



**DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220**

TO: Alex Goodenough, Office of Information and Regulatory Affairs

FROM: Ryan Law, Deputy Assistant Secretary
Office of Privacy, Transparency, and Records

SUBJECT: Justification for Emergency Processing: Homeowner Assistance Fund (HAF)
Guidance on Participant Compliance and Reporting Responsibilities

Pursuant to the Office of Management and Budget (OMB) procedures established at 5 C.F.R. § 1320.13, the Department of the Treasury (Treasury) requests emergency processing for the Homeowner Assistance Fund (HAF) program's Guidance on Participant Compliance and Reporting Responsibilities, revising OMB Control Number 1505-0269.

On March 11, 2021, the American Rescue Plan Act was signed into law, and established the Homeowner Assistance Fund program. This program is intended to mitigate financial hardships associated with the coronavirus pandemic by providing funds to eligible entities for the purpose of preventing homeowner mortgage delinquencies, defaults, foreclosures, loss of utilities or home energy services, and displacements of homeowners experiencing financial hardship after January 21, 2020, through qualified expenses related to mortgages and housing.

On April 14, 2021, Treasury published the [Homeowner Assistance Fund Guidance](#) that HAF participants need to comply with to fulfill their reporting requirements. Treasury has directly engaged with various interested agencies and stakeholders as well as required HAF Participants submitting plans to provide input on reporting and metrics. In recognition of open questions from participant and external stakeholders on HAF eligible uses, the HAF program, in coordination with policy, Office of General Counsel (OGC) and Office of Recovery Programs (ORP) leadership, recommended documentation to support HAF participant compliance and reporting responsibilities related to Quarterly Reports and Annual Performance Reports.

Treasury is currently finalizing development of the quarterly reporting portal that is expected to go live around April 28, 2022 but will also require outreach and communication with HAF participants throughout the remainder of April. HAF participants will use the quarterly portal to transmit the necessary reporting information for compliance. As a result, Treasury is requesting an adjustment to the requirement to publish a notice in the Federal Register. Treasury has published a 15-day notice in the Federal Register seeking public comment in addition to publishing a draft on the external Treasury HAF website.

Activities and Estimated Timeline since the Interim Guidance was published

- Interim reporting guidance published on December 13, 2021, provided a snapshot of the overall reporting requirements. Treasury used stakeholder feedback from the National Council of State Housing Agencies and HAF Participants on the Interim reporting

guidance to make updates to the quarterly reporting requirements. The quarterly guidance was further expanded to include all the disaggregation needed for full compliance reporting.

- HAF has incorporated lessons learned from other ARPA programs who are currently in the reporting cycles and used that information to make edits to the HAF reporting requirements
- As HAF reporting requirements were being developed, outreach to multiple internal and external stakeholders has been necessary to include consultation on elements such as tribal reporting and equity measures

Following OIRA/PRA approval, Treasury will need to:

- Finalize alignment of data fields with internal and external stakeholders;
- Provide sufficient time for participants to understand what information to gather and design and code reporting systems;
- Allow translation to system requirements; and
- Create data model that drives the development and sufficient testing of online reporting portal.

As of today (4/22/2022), 90% of the HAF funds have been disbursed. Treasury will need to provide the Guidance with a high degree of certainty that it will not change, so that participants can gather the necessary information and build their own tools/processes to comply. Delays due to insufficient guidance will more than likely impact established timelines for HAF participants to report on current quarter compliance and delay future quarter compliance. These delays will reduce Treasury's ability to ensure that funds were spent appropriately.

Without emergency approval of the reporting requirements, Treasury has limited visibility into whether the grantees spent the money appropriately. Treasury would have reduced ability to take corrective actions if funds were spent inappropriately. This lack of visibility speaks to the public harm that would result in being unable to protect the spending of the taxpayer's money. Additionally, Treasury would not have the data to be able to respond to inquiries about how the money was spent (FOIA requests, Congressional inquiries, OIG audits, etc.).

For these reasons, Treasury requests emergency processing and approval as soon as possible for the Guidance on Participant Compliance and Reporting Responsibilities, which set forth substantially all the information collections of the quarterly reporting and annual performance reporting. Treasury plans to publish the final Guidance on Participant Compliance and Reporting Responsibilities on April 27, 2022.