



[4310-4J-P]

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

25 CFR Part 256

[K00103 12/13 A3A10; 134D0102DR-DS5A300000-DR.5A311.IA000113]

[BIA-2014-0004]

RIN 1076-AF22

Housing Improvement Program

ACTION: Proposed Rule.

SUMMARY: The Bureau of Indian Affairs is proposing to amend its regulations governing its Housing Improvement Program, which is a safety-net program that provides grants for repairing, renovating, or replacing existing housing and for providing new housing. This proposed rule is an important part of the *Tiwahe* initiative, which is designed to promote the stability and security of Indian families. The proposed rule would align the program with other Federal requirements, allow leveraging of housing funds to increase the number of families served and projects funded, and expedite processing of waiting lists for housing assistance.

DATES: Comments must be received on or before March 6, 2015. See the SUPPLEMENTARY INFORMATION section of this document for dates of tribal consultations. Comments on the information collections contained in this proposed regulation are separate from those on the substance of the rule. Comments on the information collection burden should be received by

[INSERT DATE 30 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER] to ensure consideration, but must be received no later than March 6, 2015. The dates of tribal consultations are listed in the SUPPLEMENTARY INFORMATION section of this document.

ADDRESSES: You may submit comments by any of the following methods:

-Federal rulemaking portal: <http://www.regulations.gov>. The rule is listed under the agency name “Bureau of Indian Affairs.” The rule has been assigned Docket ID: BIA-2014-0004.

-Mail or hand delivery: Elizabeth K. Appel, Director, Office of Regulatory Affairs & Collaborative Action, Indian Affairs, U.S. Department of the Interior, 1849 C St. NW, Mail Stop 3642-MIB, Washington, DC 20240.

Comments on the Paperwork Reduction Act information collections contained in this rule are separate from comments on the substance of the rule. Please submit comments on the information collection requirements in this rule to the Desk Officer for the Department of the Interior by e-mail at OIRA_Submission@omb.eop.gov or by facsimile at (202) 395-5806. Please also send a copy of your comments to consultation@bia.gov.

Please see the SUPPLEMENTARY INFORMATION section of this document for information on tribal consultation sessions.

FOR FURTHER INFORMATION CONTACT: Mr. Les Jensen, Division of Housing Assistance, Bureau of Indian Affairs at (907) 586-7397. Individuals who use a telecommunications device for the deaf (TDD) may call the Federal Information Relay Service at 1 (800) 877-8339 between 8 a.m. and 4 p.m. Monday through Friday, excluding Federal holidays. You may also view the information collection request as submitted to OMB at www.reginfo.gov.

SUPPLEMENTARY INFORMATION

I. Background

The Housing Improvement Program (HIP) is a safety-net program that provides grants for the cost of services to repair, renovate, or replace existing housing and provide new housing for eligible members of federally recognized Indian tribes. The BIA administers the HIP under the regulations at 25 CFR part 256. The BIA distributes HIP funding based on a priority ranking derived from a point system to identify those individuals and families most in need of housing assistance. Funding is restricted to individuals and families that reside in the tribe's service area. In Fiscal Year (FY) 2014,f the HIP will serve approximately 140 recipients. These recipients are individuals and families with extremely low incomes.

II. Changes Proposed Rule Would Make

This proposed rule would update various provisions to align the HIP with other Federal program requirements, allow leveraging of housing funds to increase the number of families served and projects funded, and provide tribes with flexibility to better address lengthy waiting lists of tribal members awaiting housing assistance.

Categories of Assistance and Funding Limits

Currently, the HIP provides funding for four categories of housing needs:

- Category A – for repair of existing homes
- Category B – for renovation of existing homes
- Category C-1 – for construction of replacement homes
- Category C-2 – for new housing.

For each category, there is a monetary limit on the amount of funding a recipient may receive. The proposed rule would increase the limit for Category A funding from \$2,500 to \$7,500 and increase the limit for Category B funding from \$35,000 to \$60,000. The original limits are inadequate, given the average costs of repair and renovation. These limit increases will better reflect the actual costs of repair and renovation. The proposed rule would also add a new category of housing need for down payment assistance.

Ranking Factors

Currently, priority ranking is based on total numeric value (points) received under the ranking factors. The ranking factors are based on the applicant's annual household income, whether there is an aged person living in the house, whether there is a disabled person living in the house, and family size. There are a certain number of points available for each of the ranking factors. Each applicant receives a certain number of points under each of the ranking factors. The proposed rule would update the current ranking factors, as shown in the table below.

Ranking Factor	Proposed Rule Change	Reason for Change
Annual Household Income	Increase the income guidelines from 125 percent to 150 percent of the Federal Poverty Income Guidelines	Those within 150 percent of the poverty level would be eligible, allowing the HIP to assist the very needy, in addition to the extremely needy.
Age	Increase the age requirement from 55 years old to 62 years old.	Align with the social security age for retirement.
Age (continued)	Add one point for every year above 62 years old, and set a maximum of 15 points (currently, there is no maximum).	To provide tribes with flexibility to better address lengthy waiting lists of tribal members awaiting housing assistance.
Disability	Reduce the number of applicants to one per household and decrease the maximum number of points available for this category to 10 points (currently, the maximum is 20 points)	To provide tribes with flexibility to better address lengthy waiting lists of tribal members awaiting housing assistance.

