CDBG-DR Cumulative Disbursements & Budget Conversion Webinar,
February 23, 2017

Phyllis Foulds: Okay. Good afternoon everyone and welcome to the webinar. My name is Phyllis Foulds. I work for the disaster recovery and special issues division with HUD out of HUD Headquarters. And today's webinar is going to focus on some new guidance and new ways that we will be tracking expenditure deadlines for Public Law 113-2 funds.

So we're excited. We have a lot of interest in the webinar, a lot of folks registered to attend and I see a lot online, so we're going to jump right in and get started with the program. So a little bit of housekeeping -- first of all, just a reminder, as we said, this webinar is focused on Public Law 113-2 grantees. We're going to talk about changes and the way the expenditure deadlines will be tracked and the way funds will be managed. Again, my name is Phyllis Foulds. I am a financial analyst with HUD, with disaster recovery and special issues division. I work with the team in headquarters, but I'm out stationed in Fort Worth.

Assisting today will be Tyler Bridges, another member of the DRSI team. Tyler is actually stationed in California, but works with the headquarter staff. He is the team lead and I like to call him first responder for any DRGR issues we have, helping us with the system there.

And also helping today will be Chantel Key. Chantel is our technical support with ICF. They're helping us to manage the webinar today.

So again, glad you're all on. One final note before we begin, we want to make sure you all understand, again, can't say it enough, because I don't want you to be confused or misled or misunderstand what we're going to cover today. This is focused on Public Law 113-2 grants. However, it does not include NDR grants, so if you are a grantee with only an NDR award under Public Law 113-2, this is not going to apply to your grant. It will cover the Public Law 113-2 grants which the grant numbers start with the numbers B13. So if you have a B13 grant that is not only for National Disaster Resiliency funding, then this is your webinar. So again, thank you for being on, and now I'm going to turn it over to Chantel and she's going to explain some of the logistics we have today regarding the webinar itself.

Chantel Key: So if you're joining us today, the telephone and via your mike and speakers, we ask that you submit your questions via the Q&A box. And the Q&A box you can find on the right side of your screen. And for any technical issues, I ask that you submit them directly to me, to your host, in the chat box. And again, and submit them to your host. So if you have any content-related questions relating to the webinar today, please submit those questions in the Q&A box, and any questions that are technical issues or any questions that you need to send to me, please direct them in the chat function and send them directly to the host. Phyllis?

Phyllis Foulds: Thanks Chantel. All right. So moving on again regarding questions, now these are the substantive questions. Any questions about the content of the webinar, you can submit

those, as Chantel just said, using the question box, and those will actually go to Tyler Bridges. Tyler will be manning the questions for us.

We'll be stopping at a few points throughout the presentation to address those questions and any questions that we don't get to or some that are very specific to an individual grantee, don't worry. We will have those questions. We're going to have those. We'll get back to you individually if it's something very specific to only one grant. Otherwise, they will be added to a document. We're going to create sort of a frequently asked questions so that anyone who wasn't able to attend today can go online and look at those. And we'll be posting those along with the PowerPoint slides on the website later on and you'll get notification as to where those will be posted.

So I think that's all the housekeeping issues, so let's get into the content.

Tyler Bridges: Phyllis, if I can -- I'm sorry to interrupt you. So I just wanted to clarify for the audience, this is Tyler, we will not be taking any verbal questions throughout the webinar, so if you have a question, please go ahead and submit it via that question and answer box and we'll be stopping periodically and if we can't get your question today, we'll get it afterwards. Thanks.

Phyllis Foulds: Thank you, Tyler. And in addition to that, just so you know, this isn't a one-way conversation. It is today. Only we will be doing the talking. But as far as additional questions and follow-up, when we get to the final slide, you'll see some contact information, so obviously, and as always, if you guys have questions about your grants, first of all, we encourage you to coordinate through your CPD specialist or representative who manages your grant, but you can always defer and include myself or Tyler in some of those questions as well. So you'll have my contact information on the final slide.

All right. So I think that takes care of how you can ask questions and how we're going to manage them, so let's get into the content of the training today.

