U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

OFFICE OF HOUSING

OCT 3 0 2014

Ms. Gretchen Corbin
Commissioner
Georgia Housing and Finance Authority
60 Executive Park South, NE
Atlanta, GA 30329-2296

Dear Ms. Corbin:

Subject: FY 2012 Section 811 Project Rental Assistance Demonstration (PRA Demo) Program Cooperative Agreement
Georgia Housing and Finance Agency
Grant Numbers: Rental Assistance Number - GA06RDD1201
Administrative Cost Number - GA06DRD1201

I am pleased to provide the signed Cooperative Grant Agreement for the FY 2012 PRA Demo Notice of Funding Availability (NOFA) round.

In order to complete the necessary steps to make funds available, you must also submit a completed SF-1199A Direct Deposit Sign-up Form designating the appropriate banking institution and account number where the funds will be wired; a copy of a voided check to confirm account and bank information; and a SAM.gov screen print showing an active DUNS number. Upon receipt of these documents, HUD staff will expeditiously complete the processing to make the administrative funds available in the Line of Credit Control System (LOCCS) and the rental assistance funding available through the Tenant Rental Assistance Certification System (TRACS).

We look forward to working with you as you implement this program. If you have any questions, please contact Marvis Hayward at Marvis.S.Hayward@HUD.gov or (202) 402-2255.

Sincerely yours,

for Stephen A. Martin
Director
Assisted Housing Oversight Division

Enclosure

OMB Approval No. 2502-0608
(exp. 02/28/2017)

FISCAL YEAR 2012
SECTION 811 PROJECT RENTAL ASSISTANCE DEMONSTRATION PROGRAM

COOPERATIVE AGREEMENT

By and Between the U.S. DEPT. OF HOUSING AND URBAN DEVELOPMENT AND GEORGIA HOUSING AND FINANCE AUTHORITY

This COOPERATIVE AGREEMENT (the "Agreement") is made and entered into this ____day of _____, **2014**, by and between the U.S. Department of Housing and Urban Development ("HUD") and **Georgia Housing and Finance Authority** (the "Grantee(s)").

I. GRANTEE INFORMATION

Cooperative Grant Agreement Number for Rental Assistance: **GA06RDD1201**
Cooperative Grant Agreement Number for Administrative Costs: **GA06DRD1201**
Total Grant Amount: **$4,279,650**
Rental Assistance: **$3,962,639**
Administrative Costs: **$317,011**
Grantee Data Universal Numbering System (DUNS): **0993060290000**
Grantee Taxpayer Identification Number (TIN): **58-1222605**

II. DEFINITIONS

Please refer to Exhibit 1 for the definitions.

III. GENERAL

The Grantee and HUD hereby enter into this Agreement as a condition to and in consideration of the Grantee's participation in the Section 811 Project Rental Assistance Demonstration Program ("PRA Demo") and receipt of the executed Grant. The PRA Demo is authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act

("NAHA"), 42 U.S.C. § 8013, as amended by the Frank Melville Supportive Housing Investment Act of 2010, (Public Law 111-374). The PRA Demo Notice of Funding Availability ("NOFA") was published on May 15, 2012, refer to Exhibit 2. The Grantee has been awarded and has accepted the Grant under the NOFA. The Grantee hereby takes full responsibility to administer, manage, and perform oversight of the PRA Demo in accordance with the terms and conditions of this Agreement and all applicable HUD requirements.

IV. STATUTORY AUTHORITY AND PURPOSE

On November 18, 2011, the President signed the Consolidated and Further Continuing Appropriations Act of 2012, Public Law 112-55. The PRA Demo is authorized under 42 U.S.C. § 8013(b)(3)(A). The purpose of the program is to provide project-based rental assistance in the development of supportive housing for Extremely Low-Income Persons with Disabilities.

V. INTERAGENCY PARTNERSHIP AGREEMENT

InterAgency Partnership Agreement between the Grantee and State Health and Human Services/Medicaid Agency(ies) provides evidence of a formal structure for collaboration to participate in the state's Project Rental Assistance Demonstration Program to develop permanent supportive housing for extremely low-income persons with disabilities. The Agreement was a required component of the Grantee's application for funding under the NOFA.

The InterAgency Partnership Agreement, as found in Exhibit 3, is acceptable to HUD and herein made part of this Agreement. Any substantive changes to the Agreement related to the target population or appropriate services made available to tenants shall require notice to HUD. Grantee must provide a copy of the InterAgency Agreement to HUD when it is revised or updated. The NOFA requirements for the InterAgency Partnership Agreement must be maintained through the contract term and Grantee shall notify HUD of any changes in the target population.