Ranking Factor	Proposed Rule Change	Reason for Change
Family Size	To provide that one dependent gets three points, and each additional dependent gets 3 points. Increase points for 5 or more dependents to a maximum of 15 points (currently, the maximum for 6 or more dependents is 5)	To provide tribes with flexibility to better address lengthy waiting lists of tribal members awaiting housing assistance.

The proposed rule would add new ranking factors for homelessness, overcrowding, and dilapidated housing – each with a maximum of 10 points. These additional ranking factors are intended to better prioritize applicants who are homeless or in overcrowded or dilapidated housing conditions, by specifically examining whether these factors are present.

Payback Agreements

Under the HIP, the recipient may be required to enter a “payback agreement” which provides that the recipient will have to pay back the entire amount of funding received or a portion thereof if the recipient sells the home within a certain period of time. If the payback period expires, no payback is required and the money is considered a grant. Currently, for Category B, the payback period is 5 years. So, for example, a family that receives HIP funding for a home must repay the funding if the family sells the home within 5 years of receiving the funding. The proposed rule would lengthen the Category B payback period to 10 years. So, for example, a family that receives HIP funding for a home must repay the funding if the family sells the home within 10 years. Category C payback period remains the same, 20 years.

Four-Year Application Period

The proposed rule would also increase the time for consideration of an application to 4 years. Currently an application expires after one year, requiring an applicant who does not receive assistance

under the HIP to reapply annually until assistance is received. The proposed rule would place each application in the application pool for four years, so an applicant need only apply once every 4 years until assistance is received.

Land Ownership Requirements

HIP funding applicants must provide proof of land ownership before the grant award. The proposed rule would allow the applicant to provide proof of a homesite lease or proof that the applicant can obtain the land, even by lease, rather than requiring ownership. A certificate of title is required if and when the applicant becomes the owner of the home.

Square-footage Limits

The proposed rule would also increase square-footage limits to allow Americans with Disabilities Act (ADA) requirements to be met, when applicable, and clarify when ADA requirements apply. The following table shows the increases in square footage the proposed rule would make.

Number of Bedrooms in House	Current and Proposed Square Footages (SF)	Total Increase
2 bedrooms	900 sf to 1,000 sf	100 sf
3 bedrooms	1,050 sf to 1,200 sf	50 sf
4 bedrooms	1,305 sf to 1,400 sf	95 sf

Other Changes

The proposed rule would also make other revisions to update the regulations to address past implementation issues and better reflect current housing needs. Together, these proposed rule changes would allow for HIP assistance to families with very low income (rather than just families with extremely low income) and allow tribes to better address the large waiting lists they are experiencing. The changes

would allow down-payment assistance for families that can obtain a mortgage loan from other Federal programs.

III. Tribal Consultations

The Department will be hosting consultation sessions with Indian tribes on this proposed rule; details on the times and locations will be posted at the following Web site when they become available:

<http://www.bia.gov/WhoWeAre/AS-IA/ORM/HIP/index.htm>.

- Wednesday, February 4, 2015, at the National American Indian Housing Council legislative conference, at the Mayflower Renaissance Hotel, 1127 Connecticut Ave., NW, Washington, DC (please check Web site for time).
- Wednesday, February 11, 2015, in Anchorage, AK (please check Web site for details).
- Wednesday, February 18, 2015, by teleconference (please check Web site for details).
- Sunday, February 22, 2015, prior to the National Congress of American Indian Executive Council Winter Session, Capital Hilton, 1001 16th Street, NW, Washington, DC (please check Web site to confirm date and for time).

IV. Procedural Matters

A. Regulatory Planning and Review (E.O. 12866)

Executive Order (E.O.) 12866 provides that the Office of Information and Regulatory Affairs (OIRA) at the Office of Management and Budget (OMB) will review all significant rules. OIRA has determined that this rule is not significant. E.O. 13563 reaffirms the principles of E.O. 12866 while calling for improvements in the nation's regulatory system to promote predictability, to reduce uncertainty, and to use the best, most innovative, and least burdensome tools for achieving regulatory ends. The E.O. directs agencies to consider regulatory approaches that reduce burdens and maintain

flexibility and freedom of choice for the public where these approaches are relevant, feasible, and consistent with regulatory objectives. E.O. 13563 emphasizes further that regulations must be based on the best available science and that the rulemaking process must allow for public participation and an open exchange of ideas. We have developed this rule in a manner consistent with these requirements.

B. Regulatory Flexibility Act

The Department certifies that this rule will not have a significant economic effect on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 et seq.). It does not change current funding requirements or regulate small entities.