So basically, want you to be aware of a little bit of the background information, sort of how we got where we are today. So Public Law 113-2 was an appropriation that awarded $15.2 billion in disaster recovery funding. These disasters included Hurricane Sandy and various other disasters during 2011, 2012, and 2013. To date, those $15.2 billion turned into 47 grant awards, including a special class known as the NDR class. To date, we have obligated about 90 percent of those funds, or $13.5 billion. Those obligations have been put out to grantees and about 160 partial obligations and there's the crux of the issue, folks. We have a lot of funds moving in a lot of different moving parts with a whole lot of different deadlines and requirements. So the whole purpose of today's discussion is to explain to you some more simplified and streamlined ways of managing this funds to help us manage $13.5 billion under 160 obligations with knowing that those numbers will grow in the next few months.

The next bullet there is just a reminder. All the funds under Public Law 113-2 must be obligated to a grantee no later than September 30th of this year. Any funds not obligated by 9/30/17 must be returned to the treasury. So HUD won't even have access to the funds. So it's sort of a get it into play by 9/30/17 or those funds will not be available to you even though they were named in your grant award.

And just as a side note, some letters were recently sent to grantees who were not fully obligated, meaning that your entire grant award has not yet been obligated to you under a grant agreement, so we encourage you and remind you to work with your CPD representative so you can get your final funds obligated if you're one of those grantees. If you have any questions again, we can talk offline later on, but just a reminder on that, please take action to get your final funds obligated.

Once funds are obligated under Public Law 113-2, the regulations say that they must be dispersed within 24 months of the obligation. The obligation is the day that the grant agreement was fully executed, which means the date that HUD signed it. So the only exception to that is if the grantee has requested and been awarded an extension, which is a separate process, but for all regular standard funds that have not been extended, must be dispersed or drawn by the grantee within 24 months of the execution of the grant agreement.

So again, as I just pointed out, throughout the course of this presentation, a few terms are going to be meaning the same thing. Disbursement means expended or drawn down. Basically it means that you go into DRGR and you access those funds from your line of credit. That's what counts as a disbursement for the purpose of this presentation.

So moving on, again, as we just stated, having 160 separate obligations and many billions of dollars out there to play and to manage has created some really unique challenges for this appropriation. So one of the challenges is that as grantees get the funds, they have to be disbursed. For each partial obligation, you as a grantee must disburse those funds within the time period that's been established, but you also have to disburse them as they've been defined in your grant conditions table.

In addition, in order to facilitate that, when you go in and establish your funds in DRGR, we've made you set up separate projects and activities for each specific obligation or round. And then to meet those disbursements, sometimes things don't happen in the order you expected them to. You obligated funds in round one and you obligated new funds in round two, maybe round two is moving faster than round one. So in that case, we have to go through this great contortion and lots of adjustments. We may need to amend your existing grant condition budget table. You may need to change the purpose of funds within a certain obligation in order to achieve that 24 month deadline.

Sometimes grantees have to process DRGR voucher or budget adjustments, another big cumbersome task. And then finally, we on the HUD side feel the pain too. The CPD reps and me, the financial analyst and those financial analysts in the field held grants, have to carefully watch those adjustments to make sure everything was done appropriately. So again, this is a very complex process with a lot of moving parts.

So more contributing factors to these problems and issues we have in managing the deadlines, what created all of these headaches, so to speak, are really these two items right here. It's the way the funds are defined within your grant conditions whenever you get an obligation as well as how we track the expenditure of funds against your disbursement deadline. That's what's really causing the issues up to this point. Most of these factors dictate how the funds are established

and managed in DRGR and also how we consider whether or not you've met your respective deadlines.

So let's look at how we're doing things right now and what's really causing these problems or issues. So again, the way the existing grant conditions are established: when you get an obligation from HUD for additional funds, within that is you get the HUD-7082, which is actually the document with all the numbers on it and it tells you how much funds are being appropriated, or obligated, pardon me, on that date. And in addition, you get the grant conditions, or the rules for those funds. Within the grant conditions, the way things are done now, we tell you the amount of funds being obligated, the amount of time those funds will be available, which is the 24 month period, and then we also define the program categories under which the obligated funds must be spent.