VI. GRANT AMOUNT AND TOTAL ASSISTED UNITS

A. Grant Amount. HUD shall provide the maximum amount of the Grant in Section I, Grantee Information and Exhibit 4. HUD will distribute the amount during the initial five (5) year period of the all Rental Assistance Contract (RACs) executed under this Agreement. Grantee will provide the Rental Assistance Payments to owners of Eligible Multifamily Properties consistent with this Agreement. After the initial five (5) year period, HUD shall provide the Grant, as may be amended, annually, or in any other frequency as determined by HUD, subject to appropriations.

1. Grant Funds Obligated. The funding authorized under this Agreement must be disbursed by September 30, 2025. If all funds are not disbursed by HUD/Grantee to the Owner by the aforementioned time, the funds, even though obligated, will be cancelled and no further disbursements will be made.

B. Grant Restrictions. PRA Demo Funds must only be used for: (1) Rental Assistance Payments and; (2) Administrative Costs of the Grantee.

C. Total Assisted Units. While Grantee has committed to executing RACs and Use Agreements for the total number of Assisted Units listed in Exhibit 4, HUD acknowledges that market conditions and other factors will determine the final total number of Assisted Units and that number of Assisted Units may fluctuate over the five (5) year period of the award.

Within 30 days of the execution of the last RAC which results in Grantee fully encumbering funds provided under this Agreement, Grantee shall provide HUD with confirmation of the final number of Assisted Units. The final number of Assisted Units will be compared with the number of units listed on Exhibit 4 of this Agreement.

Under no circumstances shall the program funding for the initial five (5) year period of this program exceed the maximum amount of grant funds awarded in Exhibit 4 of this Agreement.

VII. PERIOD OF PERFORMANCE

A. Period of Performance. The Agreement shall begin on the execution date of this Agreement and terminate on the expiration date of the very last RAC which results in Grantee fully encumbering funds provided under this Agreement.

Grantee will provide official notification of the expiration date of the very last RAC which results in Grantee fully encumbering funds provided under this Agreement within 30 days of execution of this RAC. Based on this date, HUD will establish a close-out date for this Agreement.

If funds are not fully encumbered by September 20, 2022, HUD may request a plan for remediation and reserves the right to reprogram the funds.

B. Termination for Default. **This Agreement, in full or in part, including without limitation, any of the initiatives to be undertaken by Grantee, may be terminated by HUD prior to the end of the Agreement. HUD shall provide the Grantee with 90 days advance notice. In the event of termination of the Cooperative Agreement by HUD, the Grantee shall have no financial or legal recourse against HUD. Owners of Eligible Multifamily Properties shall have no financial or legal recourse against Grantee or HUD if the Cooperative Agreement is terminated for any reason. Grantee shall be paid for all amounts owed and that**

are not in dispute up to the time of termination.

C. Renewal Upon Expiration of the Cooperative Agreement. Subject to future appropriations, at the Agreement expiration, it may be renewed upon written approval by HUD. Should the Grantee desire to renew the Agreement, Grantee shall make a written request for renewal and provide the request to HUD at least 120 days prior to the expiration of the Agreement. Grantee's request must: (1) state the specific time frame of the proposed renewal, and (2) outline how Grant funds will be effectively spent within the proposed renewal period. Upon receipt of the written request, HUD may, by and through the PRA Demo or successor program, approve a renewal depending on the PRA Demo Program or successor program funding levels and Program Requirements that may be imposed at that time.

D. Program Funding. **If Congress fails to appropriate funds adequate to meet the funding needs of the Agreement after the initial five (5) year funding period, HUD may terminate the Agreement.** In the event the Agreement is terminated, HUD will not require the Grantee to enforce the RAC or PRA Demo use agreement and Grantee may, at its discretion, continue to enforce or terminate such RACs and use agreements. For example, if Grantee can obtain other funding for the Assisted Units Grantee may continue to enforce the RAC and use agreement for these units.

VIII. PROGRAM GUIDELINES

Grantee shall comply and ensure owners of Eligible Multifamily Properties comply with the applicable provisions of the Program Guidelines identified in Exhibit 5 and current/future regulations published by HUD and any other program guidance issued by HUD such as handbooks, notices, etc. Grantee and owners of Eligible Multifamily Properties may not modify any part of the Program Guidelines without written consent from HUD.

IX. CRITICAL MILESTONES

Grantee agrees to use its best efforts to complete certain milestones on or before the deadlines stated in the attached Exhibit 6.