C. Small Business Regulatory Enforcement Fairness Act

This rule is not a major rule under 5 U.S.C. 804(2), the Small Business Regulatory Enforcement Fairness Act. It will not result in the expenditure by State, local, or tribal governments, in the aggregate, or by the private sector of \$100 million or more in any one year. Nor will this rule have significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of U.S.-based enterprises to compete with foreign-based enterprises. Funding for the HIP comes from the Federal Government budget.

D. Unfunded Mandates Reform Act

This rule does not impose an unfunded mandate on State, local, or tribal governments or the private sector of more than \$100 million per year. The rule does not have a significant or unique effect on State, local, or tribal governments or the private sector. A statement containing the information required by the Unfunded Mandates Reform Act (2 U.S.C. 1531 et seq.) is not required.

E. Takings (E.O. 12630)

Under the criteria in Executive Order 12630, this proposed rule does not affect individual property rights protected by the Fifth Amendment nor does it involve a compensable "taking." A takings implication assessment is not required.

F. Federalism (E.O. 13132)

Under the criteria in Executive Order 13132, this proposed rule has no substantial direct effect on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. This rule updates the implementation requirements for the HIP, which is a Federal program.

G. Civil Justice Reform (E.O. 12988)

This proposed rule complies with the requirements of Executive Order 12988. Specifically, this rule has been reviewed to eliminate errors and ambiguity and written to minimize litigation; and is written in clear language and contains clear legal standards.

H. Consultation with Indian Tribes (E.O. 13175)

In accordance with the President's memorandum of April 29, 1994, "Government-to-Government Relations with Native American Tribal Governments," Executive Order 13175 (59 FR 22951, November 6, 2000), and 512 DM 2, we have held several listening sessions with representatives of federally recognized tribes throughout the development of this proposed rule. In 2010, BIA staff implementing the HIP program opened a dialogue with Indian tribes because tribes indicated that the program as structured was not allowing them to make progress on their waiting lists of members with housing needs. The BIA has since held several listening sessions and has incorporated comments received during those listening sessions into this proposed rule. In addition, we are hosting tribal consultation sessions, as listed above, in Section III.

I. Paperwork Reduction Act

The Paperwork Reduction Act (PRA), 44 U.S.C. 3501 et seq., prohibits a Federal agency from conducting or sponsoring a collection of information that requires OMB approval, unless such approval has been obtained and the collection request displays a currently valid OMB control number. Nor is any person required to respond to an information collection request that has not complied with the PRA. In accordance with 44 U.S.C. 3507(d), BIA has submitted the information collection and recordkeeping requirements of this proposed rule to OMB for review and approval. The following describes the information collection requirements in each section of the proposed rule. The information collection requirements differ from those in the current rule in that applicants need only submit a full application form every four years, but applicants must provide an update (in any format) annually if any information on the application changes. The application form associated with this information collection is also being updated. The revisions result in a net decrease of 4,000 hours because a full application is now required only once every four years, and applicants must only provide annual updates.

Title: Housing Improvement Program, 25 CFR part 256

OMB Control Number: New.

Type of Review: New.

Requested Expiration Date: Three years from the approval date.

Summary: This information collection requires individuals and families that are seeking funding assistance for repair, renovation, or replacement of existing homes or new housing, to provide certain information to establish their eligibility for the HIP administered by BIA. This information collection is currently authorized by OMB Control Number 1076-0084. This new information collection request is a placeholder to accommodate revisions to the application form. There are changes to the total annual responses, burden hours, and cost burden. If this new information collection is approved, BIA will request a transfer of the existing OMB Control Number 1076-0084 to this information collection.

Frequency of Collection: On occasion

Description of Respondents: Indian tribal members.

Total Annual Responses: 10,000

Total Annual Burden Hours: 4,000

Total Annual Non-Hour Cost Burden: \$ 20,000

The Department invites comments on the information collection requirements of this proposed rule. You may submit comments to the OMB Desk Officer for the Department of the Interior by e-mail at OIRA_Submission@omb.eop.gov or by facsimile at (202) 395-5806. Please also send a copy of your comments to BIA at the location specified under the heading ADDRESSES.

You can receive a copy of BIA's submission to OMB, including the revised form, by contacting the person listed in the FOR FURTHER INFORMATION CONTACT section, or by requesting the information from the Indian Affairs Information Collection Clearance Officer, Office of Regulatory Affairs & Collaborative Action, 1849 C Street, NW, MS-3642, Washington, DC 20240. You may also view the information collection request as submitted to OMB at www.reginfo.gov.

Comments on the information collection requirements should address: (1) whether the collection of information is necessary for the proper performance of the HIP, including the practical utility of the information to BIA; (2) the accuracy of BIA's burden estimates; (3) ways to enhance the quality, utility, and clarity of the information collected; and (4) ways to minimize the burden of collection of information on the respondents, including the use of automated collection techniques or other forms of information technology.

J. National Environmental Policy Act

This proposed rule does not constitute a major Federal action significantly affecting the quality of the human environment.

K. Effects on the Energy Supply (E.O. 13211)

This proposed rule is not a significant energy action under the definition in Executive Order 13211. A Statement of Energy Effects is not required.

