

CHAPTER 15  
HOUSING ASSISTANCE FUND (HAF)

**265—15.1(16) General.** The housing assistance fund (HAF) (the fund) is a flexible program of financial assistance dedicated to a variety of housing projects, programs and activities which contribute to the goal of providing decent, safe, affordable housing to lower-income Iowans.

**265—15.2(16) Goals and objectives.** The primary goal of this fund is the development and maintenance of decent, safe, affordable housing and the creation of a suitable living environment for lower-income families. The fund will address the following objectives:

1. Providing assistance to programs serving persons with the greatest need and lowest income;
2. Providing financial assistance for creative, innovative housing projects;
3. Being responsive to the housing needs in the area served by an eligible applicant;
4. Being responsive to projects which, consistent with local priorities, cost-effectively and directly impact these needs;
5. Structuring financial assistance in a flexible manner and matching project circumstances to type and amount of financial support available from the program; and
6. Providing for the optimal use of other public and private funds so as to maximize the leveraging of other resources and minimize the need for HAF funding.

**265—15.3(16) Strategic state housing program.** The HAF program is designed to implement the strategic state housing program consistent with the guiding principles set forth in Iowa Code section 16.4, the University of Iowa's School of Urban and Regional Planning Study of Housing Needs and Resources of August 2000 and the recommendations of the Governor's Housing Task Force Report of December 2000.

**265—15.4(16) Guiding principles.** Wherever practicable, the authority shall give preference to the following types of programs which:

1. Serve persons with the greatest need and the lowest income;
2. Treat housing problems in the context of the total needs of individuals and communities, recognizing that individuals may have other problems and needs closely related to their need for adequate housing, and that the development of isolated housing units without regard for neighborhood and community development tends to create undesirable consequences;
3. Promote homeownership by families of lower income, recognizing the need for educational counseling programs in family financial management and home maintenance in order to achieve this goal;
4. Involve the rehabilitation and conservation of existing housing units and the preservation of existing neighborhoods and communities; and
5. Are designed to serve elderly families, persons with disabilities or large families (units with three or more bedrooms).

**265—15.5(16) Source of funds.** HAF shall provide funding for eligible uses from certain moneys allocated to several of the funds administered by the Iowa finance authority (the authority) in the amounts set by the authority for the intended purpose of those funds including the housing program fund (surplus title guaranty money transferred pursuant to Iowa Code section 16.91), the housing improvement fund (Iowa Code section 16.100) or as declared by the IFA board to be surplus moneys as provided in Iowa Code section 16.10. It is the intent of the authority to administer funding available through these various funds for use in supporting the programs as defined in rule 265—15.8(16) and in the statutes creating these funds, thereby avoiding the need for the creation of and the potential for confusion caused by several smaller, single-purpose, minimally funded assistance programs. The authority may specify one or more types of eligible uses for program funding at any given time. The authority may also specify the types of financial assistance that will be offered in accordance with these rules and the controlling statutes.

**265—15.6(16) Definitions.** When used in this chapter, unless context otherwise requires:

*“At-risk population”* means person(s) who could fall into one or more of the following categories: low-income family; large family (requiring three or more bedrooms); dysfunctional person(s); or person(s) exhibiting substance abuse or mental health problems.

*“Brownfield site”* means an abandoned, idled, or underutilized industrial or commercial facility where expansion or redevelopment is complicated by real or perceived environmental contamination. A brownfield site includes property contiguous with the property on which the industrial or commercial facility is located. A brownfield site shall not include property which has been placed or is proposed to be included on the national priorities list established pursuant to the federal Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. 9601 et seq. Completed EPA Phase I documentation is required to qualify as a brownfield site for purposes of funding for HAF programs.

*“Eligible applicant”* means any unit of local government, nonprofit organization, for-profit affordable housing provider, joint venture of nonprofit and for-profit organization or provider, statewide coalition of nonprofit organizations, housing agency, transitional housing provider, community housing development organization (CHDO), community development financial institution (CDFI) or economic development corporation within the state of Iowa.