X. GRANTEE PROGRAM BUDGET AND PROPOSAL

Grantee's budget for this Agreement is attached as Exhibit 6. Grantee shall deliver quarterly budgets to HUD until the very last RAC is executed, which results in Grantee fully encumbering funds provided under this Agreement. Thereafter, Grantee shall provide an updated annual budget including the amount expected to be expended in the following year and, based on that amount, evidence that the Grantee will not expend funds in excess of the total Grant amount. Each budget must include a running total of Administrative Costs the Grantee has requested/received thus far and how much is remaining for the Period of Performance. Grantee acknowledges that the **total Administrative Costs given to the Grantee over the initial funding award of the**

Agreement shall not exceed eight (8) percent of the rental assistance Grant amount awarded, unless approved by HUD. Grantee acknowledges after the initial five (5) year period the Administrative Costs shall remain at eight (8) percent of the rental assistance Grant amount awarded.

XI. RENTAL ASSISTANCE CONTRACTS (RACs)

The Grantee shall execute the HUD required RAC with each owner of an Eligible Multifamily Property that agrees to provide Eligible Tenants with rental assistance in accordance with this Agreement (see Exhibits 7, 8, and 9). The Grantee will not disburse Rental Assistance Payments to the owners of Eligible Multifamily Properties until the RAC is executed. All RACs executed pursuant to this Agreement shall, to the extent applicable, incorporate and impose all terms and conditions found under this Agreement. Grantee shall not waive any terms of this Agreement for the benefit of any owner of an Eligible Multifamily Property.

The Grantee may include an addendum to the RAC, with HUD approval, provided that the provisions of the addendum do not conflict with the Agreement.

XII. GRANTEE PROGRAM ADMINISTRATION

A. Grantee Responsibilities. Grantee shall ensure the PRA Demo will be executed in accordance with this Agreement, including but not limited to ensuring owner of an Eligible Multifamily Property records the HUD required Section 811 Project Rental Assistance Demonstration Use Agreement (see Exhibit 10) and utilizes the Section 811 Project Rental Assistance Model Lease (see Exhibit 11) for all Assisted Units. Additionally, Grantee covenants, agrees to and assumes responsibility for all activities relative to implementing the PRA Demo under this Agreement, and shall be in compliance with NAHA and all other applicable federal laws and requirements.

B. Changes in Organizational Structure. Grantee mergers, acquisitions, or other changes in the legal structure must be reported to HUD as soon as Grantee is aware such change is likely.

C. Systems. Grantee shall develop and maintain adequate system functionality that allows for the flow of documentation and information between Grantee and HUD. Grantee shall ensure its systems have adequate security measures and its staff is appropriately trained to protect the confidentiality of certain records, including but not limited to income and tenancy information of families assisted under the RAC.

D. Grantee's Supervision. The Grantee must ensure that a process is in place to resolve an appeal of a resident dispute with the owner. The Grantee must ensure that the owner operates the property in accordance with health and safety standards, and maintains positive relations with the Eligible Tenants.

XIII. ADMINISTRATIVE COST PAYMENT METHOD, ADMINISTRATIVE COSTS, GRANTEE AUDIT, AND GRANTEE FUND TRANSFER AND PAYMENT

A. Payment Method. Unless otherwise determined by HUD, Grantee shall request and receive payment of administrative costs through HUD's Electronic Line of Credit Control System (*e*LOCCS). The forms referred to in this section are available through HUD's HUDClips website, under the forms section, http://www.hud.gov/offices/adm/hudclips/index.cfm . The LOCCS Security Office may be reached at (202) 708-0764 or toll free at (877) 705-7504 for assistance, including authorization and access issues. The SF-1199A is also available at local banking institutions.

1. Direct Deposit. Grantee is required to separately account for Grant funds under this Agreement. Grantee may use a pooled cash account with separate funds and general ledger accounts maintained by funding source. If the Grantee is not currently signed up to receive payments via direct deposit from HUD, then Grantee must submit a completed SF-1199A, Direct Deposit Sign-Up Form and to:

   U.S. Dept. of Housing and Urban Development
   CFO Accounting Center
   801 Cherry Street, Unit 45, Suite 2500
   Fort Worth, TX 76102

   Attention: Director, Reports and Control Division

2. Password. The Grantee is responsible for changing and maintaining an *e*LOCCS password as required.

3. Authorization. Each individual in Grantee's organization who will be authorized to access *e*LOCCS to perform query or draw down/request funds under this Agreement must request access authorization from HUD by submitting a form HUD-27054, *e*LOCCS Access Authorization. A new form HUD-27054 is not required for any individual who currently has access to *e*LOCCS for prior year grant funds for the same Grantee. If a User already has a valid form HUD-27054 for VRS it is not necessary to submit another one for *e*LOCCS access. The completed forms (which must be notarized) are sent to the PRA Demo for review and verification. Following review, the Grantee will send the original forms to the LOCCS Security Officer for assignment of a LOCCS User ID. The form HUD-27054 must be recertified every 6 months by each LOCCS User's Approving Official.