L. Clarity of this Regulation

We are required by Executive Orders 12866 and 12988 and by the Presidential Memorandum of June 1, 1998, to write all rules in plain language. This means that each rule we publish must:

- (a) Be logically organized;
- (b) Use the active voice to address readers directly;
- (c) Use clear language rather than jargon;
- (d) Be divided into short sections and sentences; and
- (e) Use lists and tables wherever possible.

If you believe that we have not met these requirements, send us comments by one of the methods listed in the "COMMENTS" section. To better help us revise the rule, your comments should be as specific as possible. For example, you should tell us which sections or paragraphs are unclearly written, which sections or sentences are too long, the sections where you believe lists or tables would be useful, etc.

M. Public Availability of Comments

Before including your address, phone number, e-mail address, or other personal identifying information in your comment, you should be aware that your entire comment – including your personal

identifying information – may be made publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

N. Drafting Information

The primary authors of this document are Les Jensen, Office of Indian Services, Bureau of Indian Affairs, and Elizabeth Appel, Director, Office of Regulatory Affairs & Collaborative Action – Indian Affairs, Department of the Interior.

List of Subjects in 25 CFR Part 256

Grant programs – housing and community development, Grant programs – Indians, Housing, Indians, Reporting and recordkeeping requirements.

For the reasons given in the preamble, the Department proposes to amend 25 CFR chapter I, subchapter K, to revise part 256 to read as follows:

PART 256—HOUSING IMPROVEMENT PROGRAM (HIP)

Sec.

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256.30 Can I appeal actions taken under this part?

AUTHORITY: 25 U.S.C. 13, 5 U.S.C. 301, 25 U.S.C. 2 and 9, and 43 U.S.C. 1457.

§ 256.1 Purpose.

The purpose of the part is to define the terms and conditions under which assistance is given to Indians under the Housing Improvement Program (HIP).

§ 256.2 Definitions.

As used in this part 256:

Agency means the current organizational unit of BIA that provides services to or with the governing body or bodies and members of one or more specified Indian tribes.

Appeal means a written request for review of an action or the inaction of an official of BIA that is claimed to adversely affect the interested party making the request, as provided in part 2 of this chapter.

Applicant means an individual(s) filing an application for services under the HIP.

BIA means the Bureau of Indian Affairs in the Department of the Interior.

Category A means the HIP funding category for minor repair not to exceed limits in § 256.7 of this part.

Category B means the HIP funding category for renovation not to exceed limits in § 256.7 of this part.

Category C-1 means the HIP funding category for an owned house that cannot be brought up to standard housing condition for \$60,000 or less.

Category C-2 means the HIP funding category for owned land as defined in § 256.13(g)(1)-(5).

Category D means the HIP funding category for down payment assistance as defined in § 256.11(a)- (c).

Certificate of Title or Ownership means a document giving legal right to a house constructed with HIP funds.

Child means a person under the age of 18 or such other age of majority as is established for purposes of parental support by tribal or state law (if any) applicable to the person at his or her residence, except that no person who has been emancipated by marriage can be deemed a child.

Cost effective means the cost of the project is within the cost limits for the category of assistance and adds sufficient years of service to the house to satisfy the recipient's housing needs.

Dilapidated housing means a house which in its present condition endangers the life, health, or safety of the residents.

Disabled means having a physical or intellectual impairment that substantially limits one or more major life activities.

Family means one or more persons living within a household.

Homeless means being without a home.

House means a building for human habitation that serves as living quarters for one or more families.

Household means persons living with the head of household who may be related or unrelated to the head of household and who function as members of a family.

Independent trades person means any person licensed to perform work in a particular vocation pertaining to building construction.

Indian means any person who is a member of any federally recognized Indian tribe.

Indian tribe means an Indian or Alaska Native tribe, band, nation, pueblo, village or community that the Secretary of the Interior acknowledges to exist as an Indian tribe pursuant to Pub. L. 103-454, 108 Stat. 4791.

Overcrowding means a number of occupants per house that exceed limits identified in § 256.11.

Permanent members of household means adults living in the household who intend to live there continuously and any children who meet the definition of *child* in this part.

Regional Director means the officer in charge of a BIA regional office or his/her authorized delegate.

Secretary means the Secretary of the Interior.

Service area means any of the following within a geographical area designated by the tribe and approved by the Regional Director to which services can be delivered:

- (1) Reservations (former reservations in Oklahoma);
- (2) Allotments;
- (3) Restricted lands; and
- (4) Indian-owned lands (including lands owned by corporations established pursuant to the Alaska Native Claims Settlement Act).

Servicing housing office means the tribal housing office or bureau housing office administering the HIP.

Standard housing means a house that meets the definition of *standard housing condition* in this part.

Standard housing condition means meets applicable building codes within that region and meets each of the following conditions:

(1) General construction conforms to applicable tribal, county, State, or national codes and to appropriate building standards for the region.