*“Enterprise zone”* means an enterprise zone as defined by the Iowa department of economic development and an enterprise community as defined by the U.S. Department of Housing and Urban Development.

*“Equity”* means funds or other interest contributed to the project by an applicant, other than loans or extensions of credit, to the extent that such funds or interests are not encumbered by liens, mortgages, or other liabilities. Equity does not include applicant fees or proceeds from the sale of low-income tax credits.

*“Family”* means any and all persons residing or intending to reside in a unit except for foster children, foster adults and live-in attendants.

*“Grant”* means funds received from the housing assistance fund program which do not have to be repaid and loans which may be forgiven or upon which repayment may be deferred.

“*Homeless*” means an individual or family that lacks a fixed, regular and adequate nighttime residence; or an individual or family that has a primary residence that is:

1. A supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);
2. An institution that provides a temporary residence for individuals intended to be institutionalized; or
3. A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings. This term does not include any individual imprisoned or otherwise detained under an Act of Congress or a state law.

“*Homeless shelter*” means any facility with overnight sleeping accommodations, the primary purpose of which is to provide temporary shelter for the homeless in general or for specific populations of the homeless population.

“*Housing assistance fund (HAF)*” or “*the fund*” means a flexible program of financial assistance for housing projects, programs and activities which contribute to the goal of providing decent, safe and affordable housing to lower-income Iowans.

“*Housing Project for Older Persons*” shall have the same meaning as described in 42 U.S.C. Section 3607(b)(2). The terms “elderly” and “older persons” shall have the meaning described in 42 U.S.C. Section 3607(b)(2).

“*Housing support services*” means services provided to residents of an eligible project which may include:

1. Medical, psychological or substance abuse counseling or any combination thereof;
2. Budget/financial counseling;
3. Job training/employment counseling;
4. Nutritional counseling;
5. Housing and placement counseling;
6. GED/post-high school education;
7. Assistance in identifying and applying for other services, benefits or programs;
8. Services such as child care and transportation.

“*Local effort*” or “*local contributing effort*” means contributions from local governmental units or by local or regional agencies, public or private, or including but not limited to land, building(s), infrastructure, cash, TIF proceeds, local HOME grants or loans, LHAP funds, tax abatement, enterprise zone designation, new Iowan model community designation, local funds for site remediation (brownfield), private contributions or loans at substantially below market interest rates or with favorable features such as delayed principal and interest, utility cost reductions, employer assisted housing programs (EAH), rent or operating deficit guarantees. The value of the local contributing effort is the value of the contribution made by the agency or governmental unit minus the value of any consideration or accommodation received by the agency in return for the contribution.

“*Local housing trust funds*” means entities created by one or more cities or counties or combination thereof to improve housing within the area covered by such housing trust fund.

“*Lower-income families*” means families whose incomes do not exceed 80 percent of the median income for the area with adjustments for the size of the family or other necessary adjustments due to unusual prevailing conditions in the area, and includes, but is not limited to, very low-income families.

“*Low-to-moderate-income families*” means families whose incomes do not exceed 100 percent of the median income for the area with adjustments for the size of the family or other adjustments necessary due to unusual prevailing conditions in the area.

“*Main street program*” means an area designated by the Iowa department of economic development (IDED) as a main street program.

“*Median income for the area*” means the greater of the statewide, metropolitan statistical area or county median income as contained in the latest United States Census Bureau publications or as determined by the U.S. Department of Housing and Urban Development.

“*Needs assessment*” means a current study prepared by the applicant organization that documents the housing or other needs of the program applied for, including the needs of lower-income families and the activities to be undertaken to meet those needs. The study shall assess the uses of the property adjacent to the property for which application has been made and the neighborhood surrounding the proposed project. The study shall also identify services available to the proposed program’s participants and the proximity of the program to such services.

“*New Iowan model community*” means the Iowa communities of Fort Dodge, Marshalltown and Mason City.