So basically, it looks like this table. This is a current grant conditions budget table. Notice that the first column, the left-hand column is the program categories. Again, this is where we defined the funds by program category. How much of the money being obligated to you at this time is needed for admin or housing or economic development and so on? You define that as a grantee. It has to fall within the defined parameters of your HUD-approved action plan, but each obligation as you pull an amount of money to be obligated you tell HUD how you want to use them. Not just how much you want, but specifically how you want to apply them toward achieving your overall written action plan.

So in this example, the grantee already had -- we'll us very simply numbers here -- the grantee had already obligated $600 divided among the four categories identified, and their current obligation is for an additional $400, again, defining the categories. So again, each time you get an obligation, you are locked into the program categories for which those funds can be used, which further dictates how those funds can be spent in the next 24 months.

That leads us into the current disbursement tracking. So on the next slide, we're going to look at how we track those expenditures. Again, each obligation is tracked separately. The grantee works toward multiple disbursement goals. And each obligation was defined at the program category level in the grant conditions, as we just saw on the previous slide.

So moving on, this is sort of how it works. Notice that, again, this grantee -- this is a different grantee; he has millions of dollars -- but in this example, the grantee has four separate obligations, which we refer to as rounds. Each of these boxes shows that unique group of funding, and the two year period. The plus mark is when the funds were obligated and the grant agreement was executed, and the X at the back end of the box tells you when the two year period ends.

So notice that even though the grantee has a cumulative amount of funds here, we look at each obligation unique and distinctly in its own merits and track its own disbursements, even though the periods of time overlap. For example, round two is obligated before round one expired. But they act independently. So this is how the process works now.

This is a typical disbursement tracking report that I keep. So we have one of these on every grantee for each obligation, so, again, this goes back to the prior example where the grantee has three rounds that add up to $1,000, and you can see in a chart or table, as the grantee is drawing funds on the far right hand side you can see that they are drawing funds against each of these separate rounds or obligations. So the funds that they are drawing against round two only apply to the round two goal. Similarly, what they draw in round three only applies to round three. So even though they've drawn more than enough funds to achieve the goal established under round one, which at this point was $400, they still are working toward their round one goal, because they haven't drawn those specifically identified funds under round one.

Now, just imagine this table 47 times with 160 different obligations. That's really what we're trying to manage here. We looked at this a while back and said, wow, this is really cumbersome, it's taking a lot of work, and the intent of the rule, the 24 month expenditure rule, was to keep grantees focused and moving forward with disaster recovery to keep the funds in use. So we decided that it was just overly burdensome. Defining the funds is really the thing that caused the problems to us.

So we've come up with what we believe will be a very good solution to help manage these disbursement deadlines. Instead of looking at rounds individually, we're going to use what we're going to refer to as cumulative disbursements. We're going to look at disbursements across multiple obligations, to meet expenditure deadlines. In order to do that, three things have to happen. First of all, we're going to change the way we define funds. We will no longer define funds at the program category with any set of grant conditions. Secondly, the program category budgets will instead be tracked in the published action plan.

So again, as you have funds obligated to you as a grantee, the obligations always had to fit within your published action plan, right? So that's not going to change. You still can only have funds obligated to you in a way that will satisfy or comply with your published action plan. And then finally, in order to make the funds more fluid and achieve these cumulative disbursements, we're going to change the way we manage those funds in DRGR to allow for rolling block days.

Now, I'm going to stop for a minute and apologize. I meant to stop on the previous slide and see if there were any questions. So I kind of jumped ahead with the answer here. But let me roll back to slide 12. This is where we finished talking about the way funds are handled now. And let me check. Tyler, do we have any questions at this time regarding the current process that we're using, before we move further into the solutions?

Tyler Bridges: We have zero questions, which I think means everybody's really excited to put this behind them.

Phyllis Foulds: I know. I hope so. All right. Here we go.

Tyler Bridges: So we can -- a question did pop up, "When will the new disbursement tracking go into effect?" And we will cover that.