4. Access Changes. Grantee shall immediately notify the LOCCS Security Office at HUD in writing when any individual with current access to *e*LOCCS is no longer employed by the Grantee and/or should be denied access to grant funds for any reason. The PRA Demo Official must be notified of the Grantee's actions in

writing. The PRA Demo Official may provide additional instructions on accessing and using *e*LOCCS.

5. Requests for Administrative Costs Payment. All requests for payment of administrative costs must be submitted to HUD electronically in accordance with section XIII of this Agreement for *e*LOCCS purposes, the "Program Area" is "PRA Demo". The following line items are applicable to this Agreement:

Line Item No.	Type of Funds Requested
1000	Administrative
8000	Project Rental Assistance Funds

6. Supplemental Information to PRA Demo. In addition to the required *e*LOCCS payment voucher, Grantee shall submit documentation to support payment requests for costs to be incurred in the performance of this Agreement and in accordance with the terms and conditions of the Billing Documentation for Administrative Costs Instructions and Grantee Payment Invoice Request.

B. Payment Procedures. Without limiting the general applicability of 24 CFR part 85 as previously stated, with respect to payment procedures, Grantee shall comply with 24 CFR part 85 in its entirety.

C. Allowable Costs. As part of the Grant, HUD shall pay Grantee for the Eligible Activities as determined by this Agreement and 24 part CFR 85.

D. Period of Availability of Funds. Grantee may charge to the Grant only Administrative Costs and Eligible Activities during the Period of Performance. Any expense outside the scope of Administrative Cost or Eligible Activities shall not be paid to the Grantee.

E. Standards for Financial Management Systems. Grantee shall maintain and operate financial management systems that meet or exceed the Federal requirements for funds control and accountability as established by the applicable regulations in 24 CFR 85 and as otherwise directed by HUD.

F. Documentation of Expenses. Grantee shall maintain source documentation of direct costs, such as invoices, receipts, cancelled checks, and salary reports, to support all *e*LOCCS draw requests for payment. This information must be made available to HUD upon request and maintained for a period of at least three (3) years after the initial funding cycle, or the date the last payment in the initial funding cycle, whichever occurs last. For example, documentation of expenses from year one (1) to year five (5) can be purged at year eight (8). Documentation of expenses from year six (6) can be purged at year nine (9).

G. Grantee Audit.

Requirements

1. The Grantee must submit audited annual financial statements that comply with the requirements of OMB Circular A-133 by the earlier of: (1) 30 days after receipt of the auditor's report or (2) 9 months after the Grantee's fiscal year end (FYE). Grantee is not required to submit an audited financial statement specific to this grant award.

2. The audit must be performed by an independent auditor, procured using the standards in Circular A-133 and other documents referenced in Circular A-133.

3. If there are audit findings that require corrective actions that relate to the PRA Program, the Grantee must complete corrective actions described in the audit submission package.. If HUD requires a different corrective action plan after consulting with the Grantee, the Grantee shall by the first day of each month, until all corrective actions are completed as required by HUD, submit a status report to HUD of corrective actions being implemented. Corrective actions must proceed as rapidly as possible. If the Grantee fails to timely provide all required audited financial statements, or fails to proceed with timely implementation of required corrective actions, HUD may determine that such failure is a default by the Grantee in performance of its obligations under this Agreement.

XIV. GRANTEE COMMUNICATION REQUIREMENTS

A. Communication with Owners.

The Grantee must have the capability to receive Eligible Tenant's certification and recertification data (form HUD 50059) and voucher data (form HUD 52670) electronically from owners of Eligible Multifamily Properties in a form consistent with HUD reporting requirements for the HUD Tenant Rental Assistance Certification System (TRACS). The Grantee must have the capability, in the form acceptable to HUD, for communicating errors in HUD 50059 and HUD 52670 submissions to owners.

B. Communication with HUD.

The Grantee must provide HUD with data on RACs, rent adjustments and payments to owners, contract renewal processing, and other documents and information relevant to the Grantee responsibilities under this Agreement. The Grantee must have the capability to transmit data to HUD over the Internet. The Grantee must have the capability to transmit HUD 50059 data to the HUD TRACS Tenant System and HUD 52670 data to the HUD TRACS Voucher/Payment System, and to receive return messages transmitted from TRACS. The Grantee's Internet access must provide the Grantee with the capability to review the resident and voucher data that the Grantee has transmitted to HUD, to ensure that the data maintained by HUD is correct and consistent with the data maintained in Grantee files. Resident reporting requirements specified for HUD's TRACS Tenant System and voucher reporting requirements

specified for the TRACS Voucher/Payment System are published on the TRACS Documents Page on the world wide web. The Grantee must meet the requirements specified in these documents.