(2) The heating system has the capacity to maintain a minimum temperature of 70 degrees in the house during the coldest weather in the area and be safe to operate and maintain and deliver a uniform heat distribution.

(3) The plumbing system includes a properly installed system of piping and fixtures certified by a licensed plumbing contractor.

(4) The electrical system includes wiring and equipment properly installed to safely supply electrical energy for lighting and appliance operation certified by a licensed electrician according to the applicable electrical code.

(5) The number of occupants per house does not exceed these limits:

(i) Two bedroom house: Up to four persons; and

(ii) Three-bedroom house: Up to seven persons.

(6) The first bedroom has at least 120 sq. ft. of floor space and additional bedrooms have at least 100 sq. ft. of floor space each.

(7) The house site provides economical access to utilities and is easy to enter and leave.

(8) The house has access to school bus routes, if the household includes children who rely on school buses.

Substandard housing means any house that does not meet the definition of *standard housing condition* in this part.

Superintendent means the BIA official in charge of an agency office.

§ 256.3 Policy.

(a) The BIA housing policy is that every American Indian and Alaska Native should have the opportunity for a decent home and suitable living environment, which is consistent with the national housing policy. The HIP will serve the neediest of the needy Indian families who have no other resource for standard housing.

(b) Every American Indian or Alaska Native who meets the basic eligibility criteria defined in § 256.6 may participate in the HIP.

(c) The BIA encourages tribal participation in administering the HIP. Tribal involvement is necessary to ensure that the services provided under the program respond to the needs of tribes and program participants.

(d) The BIA encourages partnerships and leveraging with other complementary programs to increase basic benefits derived from the HIP, such as an agreement with:

(1) The Indian Health Service to provide water and sanitation facilities;

(2) The United States Department of Agriculture, Rural Development to leverage downpayment assistance for a new unit; or

(3) Any other program and resource.

(e) The servicing housing office will issue a Certificate of Title or Ownership in accordance with these regulations.

§ 256.4 Information collection.

The information collection requirements contained in this part have been approved by the Office of Management and Budget under 44 U.S.C. 3507 et seq. and assigned control number 1076-0084. The information is collected to determine applicant eligibility for services and eligibility to participate in the program. Response is required to obtain a benefit.

§ 256.5 What is the Housing Improvement Program?

The HIP is a safety-net program that provides grants for the cost of services to repair, renovate, or replace existing housing, and/or provide housing. The program provides grants to the neediest of the needy Indian families who:

(a) Live in substandard housing or are homeless; and

(b) Have no other resource for assistance.

Subpart A — Determining Eligibility

§ 256.6 Am I eligible for the Housing Improvement Program?

You are eligible for the HIP if you meet all of the following criteria:

(a) You are a member of a federally recognized Indian tribe;

(b) You live in an approved tribal service area;

(c) Your annual income is 150 percent or less of the Department of Health and Human Services poverty income guidelines, which are available from your servicing housing office or the Department of the Interior website at www.bia.gov;

(d) Your present housing is substandard as defined in § 256.2;

(e) You meet the ownership requirements for the assistance needed, as defined in § 256.8, § 256.9, or § 256.10;

(f) You have no other resource for housing assistance;

(g) You have not previously received assistance relating to categories as defined in § 256.9 and § 256.10; § 256.11; and

(h) You did not acquire your present housing through participation in a Federal government-sponsored housing program.

§ 256.7 What housing services are available?

Four categories of assistance are available under the HIP, as outlined in the following table.

Type of assistance	What it provides	Where to find information
Category A	Up to \$7,500 in safety or sanitation repairs to the house in which you live, which will remain substandard. Can be provided more than once, but not for more than one house and the total assistance cannot exceed \$7,500. (For Alaska, freight cost not to exceed 100 percent of the cost of materials can be added to the cost of the project.)	§ 256.8
Category B	Up to \$60,000 in renovation, which will bring your house to standard housing condition, as defined in § 256.2 of this part. Can only be provided once. (For Alaska, freight cost not to exceed 100 percent of the cost of materials can be added to the cost of the project.)	§ 256.9
Category C	A modest house that meets the criteria in § 256.10 of this part and the definition of standard housing in § 256.2 of this part and whose costs are determined by and limited to the criteria in § 256.19(b) and (c) of this part. Can only be provided once. (For	§ 256.10

Type of assistance	What it provides	Where to find information
	Alaska, freight cost not to exceed 100 percent of the cost of materials can be added to the cost of the project.)	
Category D	A down payment toward the purchase of a modest house that meets the definition of standard housing in § 256.2.	§ 256.11

§ 256.8 When do I qualify for Category A assistance?

You qualify for interim improvement assistance under Category A if it is not cost effective to repair the house in which you live and if either of the following is true:

(a) Other resources to meet your housing needs exist but are not immediately available;

or

(b) You qualify for replacement housing under Category C, but there are no HIP funds available to replace your house.

§ 256.9 When do I qualify for Category B assistance?

You qualify for renovation assistance under Category B if you meet all of the following criteria:

(a) Your servicing housing office determines that it is cost effective to renovate the house.