“*Operations in transitional housing for the homeless*” means any costs associated with maintenance, repairs, utilities, lease or purchase of equipment, supplies, insurance, furnishings or food.

“*Program*” means a project or activity funded under the housing assistance fund (HAF).

“*Recipient*” means any eligible applicant receiving funds under this chapter and with whom the authority will execute a contract.

“*Round*” means notification of funds available. The notification is for a specific program, with dates and times established and distribution made in accordance with these rules.

“*Single-family housing*” means a single-family residence whether detached or vertically attached, including a town house, triplex, and row construction that includes zero lot lines.

“*Stagnant or declining counties*” means Iowa’s most rural counties and its metropolitan inner cities having housing markets that are stagnant or declining as defined in the University of Iowa’s School of Urban and Regional Planning Study of Housing Needs and Resources of August 2000.

“*Transitional housing*” means any facility that provides housing and supportive services to homeless persons with the purpose of facilitating the movement of homeless individuals to independent living within a reasonable amount of time, generally not less than 90 days and not in excess of 24 continuous months for any homeless individual or family.

“*Very low-income families*” means families whose incomes do not exceed 50 percent of the median income for the area, with adjustments for the size of the family or other necessary adjustments due to unusual prevailing conditions in the area.

**265—15.7(16) Intent of the authority.** It is the authority’s intent to allow maximum discretion and flexibility to be exercised by eligible applicants in the design, packaging and structuring of a program. The authority reserves the right to negotiate the form, amount, terms and conditions of any award offered to an eligible applicant. The authority shall also determine the mechanism, timing, documentation for and other factors relating to the distribution of awarded funds. In addition to any of the specific requirements by category, 1 percent of the total requested amount must be in the form of a local contributing effort.

**265—15.8(16) HAF funds.** There are three separate categories of HAF funds: (1) homeownership; (2) technical assistance/capacity building/public education/tenant programs; and (3) transitional housing and supportive services. Each fund has different eligible uses and criteria and different eligible applicants. If HAF funds are used for rehabilitation under any of these categories, if applicable and based on the age of the structure, the property must comply with current lead-based paint stabilization requirements. The HAF funds are as follows:

**15.8(1) Homeownership.** For the category of homeownership, there are three funds: construction financing; self-help mortgage purchase; and financial assistance program.

*a. Construction financing.*

(1) Applicants eligible for funding are nonprofit 501(c)(3) affordable housing providers, for-profit affordable housing providers in enterprise zones, community housing development organizations (CHDOs), local housing trust funds and economic development corporations. This would not preclude multiple eligible applicants from filing joint applications to meet the minimum thresholds.

(2) Funds under this category may be used for either production of new construction or rehabilitated affordable single-family housing units.

(3) Funds may also be used for gap financing subsidy in the form of a grant to reduce the sale price of single-family homes to a more affordable level.

(4) Criteria to be met are as follows:

1. Construction financing for single-family housing in partnership with Fannie Mae;
2. Construction of a minimum of four houses and a maximum of ten houses in a single market;
3. New construction or acquisition/rehabilitation;
4. Minimum loan of \$50,000;
5. Maximum loan of \$1 million;
6. Sale price, including house and land, net of all subsidies, must be below \$125,000;
7. The units shall consist of single-family detached units, town houses or duplexes; the owner shall live in one of the units;

8. The eligible applicant may borrow up to 80 percent of construction costs for a single home. Initially, builders will not be allowed to draw for more than two homes. When the first funds are repaid, funds for the next two homes will be advanced. Once the developer has demonstrated capacity and market demand, the number of houses in each draw may be increased, at the sole discretion of IFA;

9. Needs assessment;

10. Experience of developer for this type of project;

11. Advances will be for a term of nine months. Full interest and principal will be due when the sale of the house is closed, or after nine months, whichever comes first;

12. Interest rate will be based on Fannie Mae loan-out rate, or as determined by the authority. If the house is sold to families whose income is at or below 80 percent of the area median income, the interest rate will be 3 percent for the term of the loan; and the gap financing subsidy grants will be up to an amount of \$15,000 each; and

13. Compliance requirements are a copy of the HUD 1 Settlement Statement at closing; a semi-annual report including a narrative of activities; monitoring of cost containment strategies, including energy efficiency; and demographics and employment data of persons served.