C. Fund transfer and payment.
The Grantee must have a depository account with a financial institution whose deposits or accounts are insured either by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Funds and must be capable of receiving and sending electronic fund transfer (EFT) transactions. The Grantee must have facilities acceptable to HUD for making timely and accurate rental assistance payments to Owners.

D. Grantee Contractors
The Grantee may subcontract any or all of the Grantee Communications requirements included in this Section XIV. However, if the Grantee chooses to subcontract any or all of these requirements, the Grantee remains responsible for ensuring all of the requirements in Sections XIV are met.

XV. COMPLIANCE REPORTING REQUIREMENTS, MONTHLY TENANT AND VOUCHER REPORTING REQUIREMENTS, TENANT CERTIFICATIONS, TRACS, RENT INCREASE REQUEST REQUIREMENTS, AND SPECIAL CLAIMS

The Grantee is responsible for the following requirements. The Grantee can contract any or all of these requirements to another entity.

As defined under the "Automation Rule" (24 CFR part 208 - Electronic Transmission of Required Data for Certification and recertification and Subsidy Billing Procedures), the Grantee will monitor the compliance of 811 PRA Demo multifamily developments. The Grantee is responsible for conducting monthly voucher reviews; adjusting rent and utility allowances when needed; paying monthly rental assistance subsidies directly to Owners and responding to health and safety issues when required by HUD.

A. General HUD Compliance Requirements. The Grantee will ensure that all Assisted Units and related facilities comply with the terms of their RAC and conform to Uniform Physical Condition Standards (UPCS) as well as all relevant federal and state fair housing statutes and regulations.

B. Monthly Tenant Reporting Requirements. As defined under the "Automation Rule" (24 CFR part 208) - Electronic Transmission of Required Data for Certification and Recertification and Subsidy Billing Procedures, Grantees are required to submit monthly tenant and voucher data electronically to TRACS.

Tenant data includes the current certification of the residents of the subsidized units and tracks any changes, transfers, and moves within that population.

C. Monthly Voucher Reporting Requirements. As defined under the "Automation Rule" (24 CFR part 208)- Electronic Transmission of Required Data for Certification and Recertification and Subsidy Billing Procedures, Grantees are required to submit monthly electronic requests for subsidy payment to TRACS.

Voucher data includes request for payment of regular subsidy, special claims, and miscellaneous adjustments. The Grantee will ensure that owners submit vouchers to the Grantee by the tenth day of the month preceding the month for which the owner is requesting payment. A Grantee may not pay owners until owner vouchers are received and reviewed for accuracy. The Grantee will only authorize payments of 811 PRA Demo vouchers and special claims to owners of Eligible Multifamily Properties with Assisted Units. The Grantee will make payments to Owners by the first business day of every month.

D. Subsidy Payment for Occupied Unit. The Grantee makes rental assistance payments to the Owner for the months during which a contract unit is leased by an Eligible Family during the term of the RAC contract.

Except for vacancy payments as provided in Section XV, paragraph H, if an Eligible Family moves out of the Assisted Unit occupied by the family, the Grantee will not make any rental assistance payments to the Owner for any month after the month when the family moves out.

E. Tenant Certification. The Grantee will ensure that Owners certify residents at least annually and verify their income through the Enterprise Income Verification (EIV) system. Access to the EIV system is provided by HUD and requires a secured password. Grantees shall refer Owners to consult HUD's portal to obtain authorization to use the EIV system at http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/rhiip/uivsystem.

F. TRACS - Tenant Rental Assistance Certification System. The Tenant Rental Assistance Certification System (TRACS) is a computer system created by HUD that enables Grantee to electronically submit their monthly tenant certifications and voucher information. Grantees are required to use software that interfaces with TRACS for these submissions in order to ensure that all tenant and contract data is accurate and current. Based on the Grantee's TRACS submissions, HUD calculates a development's monthly rental subsidy and wires the payments to the Grantee, for the benefit of the property. The Grantee shall consult HUD's portal to obtain authorization to use the TRACS system at http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/trx/trxsum

G. Rent Increase Request Requirements. The Grantee will ensure that at the anniversary of a RAC, Owners of Eligible Multifamily Properties submit a written request to the

Grantee to obtain an annual increase of pre-renewal gross rent (including utilities, if applicable). The Grantee will review and approve each written request and ensure that the approved annual rent adjustment coincides with Part II of the RAC, section 2.7(b). The Grantee will document the approved contract rent increase and utility allowance adjustment (if applicable) on a rent schedule (Form HUD-92458) and update iREMS with the approved rent increase.