Phyllis Foulds: Very good. I love that you're all looking forward. Okay. Thank you. So that tells me that you're all familiar with the process we had in place, you know what's going on, you understand how funds are obligated and how they're currently being established and tracked. So again, my apology for getting ahead of myself. I'm excited about the solution too. So again, we're going to move into the solution now and how we're going to blend these funds and move into a cumulative disbursement scenario.

So the first change that has to happen as we said is we have to change the way we obligate the funds. We're no longer going to define them as distinctly as we did before. So now, new grant conditions, when you get a new obligation of funds, it will tell you the amount of funds being obligated, as it always did, it will establish the amount of time those funds are available, which is 24 months, as it always did, but we will use a cumulative disbursement schedule, which we'll be looking at in a few minutes, a few slides down. And we'll also talk about how we'll manage extended funds in case you do apply and have an extension granted for additional time.

What's going to be the most significant change is that the grant conditions will no longer contain that program specific budget table, the one that identified the funds by categories, admin, housing, infrastructure, etc. Instead, we'll stick with the top four items, the amount obligated, the amount of times you have to spend the funds, and we'll look at a cumulative disbursement table. So we'll show you that as we move along here.

This is basically how the new grant conditions budget table is going to look. So this is the same grantee we looked at before. In the original scenario, each of these obligations, there was $200 obligated on -- actually $400 were obligated on December 30th of '14. The first $200 of that carries its initial disbursement deadline of December 30th '16, you see on the top line. A portion of that obligation, as you see at the bottom of the table, has actually been extended for an additional year. So we wanted to give you an example showing what happens if an obligation receives an extension. And we'll get more detailed in that in a moment.

But as it says on the bottom of the table here, the first obligation for round one was $400 obligated on December 30th of 2014, of which $200 was later extended. Round two was obligated on April 30th of 2015, several months later, for an additional $200. But notice that in the table this time, instead of the April 30th, 2015, obligation showing as a $200 obligation, it merely sets a cumulative disbursement goal of $400, meaning that on December 30th of 2016, working from the top down on the table, on December 30th of 2016, this grantee needed to draw at least $200 from the grant. The next cumulative deadline will be April 30th, 2017. By that point in time, the grantee needed to draw a total of $400 from the grant. On September 30th of 2018, the two year disbursement deadline for the third obligation of funds, the grantee must spend a cumulative $800 toward the grant.

So again, you're not going to see the amount of each individual obligation in the table, you're going to see a cumulative disbursement amount, meaning that every time there's a new obligation of funds, the amount of funds that must be spent will be added, that next obligation will be added to your next chronological or scheduled disbursement deadline.

In this case, again, the extended funds, the extended disbursement schedule represents only specific activities that have been extended and the funds that are budgeted and disbursed against those activities. They will live outside the cumulative schedule. They will live in their own individual extended schedule. We'll talk more about that in a minute, about how you will manage those extended funds.

So I'll move on, and again, when we stop for questions, if we need to go back to an earlier slide, we can do that. So looking forward, then how will we track the disbursements? So again, as you just saw in the table above, we're no longer considering round by round, we're considering all cumulative disbursements across the entire body of the grant and the next scheduled disbursement deadline. So in this case, funds drawn against round three can count toward round two, provided round two funds haven't hit their deadline yet.

So we're going to look at a more live and more fluid example on the next slide. The next example will show the new cumulative disbursement tracking process. The goals are established with each partial obligation, so, again, every amount of funds will have a two year period. The cumulative sum of the grant funds disbursed will be counted toward each successive goal. So again, as you saw in the prior table, where the amount of funds, every time you had an obligation, the next goal amount was the sum of all the new funds that had been obligated, and then finally, the funds granted in a disbursement deadline extension, if you get an extension granted, they will be carved out and tracked separately.

So again, let's look at the chart showing -- remember before when we looked at this analysis, each round lived independent of itself, even though some of the time periods overlapped. In this example, you now see that round two, because it was obligated before round one expired, those funds merge into round one. So as a grantee is drawing funds from round two, as long as they haven't hit the August 15th -- sorry, the August 2015 deadline for round one, any funds drawn against round one or round two can help achieve that goal.