(5) With respect to funds loaned to local housing trust funds:

1. Such funds may then be loaned by the local housing trust fund to developers it selects;
2. Such funds may be utilized directly by the local housing trust fund for construction or rehabilitation of single-family housing; or
3. Such funds may be used in another manner that satisfies the criteria and intent of paragraph 15.8(1)“a.” Except for 15.8(1)“a”(4)“2,” the criteria set forth in 15.8(1)“a”(4) apply to funds loaned to local housing trust funds.

*b. Self-help housing mortgage purchase.*

(1) Applicants eligible for funding are nonprofit 501(c)(3) organizations that sponsor and coordinate housing development through programs that require sweat equity of prospective homeowners, rely on volunteer contributions of time and money, and provide affordable mortgage financing at very favorable terms to low-income families.

(2) The authority will purchase mortgages from the eligible nonprofit 501(c)(3) organizations.

(3) Loans purchased by IFA shall be at least two years old and have a history of satisfactory performance, as determined by IFA in its sole discretion. Loans purchased by IFA must be for homes in good repair; they cannot be in need of major repairs or major rehabilitation. Proceeds from the sale of mortgages to IFA must be used by the eligible 501(c)(3) organization to purchase, construct or rehabilitate additional homes to perpetuate the mission of the organization.

*c. Financial assistance program.*

(1) Applicants eligible for funding are homeowners who are elderly or persons with disabilities and who qualify as lower-income or very low-income families.

(2) The funds will be used for a home maintenance and repair program.

**15.8(2)** *Affordable rental multifamily housing.* Rescinded IAB 10/30/02, effective 12/4/02.

**15.8(3)** *Technical assistance/capacity building/public education/tenant programs.* For the category of technical assistance/capacity building/public education/tenant programs there are six funds: (1) Iowa equity fund; (2) homeownership education funds; (3) local housing trust funds; (4) tenant education and assistance programs; (5) matching grant funds; and (6) technical assistance and capacity building funds.

*a. Iowa equity fund.*

(1) Eligible applicants are nonprofits that will form an Iowa board, staff an Iowa office and submit a response to a request for proposal (RFP).

(2) The funds will be used to enhance the production, rehabilitation or preservation of small affordable housing projects (usually fewer than 24 units) through the use of federal low-income housing tax credits.

(3) The fund will raise private capital from in-state investors and invest in projects too small to interest national investors.

*b. Homeownership education funds.*

(1) Eligible applicants will be nonprofit organizations whose mission is to provide on a statewide basis training classes for homebuyer education, counselor training, computer hardware and software, and expansion of homebuyer education in languages other than English.

(2) The eligible uses for this grant will be to provide training classes for homebuyer education, counselor training, and computer hardware and software, and expand homebuyer education and training in languages other than English.

*c. Local housing trust funds.*

(1) Eligible applicants are local housing trust funds that meet the following criteria:

1. Receive support and funding from one or more local governments;
2. Receive local private sector contributions;

3. Serve primarily low-income families and coordinate development activity services to the homeless and the spectrum of local nonprofit housing providers.

(2) The eligible uses for this matching three-year grant are to fund programs that serve primarily low-income families and coordinate development activities and services to the homeless and the spectrum of local nonprofit housing providers.

*d. Tenant education and assistance programs.*

(1) Eligible applicants are coalitions of nonprofit housing organizations who will provide materials or services that benefit housing providers statewide.

(2) The eligible uses will be to provide funding for materials or services that will benefit statewide housing providers. Services and materials include but are not limited to translation of signs or key documents for bilingual persons or the hearing or visually impaired.

