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(o) *Family self-sufficiency (FSS) enrollment and escrow accounts.* (1) This indicator applies only to HAs with mandatory FSS programs. The indicator consists of 2 components which show whether the HA has enrolled families in the FSS program as required, and the extent of the HA's progress in supporting FSS by measuring the percent of current FSS participants with FSS progress reports entered in MTCS that have had increases in earned income which resulted in escrow account balances. (24 CFR 984.105 and 984.305)

(2) HUD verification method: MTCS report—Shows number of families currently enrolled in FSS. This number is divided by the number of mandatory FSS slots based on funding reserved for the HA through the second to last completed Federal fiscal year or based on a reduced number of mandatory slots under a HUD-approved exception. An MTCS report also shows the percent of FSS families with FSS progress reports who have escrow account balances. HUD also uses information reported on the SEMAP certification by initial HAs concerning FSS families enrolled in their FSS programs but who have moved under portability to the jurisdiction of another HA.

(3) Rating:

(i) The HA has filled 80 percent or more of its mandatory FSS slots and 30 percent or more of FSS families have escrow account balances. 10 points.

(ii) The HA has filled 60 to 79 percent of its mandatory FSS slots and 30 percent or more of FSS families have escrow account balances. 8 points.

(iii) The HA has filled 80 percent or more of its mandatory FSS slots, but fewer than 30 percent of FSS families have escrow account balances. 5 points.

(iv) 30 percent or more of FSS families have escrow account balances, but fewer than 60 percent of the HA's mandatory FSS slots are filled. 5 points.

(v) The HA has filled 60 to 70 percent of its mandatory FSS slots, but fewer than 30 percent of FSS families have escrow account balances. 3 points.

(vi) The HA has filled fewer than 60 percent of its mandatory FSS slots and less than 30 percent of FSS families have escrow account balances. 0 points.

Subpart B—Program Operation

§ 985.101 SEMAP certification.

(a) An HA must submit the HUD-required SEMAP certification form within 60 calendar days after the end of its fiscal year.

(1) The certification must be approved by HA board resolution and be signed by the board of commissioners chairperson and by the HA executive director. If the HA is a unit of local government or a state, a resolution approving the certification is not required, and the certification must be executed by the Section 8 program director and by the chief executive officer of the unit of government or his or her designee.

(2) An HA that subcontracts administration of its program to one or more subcontractors shall require each subcontractor to submit the subcontractor's own SEMAP certification on the HUD-prescribed form to the HA in support of the HA's SEMAP certification to HUD. The HA shall retain subcontractor certifications for 3 years.

(3) An HA may include with its SEMAP certification any information bearing on the accuracy or completeness of the information used by the HA in providing its certification.

(b) Failure of an HA to submit its SEMAP certification within 60 calendar days after the end of its fiscal year will result in an overall performance rating of troubled and the HA will be subject to the requirements at § 985.107.

(c) An HA's SEMAP certification is subject to HUD verification by an on-site confirmatory review at any time. (Information collection requirements in this section have been approved by the Office of Management and Budget under control number 2577–0215)

§ 985.102 SEMAP profile.

Upon receipt of the HA's SEMAP certification, HUD will rate the HA's performance under each SEMAP indicator in accordance with § 985.3. HUD will then prepare a SEMAP profile for each HA which shows the rating for each indicator, sums the indicator ratings, and divides by the total possible points to arrive at an HA's overall SEMAP

score. SEMAP scores shall be rounded off to the nearest whole percent.

EFFECTIVE DATE NOTE: At 63 FR 48560, Sept. 10, 1998, § 985.102 was stayed indefinitely.

§ 985.103 SEMAP score and overall performance rating.

(a) *High performer rating.* HAs with SEMAP scores of at least 90 percent shall be rated high performers under SEMAP. HAs that achieve an overall performance rating of high performer may receive national recognition by the Department and may be given competitive advantage under notices of fund availability.

(b) *Standard rating.* HAs with SEMAP scores of 60 to 89 percent shall be rated standard.

(c) *Troubled rating.* HAs with SEMAP scores of less than 60 percent shall be rated troubled.

(d) *Modified or withheld rating.* (1) Notwithstanding an HA's SEMAP score, HUD may modify or withhold an HA's overall performance rating when warranted by circumstances which have bearing on the SEMAP indicators such as an HA's appeal of its overall rating, adverse litigation, a conciliation agreement under Title VI of the Civil Rights Act of 1964, fair housing and equal opportunity monitoring and compliance review findings, fraud or misconduct, audit findings or substantial noncompliance with program requirements.

(2) Notwithstanding an HA's SEMAP score, if the latest IA report submitted for the HA under the Single Audit Act indicates that the auditor is unable to provide an opinion as to whether the HA's financial statements are presented fairly in all material respects in conformity with generally accepted accounting principals, or an opinion that the schedule of expenditures of Federal awards is presented fairly in all material respects in relation to the financial statements taken as a whole, the HA will automatically be given an overall performance rating of troubled and the HA will be subject to the requirements at § 985.107.

(3) When HUD modifies or withholds an overall performance rating for any reason it shall explain in writing to the HA the reasons for the modification or for withholding the rating.

EFFECTIVE DATE NOTE: At 63 FR 48560, Sept. 10, 1998, § 985.103 was stayed indefinitely.

§ 985.104 HA right of appeal of overall rating.

An HA may appeal its overall performance rating to HUD by providing justification of the reasons for its appeal. An appeal made to a HUD hub or program center or to the HUD Troubled Agency Recovery Center and denied may be further appealed to the Assistant Secretary.

§ 985.105 HUD SEMAP responsibilities.

(a) *Annual review.* HUD shall assess each HA's performance under SEMAP annually and shall assign each HA a SEMAP score and overall performance rating.

(b) *Notification to HA.* No later than 120 calendar days after the HA's fiscal year end, HUD shall notify each HA in writing of its rating on each SEMAP indicator, of its overall SEMAP score and of its overall performance rating (high performer, standard, troubled). The HUD notification letter shall identify and require correction of any SEMAP deficiencies (indicator rating of zero) within 45 calendar days from date of HUD notice.

(c) *On-site confirmatory review.* HUD may conduct an on-site confirmatory review to verify the HA certification and the HUD rating under any indicator.

(d) *Changing rating from troubled.* HUD must conduct an on-site confirmatory review of an HA's performance before changing any annual overall performance rating from troubled to standard or high performer.

(e) *Appeals.* HUD must review, consider and provide a final written determination to an HA on its appeal of its overall performance rating.

(f) *Corrective action plans.* HUD must review the adequacy and monitor implementation of HA corrective action plans submitted under § 985.106(c) or § 985.107(c) and provide technical assistance to help the HA improve program management. If an HA is assigned an overall performance rating of troubled,