

PART 0—STANDARDS OF CONDUCT

Sec.

0.1 Cross-reference to employees ethical conduct standards and financial disclosure regulations.

0.2 Outside employment and other activities.

0.3 Financial interests.

AUTHORITY: 5 U.S.C. 7301; 42 U.S.C. 3535(d).

SOURCE: 61 FR 15350, Apr. 5, 1996, unless otherwise noted.

§0.1 Cross-reference to employees ethical conduct standards and financial disclosure regulations.

Employees of the Department of Housing and Urban Development (Department) are subject to the executive branch-wide standards of ethical conduct at 5 CFR part 2635, the Department's regulation at 5 CFR part 7501 which supplements the executive branch-wide standards, and the executive branch-wide financial disclosure regulation at 5 CFR part 2634.

AUTHORITY: 5 U.S.C. 301, 7301; 42 U.S.C. 3535(d).

[61 FR 36251, July 9, 1996]

§0.2 Outside employment and other activities.

(a) Reference in this section to outside employment and outside activities is not intended to cover employee investments. That subject is covered in §0.735-204.

(b) An employee shall not engage in outside employment or other outside activity not compatible with the full and proper discharge of the employee's official duties and responsibilities. Incompatible activities include, but are not limited to:

(1) Outside activities which tend to impair the employee's ability or capacity to perform official duties and responsibilities.

(2) Outside activities that may be construed by the public to be the official acts of the Department;

(3) Outside activities that establish relationships or property interests that may result in a conflict between private interests and official duties;

(4) Active participation in, or conduct of, a business dealing with, or related to, real estate or manufactured housing including, but not limited to,

real estate brokerage, management and sales, architecture, engineering, mortgage lending, property insurance, appraisal services, construction, construction financing, land planning, and real estate development;

(5) Serving as an officer or director of any organization which engages in lobbying activities concerning Department programs;

(6) Serving as an officer or director of a Department-approved mortgagee, lending institution or organization which services mortgages or other securities for the Department;

(7) Accepting employment, with or without compensation, with any person or business entity doing business with the Department;

(c) An employee shall not receive any salary or any thing of monetary value from a private source as compensation for his or her services to the Government (18 U.S.C. 209).

(d) An employee must obtain the prior approval of the appropriate Deputy Counselor:

(1) Before using his or her title or reference to his or her government employment or experience in connection with a commercial enterprise, or

(2) Before accepting employment, with or without compensation

(i) With a State or local government, or

(ii) In the same professional field as that of the employee's official position.

(e) Employees are encouraged to engage in teaching, lecturing, and writing that is not prohibited by law, Executive order, Office of Personnel Management regulations, or this part, except that

(1) An employee may not receive compensation for any lecture, writing, or consultation, the subject matter of which is substantially related to the responsibilities, programs, or operations of the Department;

(2) An employee may not, either with or without compensation, engage in teaching, lecturing or writing that is dependent on information obtained as a result of his or her Government employment, except when that information has been made available to the general public, or will be made available on request, or when the appropriate Assistant Secretary or his or her

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designee gives written authorization for the use of nonpublic information on the basis that the use is in the public interest.

(3) An employee may use his or her title in connection with writing for publication only if:

(i) The writing contains a statement indicating that the views contained therein are those of the employee as an individual and do not necessarily represent the views of the Department of Housing and Urban Development; or

(ii) Such use of the employee's title is approved in advance by the appropriate Assistant Secretary or equivalent, or his or her designee.

(4) An employee may not accept any honorarium of more than \$2,000 for any appearance, speech or article (2 U.S.C. 441i), except if the honorarium is paid directly to a charitable organization at the request of the employee and selected by the payor from a list of 5 or more charitable organizations provided by the employee. In computing the \$2,000 amount, the following may be excluded:

(i) Actual travel and subsistence expenses for the employee and the employee's spouse or aide; and

(ii) Amounts paid or incurred for any agent's fees or commissions.