Similarly, funds drawn in round three can now help achieve round two's goal, because they have an overlapping time period from when the funds were obligated in round three to when the funds of round two expire. So it's going to make the funds and the disbursements more fluid and give you advantage and the ability to take credit for funds that you are drawing in a later round, as long as the prior round's deadline has not been hit.

So this is what it will look like in a tracking table. So again, we're back to our grantee with $1000. The round one, again, the amount obligated was $400, a portion of that remained with the original benchmark date or disbursement deadline of December 30th, 2016. A portion of that was extended, as you'll see on the final line. It got an additional year. The deadline for those extended funds only is December 30th, 2017. Moving forward, the second obligation, round two, for an additional $200, notice that the column titled cumulative disbursement goals, has now increased to $400. That's the amount of round one funds that were not extended plus the new round two obligation. The total cumulative amount now has a deadline of April 30th '17.

So you can see now, as our example, the -- at this point in time, the grantee had drawn $550 in total. They've drawn $200 to help achieve the round one goal, and another $350 toward the

round two cumulative goal, leaving only a balance of $50. And the tracking will also show how many days are left until the next deadline. Now, these funds could have been drawn from any activity in the grant. They could have been drawn from first obligation, second obligation, or third obligation. But they will count toward the next scheduled deadline, not the specific round under which the funds were obligated. The only exception to this rule is on the final line where you have extended activities. Those will fall under, I guess you'd say, the old original rules where the funds must -- the only funds that can count toward those disbursement goals for extended activities are funds drawn against those specific activities. All other drawn funds will be able to count across rounds and in a cumulative manner.

So Tyler, that was a lot to absorb, so let me stop for just a minute. Do we have any other questions at this point?

Tyler Bridges: We do, we do, we do. Okay. So the first question is asking about Hurricane Irene and Tropical Storm Lee, and wondering whether or not this process is going to impact that grant in any way.

Phyllis Foulds: Okay. If the grant is a B13 grant, meaning that it was funded under Public Law 113-2, then yes, it will. If it was an earlier award for one of those disasters, if it was a B12 grant, for example, then no, this will not impact that.

Tyler Bridges: So if it was -- so, for B12 grants, then, that were never subject to the two year expenditure deadline, those are completely fine.

Phyllis Foulds: Correct. No change [inaudible].

Tyler Bridges: Yeah. But if you've got a plus up in B13, under P.L. 113, and you now have a B13 grant, then yes, those are going to be subject to this new process because they were subject to the old process.

Phyllis Foulds: Correct.

Tyler Bridges: Got it. Okay. The second question we're going to get to in the third segment here, but just to kind of keep it on your radar, "Would the system let you know when you're approaching a disbursement deadline?"

Phyllis Foulds: Got you. Yes. We'll talk about that when we get into the DRGR part, which is coming next.

Tyler Bridges: This next one is kind of a policy question, I'll ask it of you and if you want me to answer it, I will. "Will activities qualified under the urgent need waiver be tracked differently than other activities under the new system?"

Phyllis Foulds: Why don't you take that, because you work more in policy?

Tyler Bridges: Sure. So activities that received the urgent need waiver will not be tracked any differently than all of the other activities in the current system. And that's actually been true under the current system as well. So what they're specifically referring to in this question is the Federal Register contained a waiver we call [low doc?] for urgent need activities, where they didn't have to provide the regular documentation for urgent need activities within 24 months of the first obligation. And if a grantee in subsequent obligations obligated funds to that same activity for the same purpose, the low doc requirement really extended the life of those funds. And so, all of that was never tracked in DRGR, and it was never asked to be tracked separately either, and in the new system, we won't be asking for any special tracking for those activities either.

Okay. So the next question, let's see here. I think this is a policy question as well, but I'll give you a chance. "Are there changes to the definition of eligible or ineligible activities?"

Phyllis Foulds: Go ahead.

