

of Indian Affairs or Indian Health Service, as appropriate.

(c) Only eligible applicants shall receive grants. However, eligible applicants may contract or otherwise agree with non-eligible entities such as States, cities, counties, or other organizations to assist in the preparation of applications and to help implement assisted activities.

(d) To apply for funding in a given fiscal year, an applicant must be eligible as an Indian Tribe or Alaska native village, as provided in paragraph (a) of this section, or as a tribal organization, as provided in paragraph (b) of this section, by the application submission date.

§ 954.103 Housing strategy.

Grantees are not required to submit a housing strategy to receive HOME funds. However, the application must demonstrate how the proposed project(s) will contribute to a comprehensive approach for expanding the supply of affordable housing for members of the Indian tribe.

§ 954.104 Performance thresholds.

Applicants must have the administrative capacity to undertake the project proposed, including systems of internal control necessary to administer these projects effectively. In addition, an applicant that has participated in the HOME program must have performed adequately. In cases of previously documented deficient performance, the applicant must have taken appropriate corrective action to improve its performance prior to submitting a HOME application to HUD. The Area ONAP will determine whether or not a grantee is eligible to participate in a particular funding round. Examples of deficient performance may include unresolved serious audit findings and failure to initiate a previous grant.

§ 954.105 Criteria for selection.

There are four categories of projects that may be funded under the HOME Indian program: housing rehabilitation; acquisition of housing; new housing construction; and tenant-based rental assistance. Each project must be evaluated using the following three criteria:

(a) *Project need and design.* The degree to which the proposed project addresses the housing need(s) of the grantee as identified in the application, and the degree to which the proposed project is feasible while maximizing benefits to low-income families.

(b) *Planning and implementation.* The degree to which the financial, administrative, and legal actions necessary to undertake the proposed project have been considered and addressed in the application, and the degree to which the grantee has the administrative staff to carry out the project successfully.

(c) *Leveraging.* The degree to which other sources of assistance, including mortgage insurance, State funds, other Federal grants, and private contributions, are used in conjunction with HOME funds to carry out the proposed project.

§ 954.106 Announcement of competition.

A NOFA will describe the maximum points for each of the selection criteria and any special factors to be evaluated in awarding points under the selection factors. The NOFA will also state the deadline for the submission of applications, the total funding available for the competition and any maximum amount of individual awards.

(Approved by the Office of Management and Budget under OMB control number 2577-0191)

§ 954.107 Grant conditions.

HUD may impose reasonable conditions on grant awards.

§ 954.108 Project amendment.

(a) Grantees shall request prior HUD approval for all project amendments.

(b) HUD can approve an amendment to a project if:

(1) The amendment is due to factors beyond the control of the grantee; and

(2) The request for approval for a project amendment which involves \$100,000 or more includes all application components required by the NOFA published for the last application cycle (not necessarily the year in which the project was rated and ranked) and the modified project scores high enough to have been funded in the competition for the last application cycle. A rating