*e. Matching grant funds.*

(1) Eligible applicants are nonprofits who will use the funds as a match for federal programs, targeting special populations, or leveraging local governmental match.

(2) The authority will match or leverage up to 10 percent of the total grant required for those applying for various grant programs. The commitment may be conditional. The eligible uses are as follows:

1. Leverage for federal grants: HUD's HOPWA, EDI, RHED, Youth Build, Homeless and Domestic Violence; Leverage for employer assisted housing;

2. Leverage may be used for organizations that target special populations; and leverage may also be used for local matching funds, which include but are not limited to local HOME, CDBG, and Fannie Mae Foundation.

*f. Technical assistance and capacity building funds.*

(1) Eligible applicants are nonprofit organizations whose mission is to support the delivery of training and technical assistance activities needed to build the capacity of nonprofit organizations.

(2) Funds will be available on an ongoing basis to support the delivery of training and technical assistance activities needed to build the capacity of nonprofit organizations. Such activities should increase the organization's capacity and ability to:

1. Undertake projects to improve the availability and affordability of housing in the community;

2. Increase the level of housing production sophistication (e.g., moving from multifamily to single-family and managing the organization's own properties);

3. Increase the ability to access and leverage alternative funding sources;

4. Complete predevelopment requirements for housing;

5. Assess the financial feasibility of a housing project; and

6. Improve the organizational capacity (e.g., developing strategic plans, board development and management).

**15.8(4)** *Transitional housing and supportive services.*

*a.* Eligible applicants are transitional housing providers, nonprofit multifamily housing providers who serve at-risk populations (as defined in rule 15.6(16)) or domestic violence shelters.

*b.* This will be a grant that requires at least 1 percent of the total amount requested to be in the form of a local contributing effort as defined in rule 15.6(16).

*c.* The eligible uses are as follows:

(1) Salaries and training for case management staff;

(2) Supportive services as defined in rule 15.6(16);

(3) Transitional housing for the homeless as defined in rule 15.6(16);

(4) New construction; rehabilitation; acquisition; and

(5) Operations as defined in rule 15.6(16).

*d.* The applicant shall fulfill the following requirements:

(1) Demonstrate sustainability;

(2) Demonstrate ability to leverage other resources;

(3) Demonstrate community collaboration;

(4) Document need for services; and

(5) Agree to submit an annual compliance report showing that targets have been met.

**265—15.9(16) Eligible locations.** Provided that they are otherwise eligible, projects located within the state of Iowa and in a suitable location, as defined by IFA, are eligible to receive assistance under the fund. Preference will be given to programs located within federal Enterprise Communities, state housing enterprise zones, low- to moderate-income census tracts, and counties described by the University of Iowa's School of Urban and Regional Planning Report as having stagnant or declining housing markets.

**265—15.10(16) General rule.** All programs assisted with HAF funding must demonstrate and provide direct benefits to lower-income families.

**265—15.11(16) Duration of benefit and compliance.** Recipients shall comply with the terms of the financial assistance award for a period equal to the length of the loan or, for assistance other than a loan, a period equal to the benefit of the assistance as if it were a loan.

**265—15.12(16) Application procedure.**

1. All applications must be submitted on the form provided by the authority. Any substitute application will disqualify a project from consideration.

2. Once notice of a HAF round is given, applicants must submit an application.

3. Applications for funding will be accepted only when a HAF round for that program or category has been announced.

4. The authority may reject any application that is incomplete or inadequately documented. Once funding has been announced, unsuccessful or nonfunded applicants may apply at the time of the next round. The authority will not hold any HAF application for future rounds.

5. Review and consideration of applications will be performed by authority personnel after consultation, if appropriate, with other agencies that have program responsibility in housing-related areas. Authority staff will make recommendations to the board. The board will make all funding decisions.

6. Applications which rate high enough to be funded will be reviewed to verify representations made in the applications. Such verification may include independent research and site visits. In cases where misrepresentations, inaccuracies, omissions, or errors are found, the authority may reject the application.