H. Special Claims. Grantees can determine whether to include payment of vacancies for Owners of 811 PRA Demo multifamily developments, but in no case may vacancy payment exceed 80% of contract rent for up to 60 days for each vacancy.

XVI. HUD OVERSIGHT AND INTERNAL CONTROL

A. HUD's Involvement. HUD will have ongoing involvement in the review, development, approval and targeting of the work to be carried out under this Agreement. HUD's involvement may include, but is not limited to: (1) conducting evaluation and research, (2) reviewing Grantee's administrative process as it relates to implementing the PRA Demo, including review of Grantee's forms, verifications, and other documentation; (3) reviewing outreach and training materials belonging to the Grantee. The Grantee understands HUD's desire for involvement and the Grantee will be timely and cooperate fully. HUD will provide instructions and guidance on the requirements for data and program materials for any and all HUD reviews and evaluations in a timely manner.

B. Fraud Monitoring. Grantee is solely responsible for the administration, management and oversight of the Grant and the program as described in this Agreement, including monitoring Owners of Eligible Multifamily Properties. Grantee shall monitor Owners to ensure that program and audit requirements are met as delineated in 24 CFR part 85.

Grantee acknowledges that HUD or its designees may develop and implement practices to monitor and detect fraud related to PRA Demo, and any successor program, and to monitor compliance of authorizing laws, as well as other laws that govern these funds. Grantee covenants that it will fully and promptly cooperate with HUD's or its designees' inquiries about any alleged, perceived or actual fraud and comply with any anti-fraud and legal compliance procedures which HUD may require.

C. Internal Control Reviews. Grantee shall provide HUD or its designee with access to all internal control reviews and reports that relate to the PRA Demo, including those proposed by independent auditing firms including state auditors, to enable HUD to examine Grantee for compliance with applicable provisions of PRA Demo, this Agreement and applicable laws. A copy of the reviews and reports will be provided to HUD upon request.

XVII. CONFLICT OF INTEREST

A. General Requirements. Grantee, where applicable, shall comply with the conflict of interest requirements in 24 CFR parts 84 and 85.

B. HUD Reform Disclosures. Grantee shall comply with the disclosure requirements of section 102(b) of the HUD Reform Act of 1989 (42 U.S.C. § 3545(b)) and its implementing regulations, 24 CFR part 4. To initially satisfy this requirement, Grantee shall complete the form HUD-2880, Applicant/Recipient Disclosure Update Report, and this completed Form is hereby incorporated into this Agreement. Grantee shall update the form HUD-2880 as required by the HUD Reform Act of 1989 and 24 CFR § 4.11.

XVIII. LIMITATIONS ON USE OF APPROPRIATE FUNDS TO INFLUENCE CERTAIN FEDERAL CONTRACTING AND FINANCIAL TRANSACTIONS

Under 31 USC § 1352 none of the funds appropriated by any Act may be expended by the recipient of a Federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any Federal action.

XIX. DEFAULTS AND REMEDIES

A. Grantee Events of Default. Any of the following shall be an Event of Default:

1. Any material failure by Grantee to comply with this Agreement or the Program Requirements.

2. The failure by Grantee to expend the Grant in a timely manner without providing an adequate explanation, as approved by HUD.

3. Any material misrepresentation by the Grantee at any time which, if known by HUD, would have resulted in the Grant not being awarded the Grantee or the funds not being disbursed from HUD.

B. Notice of Default. HUD shall give Grantee written notice of the occurrence of an Event of Default and a reasonable opportunity but at least 30 days to take corrective action. The notice shall identify: (1) the Event of Default, (2) the required corrective action by Grantee, (3) the date by which the corrective action must be taken, and (4) the consequences for failing to take corrective action.

C. Remedies. If the Event of Default is not remedied by the Grantee, HUD may take any of the following action(s):

1. Terminate this Agreement and may assume Grantee's rights and obligations under the RAC;

2. Temporarily suspend providing the Grant to the Grantee;

3. Suspend any Grant amounts held by Grantee;

4. Impose special additional requirements or conditions on the Grantee, subject to 24 CFR part 85, as part of Grantee's required corrective action.

XX. DEPOSITORY AGREEMENT

A. All Grant amounts shall be promptly deposited with a financial institution whose deposits are accounts insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund.

