (3) weeks.</p> |

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| 9  | 5/20/2011 | <p><b>Payment of Lead-Based Paint</b><br/> DCA will not utilize its Community Development Block Grant funds to pay for lead based testing and inspections on houses where CHIP funds will not be invested.</p>  |
| 10 | 5/20/2011 | <p><b>Homeowner Rehabilitation</b><br/> The State Recipient may increase the amount of assistance provided for any Homeowner Rehabilitation Activity by up to 20% above the original project cost without seeking approval of DCA for the increased costs. All costs must meet eligibility requirements under the HOME Final Rule. The homeowner file must be updated by submitting a revised set-up to DCA. Any increases in project cost above 20% of the <u>original project cost</u> must be approved by DCA prior to initiating any work associated with the cost amendment.</p>   |
| 11 | 7/27/2011 | <p>Currently under the CHIP guidelines, home buyers may not purchase a property that is currently tenant-occupied or properties that have been tenant-occupied within the last year. Please be mindful that a “tenant” is considered an individual who occupies a house regardless of having a formal lease in place. DCA implemented this requirement to prevent State Recipients or Sub-recipients from triggering the Uniform Relocation Act requirements.</p> <p>DCA recognizes that this stance penalizes potential home buyers who are currently tenants and who may have the ability to qualify for a loan to purchase the property in which they currently reside. Therefore, tenants seeking to have the first right of refusal in the purchase of their current rental unit are eligible to purchase the rental unit they currently occupy if the following requirements are met:</p> <ol style="list-style-type: none"> <li>1. The tenant seeking to purchase the unit has occupied the unit for more than 1 year.</li> <li>2. The prior tenant vacated the unit either voluntarily or through termination of the lease for cause.</li> </ol> <p>Supporting documentation must be provided for both requirements. DCA will review supporting documentation and make a determination of eligibility on a case by case basis.</p> <p>Please note that if the tenant subsequently fails to secure financing to purchase the property and is required by the owner to move so that the owner can sell the property to another buyer, the property is not eligible to be used in association with CHIP financing.</p> |

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