(b) You occupy and own the house.

(c) Your servicing housing office determines that the renovation will bring the house to standard housing condition according to all applicable building codes.

(d) You sign a written agreement stating that, if you sell the house within 10 years of the completion of repairs and renovation:

(1) The grant under this part will be voided; and

(2) At the time of settlement of the sale of the house, you will repay BIA the full cost of all renovations made under this part.

§ 256.10 When do I qualify for Category C assistance?

(a) You qualify for replacement housing assistance under Category C if you meet one of the three sets of requirements in the following table.

You qualify for Category C assistance if ...	And ...	And ...
(1) You own the house in which you are living as defined in § 256.14(g)(1)-(5)	The house cannot be brought up to applicable building code standards and to standard housing condition for \$60,000 or less. (For Alaska, freight cost not to exceed 100 percent of the cost of materials can be added to the cost of the project).	[No additional requirement].
(2) You do not own a house	You own land that is suitable for housing	The land has adequate ingress and egress rights and reasonable access to utilities.
(3) You do not own a house	You have a leasehold or the ability to acquire a leasehold on land that is suitable for housing and the leasehold is undivided and for not less than 25 years at the time you receive assistance	The land has adequate ingress and egress rights and reasonable access to utilities.

(b) If you qualify for assistance under paragraph (a) of this section, you must sign a written grant agreement stating that, if you sell the house within 10 years of assuming ownership:

(1) The grant under this part will be voided; and

(2) At the time of settlement of the sale of the house, you will repay BIA the full cost of the house.

(c) If you sell the house more than 10 years after you assume ownership, the following conditions apply:

(1) You may retain 10 percent of the original cost of the house per year, beginning with the eleventh year.

(2) If you sell the house after 20 years, you will not have to repay BIA.

(d) A modest house provided with Category C assistance must meet the standards in the following table.

Number of occupants	Number of bedrooms¹	Total square footage¹ (maximum)
Up to 4 persons	2	1000
Up to 7 persons	3	1200
Over 7 persons	4	1400

¹ Determined by the servicing housing office, based on composition of family. Total living space must comply with applicable American Disabilities Act requirements.

§ 256.11 When do I qualify for Category D assistance?

(a) You qualify for grant assistance under Category D if you apply for financing from tribal, Federal, or other sources of credit and have inadequate income or limited financial resources to meet the lender requirements for home ownership.

(b) The grant must not exceed the amount necessary to secure the loan and may be used for down-payment assistance, closing costs, education in financial literacy, and home ownership counseling. Participation in other complementary housing programs is encouraged.

(c) The method of awarding the grant must ensure that the funds are used for the purpose intended.

§ 256.12 Who administers the program?

The HIP is administered by a servicing housing office operated by either a tribe (under a Pub. L. 93-638 contract or a self-governance annual funding agreement) or BIA.

Subpart B — Applying for Assistance

§ 256.13 How do I apply for the Housing Improvement Program?

(a) First, obtain an application, BIA Form 6407, from your servicing housing office or the BIA website.

(b) Second, complete and sign BIA Form 6407.

(c) Third, submit your completed and signed application to your servicing housing office.

(d) Fourth, furnish to the servicing housing office documentation proving your tribal membership. Examples of acceptable documentation include a copy of your Certificate of Degree of Indian Blood (CDIB) or a copy of your tribal membership card.

(e) Fifth, provide proof of income from all permanent members of your household.

(1) Submit signed copies of current 1040 tax returns from all permanent members of the household, including W-2s and all other attachments. Submit the social security number of the applicant only.

(2) Provide proof of all other income from all permanent members of the household. This includes unearned income such as social security, general assistance, retirement, and unemployment benefits.

(3) If you or other household members did not file a tax return, submit a signed notarized statement explaining why you did not.

(f) Sixth, furnish a copy of your annual trust income statement for your Individual Indian Money (IIM) account from your home agency. If you do not have an IIM account, furnish a statement from your home agency to that effect.

(g) Seventh, provide proof of ownership of the residence and land or potential leasehold interest:

(1) For fee property, provide a copy of a fully executed deed, which is available at your local county or parish court house;

(2) For trust property, provide certification of ownership from your home agency;

(3) For tribally owned land, provide a copy of a properly executed tribal assignment, certified by the tribe;

(4) For multi-owner property, provide a copy of a properly executed lease;

(5) For a potential lease, provide proof of ability to acquire an undivided leasehold (that is, you will be the only lessee) for a minimum of 25 years from the date of service; or

(6) For down-payment assistance, provide a description and the location of the house to be purchased, verification of your intent to purchase, and the sale price of the house.

(h) Eighth, if you seek down payment assistance provide a letter from the institution where you have applied for mortgage financing that specifies:

(1) The down-payment amount; and

(2) The closing costs required for you to qualify for the loan.

§ 256.14 How is my application processed?

(a) The servicing housing office will review your application. If your application is incomplete, the office will notify you, in writing, of what is needed to complete your application

and of the date by which it must be submitted. If you do not return your application by the deadline date, you will not be considered for assistance in that program year.