7. Those applications with the highest rankings and which meet the goals and objectives of the state strategic housing program and are consistent with the guiding principles of Iowa Code section 16.4 will be funded, to the extent that program funding is available.

**265—15.13(16) Application process.** Upon request, the authority will forward an application package that is consistent with the provisions of these rules. The application package will also be available on the Internet at <http://www.ifahome.com>. In the event it becomes necessary to amend the application package, the authority will post the amended version of the application package on its Web site at the above address. Applicants are advised to check the authority's Web site periodically for any amendments or modifications to the application package. An applicant's application must include an acknowledgment of any amendments or modifications to the application.

**15.13(1)** The applicant must submit one original and one complete printed copy of the application package by the due date. All printed copies must be on letter-size paper, bound in a three-ring binder(s); and all attachments must be tabbed with the number assigned in the application.

**15.13(2)** Late filed applications will be rejected outright and returned to the applicant. An application will be late if it is not actually received in the office of the authority by 3 p.m. Central Time (or Daylight Savings Time, if applicable) on the due date.

**15.13(3)** An application that is not substantially complete may be rejected.

**15.13(4)** The authority in its sole discretion may provide a written notice of deficiencies in the application to the applicant. The notice will be sent by overnight delivery. The receipt from the overnight carrier will be proof of receipt by the applicant. No new information that would increase the score of the application will be considered. The applicant will have seven business days from the date of receipt to provide requested clarifications or documents to the authority. The applicant may contact the authority during this seven-day period to discuss the requirements to be met in addressing the deficiencies. Any application, which after seven business days remains deficient, will be rejected. The authority reserves the right to contact applicants in ways other than overnight delivery to clarify information contained in the application.

**15.13(5)** Generally, all supporting documentation required by the application must be no more than 180 days old on the date that the application is submitted to the authority. A specific list of supportive documentation will be included in the application package.

**15.13(6)** The authority is not responsible for any costs incurred by an applicant.

**15.13(7)** By submitting an application, an applicant agrees that the authority shall become the owner of the application and it shall not be returned to the applicant even in the event that HAF funding is not awarded.

**265—15.14(16) Threshold criteria.** Threshold criteria will differ by grant or loan activity or program. In order to be considered for financial assistance, each application must contain the appropriate criterion for the activity or program proposed. In general the following are threshold criteria:

**15.14(1)** Applications for each of the categories of loan or grant activities or programs shall be complete and all necessary attachments and exhibits must accompany the application;

**15.14(2)** If required in the application for funding, a description of local need and a description of how the need was determined and, when applicable, the needs assessment should include consideration for the housing project or activity in the context of overall community needs, including vacancy rate of rental property and ratio of subsidized rental housing to nonsubsidized housing;

**15.14(3)** To the extent that it is applicable, project description must include the legal description, amount of funding requested, use of funds, project impact on local need, project implementation schedule, and notification as to whether the project is located in a floodplain or is a historical site;

**15.14(4)** A description of amount and timing of any repayment of program funds;

**15.14(5)** Description and documentation of applicant financial contribution, including the amount, source and type of contribution and description of other financial contribution (i.e., assistance from other housing programs). At least 1 percent of the total amount requested shall be in the form of a local contributing effort;

**15.14(6)** Unless otherwise specified by the authority, applicants will be required to submit a needs assessment which documents the housing needs or other needs of the program applied for, including the needs of lower-income families and the activities needed to be undertaken to meet those needs. The study must also assess the uses of the property adjacent to the program applied for and the availability of and the proximity to services;

**15.14(7)** Evidence that the city and county in which the project is located endorse or do not oppose the project;

**15.14(8)** Evidence that the project is consistent with local laws, codes, and plans; and

**15.14(9)** Unless otherwise specified by the authority, the program must be completed and in use within 36 months after the authority's approval of the application.

Applications which fail to meet these threshold criteria will be rejected.