B. The Grantee shall enter an agreement with the depository institution.

C. The Grantee may only withdraw deposited Grant amounts pursuant to this Agreement.

1. If HUD determines that the Grantee has committed any default under the Agreement, and has given the Grantee notice of such determination and a reasonable opportunity to cure, and HUD, at its sole discretion, determines that the Grantee fails to cure the default, then HUD may issue a letter of default and collect any amounts due in accordance with 24 CFR §85.52. To expedite repayment to HUD, Grantee shall permit HUD to withdraw Section 811 PRA funds from the Grantee's account upon notice from HUD and receipt of the Automated Clearing House (ACH) identification number and amount due.

XXI. FIDELITY BOND COVERAGE

The Grantee shall carry adequate fidelity bond coverage, as required by HUD, to compensate the Grantee and HUD for any theft, fraud or other loss of program property resulting from action or non-action by Grantee officers or employees or other individuals with administrative functions or responsibility for contract administration under the Agreement. HUD will allow the Grantee to utilize the Grantee's state self-insurance/fidelity bond program upon evidence that under the state program the Grantee and HUD shall also be compensated for any theft, fraud, or other loss of program property resulting from the misconduct of Grantee's employees. Evidence may come in the form of an opinion letter from the Grantee's legal counsel or director indicating the

state law authorizing the coverage and that the coverage includes the Grantee and any contracts entered into by the Grantee.

XXII. PROGRAM RECORDS

A. The Grantee shall maintain complete and accurate accounts and other records related to operations under the Agreement. The records shall be maintained in the form and manner required by HUD, including requirements governing computerized or electronic forms of recordkeeping. The accounts and records shall be maintained in a form and manner that permits a speedy and effective audit.

B. The Grantee shall maintain complete and accurate accounts and records for each RAC.

C. The Grantee shall furnish to HUD such accounts, records, reports, documents and information at such times, in such form and manner, and accompanied by such supporting data, as required by HUD, including electronic transmission of data as required by HUD.

D. The Grantee shall furnish HUD with such reports and information as may be required by HUD to support HUD data systems.

E. HUD and the Comptroller General of the United States, or their duly authorized representatives, shall have full and free access to all Grantee offices and facilities during normal business hours after reasonable notice, and to all accounts and other records of the Grantee that are relevant to Grantee operations under the Agreement, including the right to examine or audit the records and to make copies. The Grantee shall provide any information or assistance needed to access the records.

F. HUD may review and audit Grantee performance of its responsibilities under the Agreement. The Grantee shall comply with Federal audit requirements. The Grantee shall engage an independent public accountant to conduct audits that are required by HUD. The Grantee shall cooperate with HUD to promptly resolve all audit findings, including audit findings by the HUD Inspector General or the General Accounting Office.

G. Grantee shall comply with the requirements for record retention and access to records specified in the applicable regulations in 24 CFR part 85, as well other applicable provisions of part 85. As a condition of funding, the Grantee is required to provide documentation as to their financial management systems. Grantee may also be subject to record retention requirements under other applicable laws and regulations, including but not limited to, the nondiscrimination regulations cited in section XXIII of this Agreement.

XXIII. EQUAL OPPORTUNITY

A. The Grantee shall comply with all equal opportunity requirements imposed by Federal law, including applicable requirements under:

1. The Fair Housing Act, 42 U.S.C. 3601-3619 (implementing regulations at 24 CFR parts 100 et seq.).

2. Title VI of the Civil rights Act of 1964, 42 U.S.C. 2000d (implementing regulations at 24 CFR part 1).

3. Executive Order 11063, Equal Opportunity in Housing (1962), as amended, Executive Order 12259, 46 FR 1253 (1980), as amended, Executive Order 12892, 59 FR 2939 (1994) (implementing regulations at 24 CFR part 107).

4. Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. 794 (implementing regulations at 24 CFR part 8).

B. The Grantee, where applicable, shall submit a signed certification to HUD that it shall comply with the Fair Housing Act, Title VI of the Civil Rights Act of 1964, Executive Order 11063, Section 504 of the Rehabilitation Act of 1973, and Title II of the Americans with Disabilities Act.

C. The Grantee shall cooperate with HUD in the conducting of compliance reviews and complaint investigations pursuant to applicable civil rights statutes, Executive Orders, and related rules and regulations.

XXIV. EXCLUSION OF THIRD PARTY RIGHTS

A. Eligible Applicants and Tenants and Owners of Eligible Multifamily Properties described in the Agreement are not a party to or a third party beneficiary of the Agreement.

B. Nothing in the Agreement shall be construed as creating any right of any third party to enforce any provision of the Agreement, or to assert any claim against HUD or the Grantee.

