

Effective Financial Management of HOME funds: Handling Program Income, Reuse & Recaptured Funds



COLORADO

Department of Local Affairs

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Programs with Program Income

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|---|---|
| <ul style="list-style-type: none"> ● Downpayment Assistance ● Single Family Owner-Occupied Rehabilitaiton | <ul style="list-style-type: none"> ● Subrecipients retain PI ● Biannual reporting ● IDIS Reporting |
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Biannual Reporting

Select Funding Source and Eligible Activity	HOME DPA	HOME SFOO
Cash Balance at start of reporting period		
Bank Interest Earned		
Principal Received		
Loan Interest Received		
Fees Received		
Loans Pay Offs Received		
Subtotal	\$ -	\$ -
Loan Servicing Costs Approved		
Loans Written Off		
Total \$ of Loans Closed		
Other unusual circumstance (+/-) (Explain in other/comments)		
Cash balance at end of reporting period	\$ -	\$ -

For reporting period _____	HOME DPA	HOME SFOO
\$ Value of Portfolio at start of reporting period	\$ -	\$ -
Total # of loans closed using Program Income this period		
\$ Value of Portfolio at end of reporting period	\$ -	\$ -
Total # of loans in Portfolio		

Required Documentation

- PI must be held in separate accounts
- Last 6 months of bank statements
- Balance Sheets



Recapture Process Examples



Example 1 – Demo/Rebuild

- PJ issued letter to HUD (Dec)
- Recapture (Feb)
- Additional Documentation requested from HUD (Mar)
- Formal response from HUD (April)



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Example 2 – MFH Foreclosure

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| <ul style="list-style-type: none"> ● Project failed ● HUD issued letter for additional info. (May) ● PJ Response (May) ● HUD issued findings letter(August) | <ul style="list-style-type: none"> ● Property listed for sale (Sept) ● PJ Response (Oct) ● HUD Response (Oct) ● PJ response (Nov) ● Closing (early Nov) ● PJ receives repayment after sale (Aug) |
|---|--|

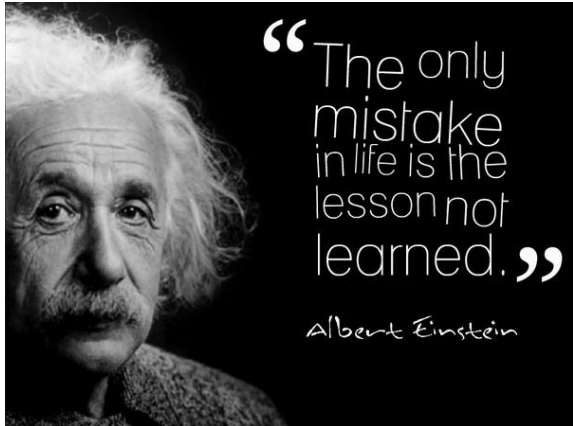


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Lessons Learned

- Words matter
- PI managed by subrecipient
- Proactively work with HUD Rep
- Not all recaptures are the same



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Thank you



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