**265—15.15(16) Competitive selection criteria.** The authority will determine the scoring criteria at the time the funding rounds are announced for the particular eligible use categories. When applicable and appropriate, the scoring criteria shall include a consideration of local housing sponsor and recipient financial commitment; proposals for leveraging other financial assistance; experience with the recipient group involved; consideration for the housing project in the context of overall community needs, including vacancy rate of rental property and ratio of subsidized rental housing to non-subsidized housing; ability to provide a counseling support system to the recipients; and a demonstrated capability by the housing sponsor to provide follow-up monitoring of recipients to determine if identifiable results have been achieved. Scoring criteria will be in the application for funding, or will be made available from IFA or on the IFA Web site at <http://www.ifahome.com>.

**265—15.16(16) Tie-breaking procedure.** A tie-breaking procedure will apply in the event that an applicant accumulates an equal number of points with another applicant for a program and only a limited number of moneys are available under the remaining HAF funds. Under this circumstance, the program proposed by the applicant that serves persons with the greatest need and the lowest incomes will take precedence and, at the sole discretion of the authority, will be selected.

**265—15.17(16) Discretion of the board.** Irrespective of scoring, including a tie in the scoring, the board will make the final determination for funding.

**265—15.18(16) Financial assistance awards.** The authority may consider providing financial assistance in a variety of forms including:

1. Grants;
2. Forgivable loans;
3. Interest subsidies;
4. Equity-type investments;
5. Loan guarantees or insurance;
6. Loans;
7. Conditional commitments;
8. Other assistance as approved by the authority; and
9. Combinations of “1” through “8.”

**265—15.19(16) Public information.**

**15.19(1)** At the conclusion of the selection process, the contents of all applications shall be placed in the public domain and be opened to inspection by interested parties subject to the provisions of Iowa Code chapter 22. The authority may treat all information submitted by an applicant as a public record unless an applicant properly requests that the information be treated as confidential information at the time the application is submitted.

**15.19(2)** Any request for confidential treatment of information must be included in a cover letter with the application and must enumerate the specific grounds in Iowa Code chapter 22 or other provisions of law that support treatment of the material as confidential. The request must indicate why disclosure is not in the best interest of the public and must include the name, address and telephone number of the person authorized by the applicant to respond to any inquiries by the authority concerning the confidential status of the materials.

**15.19(3)** In the event the authority receives a request for the release of information that includes material an applicant has marked as confidential, the authority shall provide a written notice to the applicant regarding the request. The applicant's failure to request confidential treatment of material may be deemed by the authority as a waiver of any right to confidentiality.

**265—15.20(16) No representation or warranty regarding the program.** The authority makes no representation or warranty to any person or entity as to the feasibility or viability of any applicant applying for or receiving HAF funds.

**265—15.21(16) Appeals.**

**15.21(1)** An applicant whose application has been timely filed may appeal the authority's award of HAF funds by filing a written notice of appeal within seven days of the award before the Iowa Finance Authority, 100 East Grand Avenue, Suite 250, Des Moines, Iowa 50309.

**15.21(2)** Filing a notice of appeal shall not stay the HAF awards made by the authority. The notice of appeal must actually be received at the above address within the time frame specified to be considered timely.

**15.21(3)** The notice of appeal shall state the grounds upon which the applicant challenges the award. In order to prevent the award of funds by the authority, an aggrieved party must request a stay of the authority's decision in conformance with rule 265—7.29(17A) within 14 days of the date of the award.

**265—15.22(16) Procedures for applicant appeal.** An appeal of HAF awards shall be heard by the executive director of the Iowa finance authority. The executive director shall grant the appellant reasonable opportunity to gather information and inquire as to why HAF funds were not awarded. The executive director shall allow the appellant to present all the relevant facts supporting the appellant's position. Such presentation shall be held not later than 30 days after the filing of an appeal, except when the party requests a stay under 265—7.29(17A), in which case the presentation shall be held after the hearing requesting a stay.

**265—15.23(16) Decisions.** Within seven days of the presentation, the executive director shall issue a written decision which clearly states why the appellant should have been awarded HAF funds or why the decision not to award HAF funds was appropriate. Such decision shall be delivered to the appellant and the board of directors of the Iowa finance authority.

