

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE

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HCD HPRP Notice

Subject: Lawful Presence of HPRP Participants; and Interest Bearing Accounts.	Notice #: 09-05
	Date Issued: 11-25-09
References: H omelessness P revention and R apid Re-Housing P rogram (HPRP)	Supersedes:N/A

To: All HPRP Subgrantees

Lawful Presence of HPRP participants

Question: Are HPRP providers required to confirm lawful presence of a participant as a condition of receiving HPRP benefits?

Answer: In accordance with Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, An alien (a person who is not a U.S. Citizen or national) may be eligible for assistance under HPRP only if he or she is a “qualified alien” (defined I 8 U.S.C. 1641). This means that no entity that receives funds under HPRP may knowingly provide HPRP assistance to an alien who is not a qualified alien.

The law also requires all state and local governments that directly administer HPRP assistance to first verify that an alien is a qualified alien before using HPRP funds to assist him or her. Nonprofit organizations that administer HPRP assistance are not required, but may, verify that an alien is a qualified alien in order to provide him or her with HPRP assistance. However, if a nonprofit organization pursues verification, it must follow the requirements set forth in the interim guidance published by the Department of Justice.

For more information on these requirements, as well as a discussion of applicable nondiscrimination requirements, see the “Interim Guidance on Verification of Citizenship, Qualified Aliens Status and Eligibility under Title IV of the Personal Responsibility and Work Opportunity Act of 1996, “ 63 Fed. Reg. 61344 (Nov. 17, 1997), available at <http://www.gpoaccess.gov/fr/advanced.html> (Select 1997 Federal Register and search for page 61344).

Source: HUD HPRP Virtual Help Desk

Required deposit of HPRP funds into interest bearing accounts

HPRP subgrantees are subject to the requirements of 24 CFR Section 84.22 (k) which states “Recipients shall maintain advances of federal funds in interest bearing accounts unless paragraphs (k) (1), (k) (2) or (k) (3) of this section apply.”

In connection with (k) (2), HPRP subgrantees that qualify may demonstrate compliance by:

- Transferring the sample language (see below) to the HPRP subgrantee’s letterhead; and
- Obtaining the signature of the Authorized Signatory of the subgrantee certifying that subgrantee has exercised due diligence regarding the exemption from placing federal funds into interest bearing accounts.
- The above-referenced certification shall be retained by the HPRP subgrantee and made available upon request by HUD and/or HCD.

Sample Language:

(Please prepare a letter on organization letterhead with the following language and send a copy to your HCD Representative.)

This letter serves as evidence of _____ (name of subgrantee organization) performing its due diligence to certify that this organization is exempt from placing advanced funding from HPRP into an interest bearing account. Per 24 CFR Section 84.22 (k) (2), “the best reasonably available interest bearing account would not be expected to earn interest in excess of \$250 per year on Federal cash balances.”

I have received the following information from the bank/financial institution where my organization has its business checking account(s).

Name of Banking Institution: _____

Address: _____

The attached documentation indicates that the advances of \$_____ would be expected to earn no more that \$_____ a year.

Signature and Title of Subgrantee Authorized Signatory

Date

24 CFR §84.22 Payment.

(k) Recipients shall maintain advances of Federal funds in interest bearing accounts, unless paragraphs (k)(1), (k)(2), or (k)(3) of this section apply.

(1) The recipient receives less than \$120,000 in Federal awards per year.

(2) The best reasonably available interest bearing account would not be expected to earn interest in excess of \$250 per year on Federal cash balances.

(3) The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.

Sincerely,

Dan Apodaca

Dan Apodaca, Manager
Homeless Operations Programs