XXV. AMENDMENTS

No changes in the Cooperative Agreement may be made except in writing signed by both HUD and the Grantee. Additionally, the Agreement shall be construed, and the rights and obligations of the parties determined, in accordance with all statutory requirements, and with all HUD requirements, including regulatory and administrative requirements, as may be amended from time to time.

XXVI. SECURITY OF CONFIDENTIAL INFORMATION

Systems Confidentiality Protocols. The Grantee must undertake customary and industry standard efforts to ensure that the systems developed and utilized under this Agreement protect the confidentiality of every Eligible Applicants' and Eligible Tenants' personal and financial information, both electronic and paper, including credit reports, whether the information is received from the Eligible Applicants', Tenants' or from another source. The Grantee must undertake customary and industry standard efforts so that neither they nor their systems vendors disclose any Eligible Applicants' or Tenants' personal or financial information to any third party, except for authorized personnel in accordance with this Agreement, without their consent.

XXVII. ADDITIONAL CONTRACT PROVISIONS

In cases where Grantees award contracts to non-profit organizations, such contracts shall contain the appropriate provisions set forth in Appendix A to CFR part 85, titled "Contract Provisions."

XXVIII. CLOSEOUT

A. General. The Grantee shall provide HUD with closeout documentation within 90 days after the end of the Performance Period, or within 90 days of termination of this Agreement, which will include, without limitation, the following:

1. Final Narrative Report summarizing activities conducted under the Grant, including significant outcomes resulting from the Grant activities and problems encountered during the Performance Period;

   and/or

2. A final Federal Financial Report

B. Subsequent Adjustments and Continuing Responsibilities. Further to the applicability of 24 CFR part 85, at the end of the Performance Period, upon the earlier termination of this Agreement, the Grantee remains subject to the closeout procedures, subsequent adjustments and continuing responsibilities. All records must be kept in a safe place and be accessible to auditors and other government officials.

XXIX. MISCELLANEOUS

A. No waiver. No delay or omission by HUD to exercise any right or remedy available to it under this Agreement or applicable law or to insist upon strict compliance by the Grantee with its obligations hereunder shall impair any such right or remedy or constitute a waiver of HUD's right to demand exact compliance with the terms of this

Agreement.

B. Waiver of Jury Trial. Each of the parties hereto expressly waives any right to a trial by jury in any action or proceeding to enforce or defend any rights under this Agreement, any other principal agreement, or under any amendment, instrument, or document delivered or that may in the future be delivered in connection herewith or arising from any such action or proceeding shall be tried before a Federal court and not before a jury.

C. Counterparts. This Agreement may be executed in two or more counterparts, and it shall not be necessary that the signatures of each of the parties hereto be contained on any one counterpart hereof; each counterpart shall be deemed an original, but all counterparts together shall constitute one and the same instrument.

D. Section Headings and Subheadings. The section headings and subheadings contained in this Agreement are included for convenience only, and shall not limit or otherwise affect the terms of this Agreement.

E. Further Assurances. Each party hereto may execute and deliver such additional documents as may be necessary or desirable to consummate the rights and obligations contemplated by this Agreement.

F. Parties in Interest; Assignment. This Agreement shall not be assigned by the Grantee without the prior written consent of HUD.

G. Relationship of the Parties. Neither of the parties is an agent of the other party and neither party has the authority to represent or bind the other party to anyone else as to any matter.

H. Survival. Any provisions of this Agreement that expressly or by their operation should reasonably continue to apply to a party after the termination or suspension (in whole or in part) of this Agreement shall continue in full force and effect for such time as is necessary to fully carry out the intent of such provisions.

I. Applicable Laws. This Agreement shall be construed, and the rights and obligations of the parties determined, in accordance with all statutory requirements, and with all HUD requirements, including regulatory and administrative requirements, as may be amended from time to time and consistent with state law.

J. Severability. If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby, and all other parts of this Agreement shall nevertheless be in full force and effect.

K. Entire Agreement. This Agreement constitutes the entire agreement by and between Grantee and HUD with respect to the Grant, and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written,

by and between Grantee and HUD with respect to this Agreement.

L. Disbarment. Neither Grantee nor any entity participating in the administration of the program is or will be disbarred from doing business with the Federal Government.

GRANTEE

GEORGIA HOUSING AND FINANCE AUTHORITY

By: _____

State or Commonwealth of

Georgia

_____

Authorized Official

Name: Carmen Chubb

Title: Deputy Executive Director

UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

By: _____

Name: Benjamin T. Metcalf OCT 3 0 2014

Title: Deputy Assistant Secretary for Multifamily Housing Programs