(b) The servicing housing office will use your completed application to determine if you are eligible for the HIP.

(1) If you are found ineligible for the program, the servicing housing office will advise you in writing within 45 days of receipt of your completed application.

(2) If you are found eligible for the program, the servicing housing office will assess your application for need, according to the factors and numeric values shown in the following table.

Factor	Ranking factor and definition	Ranking description	Point value
1	Annual household income: Must include income of all persons counted in Factors 2, 3, 4. Income includes earned income, royalties, and one-time income. A household with an income 151 percent of more of the Federal poverty guidelines is ineligible for HIP.	Income as a percentage of the Federal poverty guidelines:	Points:
		0-25	25
		26-50	20
		51-75	15
		76-100	10
		101-125	5
		126-150	0
2	Aged person: person age 62 or older and must be living in the house. <i>Maximum points awarded under this factor is 15, regardless of the number of years over age 62. Thus, a resident that is 78 or older will add 15 points to the score.</i>	Years of age:	Points:
		Less than 62	0
		62 and older	1 point per year over age 62

3	Disabled individual: One or more disabled persons living in the house. Must fit under established definition of “disabled as in § 256.2.” <i>Maximum points awarded under this factor is 10, regardless of the number of disabled residents.</i>	If a there is a disabled resident	10
4	Dependent Children: Must be under the age of 18 or such other age established for purposes of parental support by tribal or state law (if any). Must live in the house and not be married. <i>Maximum points awarded under this factor is 15.</i>	Number of dependent children:	Points:
		1	3
		2	6
		3	9
		4	12
		5 or more	15
5	Other conditions: ·Homeless ·Overcrowded conditions ·Dilapidated house (must meet definition of dilapidated as defined in § 256.2) <i>Maximum points awarded under this factor is 10, regardless of whether more than one condition is present</i>	If any of the three conditions is present	10
6	Applicants with an approved financing package	If applicant has approved financing	30

(c) The servicing housing office will develop a list of the applications received and considered for the HIP for the current program year. The list will include, at a minimum, all of the following:

- (1) The number of applications received and, of those, the number considered.
- (2) The rank assigned to applicants in order of need, from highest to lowest, in accordance with tribal approval and knowledge of need, based on the total numeric value

assigned using the factors in paragraph (b) of this section. (In case of a tie, the family with the lower income per household member will be listed first.)

(3) The estimated allowable costs of the improvements, renovations, and replacement projects for each applicant and for the entire priority list. This data must identify which applicants will be served based on the amount of available funding, starting with the neediest applicant and continuing until the available funding is depleted.

(4) A list of the applicants not ranked, with an explanation of why they weren't ranked (such as the reason for ineligibility or the reason for incomplete application).

(d) The servicing housing office submits to the regional office an annual fiscal year report that includes all of the following:

- (1) Number of eligible applicants;
- (2) Number of applicants that received service;
- (3) Names of applicants that received service; and
- (4) All of the following for each applicant that received service:
 - (i) Date of construction start;
 - (ii) Date of construction completion;
 - (iii) Cost; and
 - (iv) HIP category.

Subpart C — Receiving Assistance

§ 256.15 When will I hear if I have received funding?

Your servicing housing office will inform you whether you will receive funds in writing within 45 days after it completes the list required by § 256.14(c).

(a) If funding is available, the office will send you complete information on how to obtain HIP services.

(b) If funding is not available, the office will send you instructions on how to update your application for funding for the next available program year.

§ 256.16 What if I don't receive funding?

If you don't receive funding, your servicing housing office will retain and consider your application for 4 years. During this 4-year period, you must ensure that the information on your application is still accurate and provide an annual written update if any information has changed.

§ 256.17 How long will I have to wait for work on my house?

How long it takes to do work on your house depends on:

- (a) Whether funds are available;
- (b) The type of work to be done;
- (c) The climate and seasonal conditions where your house is located;
- (d) The availability of a contractor;
- (e) Your position on the priority list; and
- (f) Other unforeseen factors.

§ 256.18 Who decides what work will be done?

The servicing housing office will determine what work is to be done on your house or whether your house will be replaced. The servicing housing office also provides the priority list annually to the Indian Health Service if the Indian Health Service is responsible for verifying availability or feasibility of water and wastewater facilities.

§ 256.19 How are work plans prepared?

(a) First, a trained and qualified representative of your servicing housing office will visit your house to identify what renovation and or replacement will be done under the HIP. The representative will ensure that flood, National Environmental Protection Act (NEPA) and earthquake requirements are met.

(b) Second, based on the list of renovations or replacement to be done, your servicing housing office will estimate the total cost of renovation to your house. Cost estimates will be based on locally available services and product costs, or other regional-based, industry-recognized cost data, such as that provided by the MEANs or Marshall Swift. If the house is located in Alaska, documented, reasonable, substantiated freight costs, in accordance with Federal Property Management Regulations (FPMR 101–40), not to exceed 100 percent of the cost of materials, can be added to the cost of the project.