**15.23(1) Remedies.** If the executive director determines that the appellant should have been awarded HAF funds, the executive director shall include in the written decision a recommendation that the applicant receive unreserved or returned HAF funds, if available, for that round.

**15.23(2) Final agency action.** After receiving a written decision from the executive director, the board of directors must either approve or decline to approve the executive director's recommendation no later than the next regularly scheduled board meeting. Such action by the board shall be the final decision of the agency.

**15.23(3) Judicial review.** Judicial review of the authority's final decisions may be sought in accordance with Iowa Code section 17A.19.

**265—15.24(16) Contracts and agreements.** Upon selection of an application for funding, the authority will prepare a contract or agreement that may include certifications and assurance, promissory notes, mortgages and other security instruments, title guaranty requirements, servicing requirements, and other items to be executed by the applicant and other parties participating in the project.

**15.24(1)** Certain projects may require that permits or clearances be obtained from state or federal agencies prior to proceeding with the project. Awards may be conditioned upon the timely completion of such requirements.

**15.24(2)** All contracts and agreements for financial assistance under these rules will require one or more audits of project expenditures in accordance with this rule. Audits may be required periodically or on a one-time basis as determined by the authority. Recipients shall be responsible for the procurement of audit services and for the payment of audit costs. Audits may be performed by the state auditor's office or by a qualified independent auditor approved by the authority.

**15.24(3)** Any substantive change to a funded project will be considered an amendment. Substantive changes include time extensions, budget revisions, and significant alterations of contract or agreement activities that could change the scope, location, objectives, or scale of the approved project.

**15.24(4)** All amendments shall be requested in writing and no amendment will be valid until approved in writing by the authority. The project, as amended, must rate high enough to be funded under the funding cycle.

**265—15.25(16) Administrative requirements.**

**15.25(1) Local contribution.** Local contribution is defined in and shall be determined in accordance with rule 265—15.6(16).

**15.25(2) Allowable costs.** The authority will determine allowable costs and shall be responsible for clarifications.

**15.25(3) Request for funds.** Recipients shall submit requests for funds in the manner and on forms prescribed by the authority.

**15.25(4) Record keeping and retention.** Financial records, support documents, statistical records, and all other records pertinent to the program shall be retained by the recipient. The authority shall have access to all books, accounts, documents, records and other property belonging to or in use by recipients pertaining to the receipt of assistance under these rules. All such records will be kept by the recipient for three years after the completion of the program.

**15.25(5) Performance reports and reviews.** Recipients shall submit performance reports to the authority as required. The reports will assess the use of funds in accordance with program objectives, the progress of program activities, and compliance with other program requirements. The authority may perform any reviews or field inspections it deems necessary to ensure program compliance, including review of performance reports. When problems of compliance are noted, the authority may require remedial actions to be taken. Failure to take remedial action may result in the authority's seeking all available equitable or legal relief.

**15.25(6) Closeout.** Upon completion of the project, recipients will initiate closeout in accordance with procedures specified by the authority in the contract.

**15.25(7) Remedies for noncompliance.** If the authority finds that a recipient is not in compliance with the authority's requirements under this program, the authority may exercise all legal and equitable remedies to ensure compliance or recover program funds. Reasons for a finding of noncompliance include, but are not limited to, the recipient's use of program funds for activities not described in the application; the recipient's failure to complete approved activities in a timely manner; the recipient's failure to comply with any applicable state or federal rules or regulations; or the recipient's lack of ability and capacity to carry out the approved project in an efficient and timely manner.

**15.25(8) Servicing.** The authority may assign the servicing of any project funded under the HAF fund. The authority may also require that a servicer be in place at the time an award is made or a contract is entered into.

These rules are intended to implement Iowa Code sections 15.283 to 15.287, 16.4(3), 16.5, 16.10, 16.40, 16.100, 17A.12 and 17A.16.

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