(f) Any employee who is compensated at an amount equal to or above GS-16 in the General Schedule and who occupies a full-time position, appointment to which must be made by the President by and with the advice and consent of the Senate, may not have in any calendar year outside earned income attributable to such calendar year which is in excess of 15 per cent of the employee's salary (Pub. L. 95-521, section 210, 5 U.S.C. App.).

(g) An employee may not directly or indirectly seek or receive compensation for services, rendered by himself or others, in connection with any proceeding, application, request for ruling, contract, claim, or other particular matter in which the United States is a party or has a direct and substantial interest and which is before any Federal or District of Columbia department or agency (18 U.S.C. 203).

(h) An employee may not act, with or without compensation, as agent or attorney for another:

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(1) In prosecuting a claim against the United States; or

(2) In connection with any proceeding, application, request for ruling, contract or other particular matter in which the United States is a party or has a direct and substantial interest and which is before any Federal or District of Columbia department, agency, or court (18 U.S.C. 205).

(i) Permissible exceptions to the prohibitions set forth in paragraphs (g) and (h) of this section include:

(1) Representation without compensation in connection with a disciplinary, loyalty, or personnel proceeding;

(2) Representation with or without compensation of parents, spouse, child, or those to whom the employee owes a fiduciary duty except in those matters in which the employee has participated personally and substantially as a Government employee or which are the subject of his official responsibility; and

(3) Statements required to be made under penalty for perjury or contempt. An employee seeking to engage in one of these excepted activities is encouraged to consult in advance with a Deputy Counselor.

(j) The prohibitions set forth in paragraphs (g) and (h) of this section are in addition to, and not in lieu of, any other restrictions contained in this subpart.

(k) This section does not prohibit an employee from serving in an individual capacity as an officer or a member of the Board of Directors of:

(1) A Federal Credit Union, or

(2) A cooperative or condominium association for a housing project which is not subject to regulation by the Department or, if so regulated, in which the employee personally resides.

(l) When participating in any activity permitted by this section, an employee shall make certain that his or her official title or Department connection is not shown or used in a manner which implies that the employee is acting in an official capacity.

[52 FR 27113, July 17, 1987. Redesignated at 61 FR 19188, May 1, 1996]

§0.3 Financial interests.

(a) An employee shall not have a direct or indirect financial interest that

conflicts, or appears to conflict, with his or her official duties and responsibilities. Such interests include, but are not limited to, the voluntary acceptance, acquisition or holding of:

(1) Securities issued by the Federal National Mortgage Association and securities collateralized by FNMA securities.

(2) FHA debentures or certificates of claim.

(3) Stock or other interest in a Department-owned, insured or subsidized multifamily project or single family dwelling, cooperative unit, or condominium unit, except to the extent that the stock or other interest represents the employee's principal residence. Employees who wish to purchase a Department-held property as a principal residence must adhere to the procedures established by the Assistant Secretary for Housing for the administration of the property disposition program set forth in Handbook 4310.5.

(4) Any Department subsidy provided pursuant to section 8 of the United States Housing Act of 1937, as amended, to or on behalf of a tenant of property owned by the employee. However, an employee may accept the benefit of such a subsidy when:

(i) The employee involuntarily acquires a property which at the time of acquisition has a tenant receiving such a subsidy but only as long as that tenant continues to reside in the property, or

(ii) An incumbent tenant who has not previously received such a subsidy becomes the beneficiary thereof but only if there is no increase in that tenant's rent upon the commencement of subsidy payments other than normal annual adjustments.

(5) Any direct creditor interest in a mortgage insured by the Department.

(b) Notwithstanding paragraph (a) of this section, an employee may accept, acquire or hold

(1) An interest in a mutual or money market fund which has holdings listed in paragraph (a) of this section, and which:

(i) Has a broadly diversified portfolio not specializing in any particular industry;

(ii) Is widely held; and

(iii) Is not under the employee's control.

(2) A limited partnership interest in a large public partnership (i.e. one which has at least 5,000 partnership interests) less than 25% of the assets of which are Department insured or subsidized projects;

(3) Mortgage insurance provided pursuant to section 203 of the National Housing Act on any one single family residence in addition to the employee's current principal residence.