(c) Third, the servicing housing office will determine which HIP category the improvements to your house meet, based on the estimated cost of renovation or replacement. If the estimated cost to renovate your house is more than \$60,000, your servicing housing office will recommend your house for replacement or refer you to another source for housing. The other source does not have to be for a replacement house; it may be for government-subsidized rental units or other sources for standard housing.

(d) Fourth, your servicing housing office will develop a detailed, written report called a scope of work, that identifies what and how the renovation or construction work on your house will be accomplished. The scope of work is used to inform potential bidders of what work is to be done. When the work includes new construction, the scope of work will be supplemented with a set of construction plans and specifications. The construction plans must:

(1) Meet the occupancy and square footage criteria in § 256.10 (d); and

(2) Provide complete and detailed instructions to the builder.

§ 256.20 How will I find out what work is to be done?

The servicing housing office will notify you in writing what work is being scheduled under the HIP. You will be requested to approve the scheduled work by signing a copy of the notice and returning it to the servicing housing office. Work will start after you return the signed copy to the servicing housing office.

§ 256.21 Who does the work?

Your house will be renovated or replaced by either:

- (a) A licensed and bonded independent contractor or construction company; or
- (b) A tribe that operates the HIP under an Indian Self-Determination and Education Assistance Act agreement.

§ 256.22 How are construction contractors or companies selected and paid?

(a) A tribe that operates the HIP under an Indian Self-Determination and Education Assistance Act agreement may renovate or replace your house. In that case, the tribe will not select or pay another vendor for the repairs or construction.

(b) If a tribe that operates the HIP decides not to renovate or replace your house itself, your servicing housing office must follow approved procurement regulations, Federal procurement or other Bureau-approved tribal procurement policy.

(1) Your servicing housing office will:

- (i) Develop a scope of work or statement of work that identifies the work to be performed;
- (ii) Have the BIA or tribal procurement office use a bid specification to invite bids on the project from interested parties; and

(iii) Approve the winning bidder after:

(A) Technical review of the bids by and written recommendation from BIA or the tribal procurement office; and

(B) Determination that the bidder is qualified and capable of completing the project as advertised.

(2) [Reserved]

(c) Payments to the winning bidder are negotiated in the contract and based on specified delivery of services.

(1) Partial payments to independent contractors will not exceed 80 percent of the value of the completed and acceptable work.

(2) Recommendation for final payment will be made after final inspection and after all provisions of the contract have been met and all work has been completed.

§ 256.23 Do I have to move out while work is done?

(a) You will be notified by your servicing housing office that you must vacate your house only if:

(1) It is scheduled for major renovations requiring that all occupants vacate the house for safety reasons; or

(2) It is scheduled for replacement, which requires demolition of your current house.

(b) If you are required to vacate the premises during construction, you are responsible for:

(1) Locating other lodging;

(2) Paying all costs associated with vacating and living away from the house; and

(3) Removing all your belongings and furnishings before the scheduled beginning work date.

§ 256.24 How can I be sure that construction work meets minimum standards?

(a) At various stages of construction, a trained and qualified representative of your servicing housing office or a building inspector will review the work to ensure that it meets construction standards and building codes. Upon completion of each stage, further construction can begin only after the inspection occurs and approval is granted.

(b) Inspections of construction and renovation will occur, at a minimum, at the following stages:

- (1) Upon completion of inspection footings and foundations;
- (2) Upon completion of inspection rough-in, roughwiring, and plumbing; and
- (3) At final completion.

§ 256.25 How will I find out that the work is done?

Your servicing housing office will advise you, in writing, that the work has been completed in compliance with the project contract. Also, you will have a final walk-through of the house with a representative of your servicing housing office. You will be requested to verify that you received the notice of completion of the work by signing a copy of the notice and returning it to your servicing housing office.

§ 256.26 Will I need flood insurance?

You will need flood insurance if your house is located in an area identified as having special flood hazards under the Flood Disaster Protection Act of 1973 (Pub. L. 93–234, 87 Stat. 977). Your servicing housing office will advise you.

§ 256.27 Is my Federal government-assisted house eligible for services?

No. The intention of this program is to assist the neediest of the needy, who have never received services from any other Federal entity.

§ 256.28 I have a mobile home; am I eligible for help?

Yes. If you meet the eligibility criteria in § 256.6 and funding is available, you can receive any of the HIP services identified in § 256.7. If you request Category B services and your mobile home has exterior walls less than three inches thick, you must be considered for Category C services.

§ 256.29 Can HIP resources be combined with other available resources?

Yes. HIP resources may be supplemented with other available resources (e.g., in-kind assistance; tribal or housing authority; and any other leveraging mechanism identified in § 256.3(d)) to increase the number of HIP recipients.

§ 256.30 Can I appeal actions taken under this part?

You may appeal action or inaction by a BIA official, in accordance with 25 CFR part 2.

Dated: December 21, 2014

Kevin K. Washburn,
Assistant Secretary – Indian Affairs.

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