(c) If an employee acquires an interest prior to the commencement of employment with the Department which is prohibited under paragraph (a) of this section, or involuntarily acquires such a prohibited interest after the commencement of employment with the Department, the matter must be reported promptly to a Deputy Counselor. The Deputy Counselor will then determine whether retention of the interest is permissible or whether divestment or other appropriate remedial action is required.

(d)(1) An employee must not participate in his or her capacity as a Government employee in any matter in which, to his or her knowledge, the employee, his or her spouse, minor child, any organization in which the employee is serving as an officer, director, trustee, partner, or staff member, or a partner of the employee has a financial interest. In addition, an employee must not participate in his or her capacity as a Government employee in any matter in which, to the employee's knowledge, a person, business, or nonprofit organization with whom the employee is negotiating, or has an arrangement for, employment has a financial interest. For purposes of this paragraph a *matter* includes an application, contract, claim, request for a ruling, controversy, charge, accusation, arrest, judicial or other proceeding, or other particular matter. (18 U.S.C. 208(a)).

(2) Paragraph (d)(1) of this section does not apply:

(i) If a Deputy Counselor first determines that the financial interest is not so substantial as to be deemed likely to affect the integrity of the services which the Government may expect from the employee; or

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(ii) If the financial interest is within one of the following categories which are hereby exempted from the requirements of section 208(a) of title 18, United States Code, as being too remote or too inconsequential to affect the integrity of an employee's service:

(A) Any holding in a widely held mutual or money market fund, or regulated investment company, which is not under the employee's control and which has a broadly diversified portfolio not specializing in any particular industry;

(B) Participation in a bona fide employee benefit plan, other than a profit-sharing or stock-bonus plan, that is maintained by a former employer to the extent that the employee's rights in the plan are vested and require no additional services by him or her or further payment to the plan by the former employer with respect to the services of the employee.

[52 FR 27113, July 17, 1987. Redesignated at 61 FR 19188, May 1, 1996]

PART 1—NONDISCRIMINATION IN FEDERALLY ASSISTED PROGRAMS OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—EFFECTUATION OF TITLE VI OF THE CIVIL RIGHTS ACT OF 1964

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- 1.1 Purpose.
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- 1.8 Procedure for effecting compliance.
- 1.9 Hearings.
- 1.10 Effect on other regulations; forms and instructions.

AUTHORITY: 42 U.S.C. 2000d-1 and 3535(d).

SOURCE: 38 FR 17949, July 5, 1973, unless otherwise noted.

§ 1.1 Purpose.

The purpose of this part 1 is to effectuate the provisions of title VI of the Civil Rights Act of 1964 (hereafter referred to as the *Act*) to the end that no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation

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in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity receiving Federal financial assistance from the Department of Housing and Urban Development.

§ 1.2 Definitions.

As used in this part 1—

(a) The term *Department* means the Department of Housing and Urban Development.

(b) The term *Secretary* means the Secretary of Housing and Urban Development.

(c) The term *responsible Department official* means the Secretary or, to the extent of any delegation of authority by the Secretary to act under this part 1, any other Department official to whom the Secretary may hereafter delegate such authority.

(d) The term *United States* means the States of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, American Samoa, Guam, Wake Island, the Canal Zone, and the territories and possessions of the United States, and the term *State* means any one of the foregoing.

(e) The term *Federal financial assistance* includes: (1) Grants, loans, and advances of Federal funds, (2) the grant or donation of Federal property and interests in property, (3) the detail of Federal personnel, (4) the sale and lease of, and the permission to use (on other than a casual or transient basis), Federal property or any interest in such property without consideration or at a nominal consideration, or at a consideration which is reduced for the purpose of assisting the recipient, or in recognition of the public interest to be served by such sale or lease to the recipient, and (5) any Federal agreement, arrangement, or other contract which has as one of its purposes the provision of assistance. The term *Federal financial assistance* does not include a contract of insurance or guaranty.

(f) The term *recipient* means any State, political subdivision of any State, or instrumentality of any State or political subdivision, any public or private agency, institution, organization, or other entity, or any individual, in any State, to whom Federal financial assistance is extended, directly or