Tyler Bridges: No. This process is changing nothing except for how we're tracking disbursement deadlines. And Phyllis, you can answer this, but we're only looking at the 24 month expenditure deadlines, so whether or not an activity is eligible or not has no bearing on the original process. The 24 month expenditure deadline had nothing to do with eligible or ineligible activities, that's a separate kind of test. But under -- so under the old process and under the new process, whether it was eligible or ineligible is the same.

Phyllis Foulds: Right. Yeah. And eligibility of activities, meeting national of overall benefits for the grant, determining national objectives, the fact that every activity you do must be defined within the written action plan that HUD has approved, tie back to the storm, all of those things are still in place.

The only thing we're changing here is the way obligation documents or grant agreements will look, because we'll no longer define the funds as distinctly as we did before and the way we will track disbursements, we're going to allow a more fluid use of the funds, we're going to allow disbursements from later rounds to help achieve earlier goals if they happen in a timely manner, and the way we're going to manage that in DRGR, which we're going to talk about next. So as Tyler said, programmatically [sic], nothing is changing. This strictly comes down to how grant agreements will be formed and how funds will be managed and tracked moving forward.

Any other questions? All right. So let's move on. Now, we're going to look at how this is going to work in DRGR, which was one of the questions we had, actually. So basically, what we're working on right now, the division, Disaster Recovery and Special Issues Division, is creating a -- I'm calling it a conversion document, all right? We're going to compare your disbursements to date in DRGR to these new cumulative disbursement goals that are being established in grant conditions. In order to manage that, all the activities will carry the next scheduled block date in DRGR. We call them a rolling block date.

So again, let me go back a slide or two. In this tracking, for example, notice again that at this point in time, at the first point in time, this, the first obligation had a deadline of December 30th,

2016, meaning that every activity in the grant would carry a block date of 12/30/16, except those that are extended, the ones at the bottom. Notice that the couple of activities may have been extended for another year.

Once the grantee has met the disbursement, the minimum cumulative disbursement amount, which in this case was $200, once they achieve that first amount, then all activities will push out to the next disbursement deadline of April 30th, 2017. That date will be the new -- that will determine the new block date for all activities, except the extended ones again, until the next deadline, until the next disbursement amount has been achieved.

So again, we're calling these rolling deadlines, all funds will apply unless they've been extended, those will be handled separately. But again, this will make all funds available only up until one of two things, either the minimum cumulative amount has been disbursed or you reach the deadline. So we'll talk about more specifically in a minute. So let me move back to the slide. Oops. Hold on. Getting ahead of myself. All right.

So again, all activities will -- I'm on the second bullet -- all activities will carry the next scheduled disbursement deadline block date or rolling block date. And then projects and activities will no longer need to be separated or labeled by the round of funding, because, again, when funds are obligated to you, we don't know how you're going to use them. You're going to use them according to the HUD-approved written action plan. We're no longer going to define in each obligation this much is for admin and this much is for housing. It's just an amount of funds. So you will have the freedom, so to speak, to just establish the activity. And we're going to talk in more detail later on on that.

But if you are continuing, for example, if you're continuing an existing project or activity, you won't need to establish round five, you'll just be able to add the fifth obligation of funds to your existing housing activities if you're continuing the same task. You will not need to establish new projects or activities specific to a round. Again, if a deadline is met, or if the goal is achieved -- so, in the example earlier, when the first $200 was drawn, it fulfilled the need for that first deadline, right? So when you achieve the disbursement goal prior to that block date, we'll just push the block date out to the next scheduled deadline.

So now you're going to see it again in a live example. So I kind of went back and showed you in the earlier table, here it is more succinctly. The first month have a block date of 12/30/16. That was obligation number one. That was the initial block date for all the activities. The grantee must disburse $200 by that date. If they achieve that prior to the date, we would move on and move the disbursement deadline for all activities to the next scheduled date, which is associated with obligation number two. When you achieve that goal, if you disburse an additional $200, or the next amount of funds, an additional $200 for a cumulative $400, we would move out to the third block date, September 30th, 2018.

So again, every time that minimum cumulative disbursement amount has been reached by funds disbursed across all activities, not just round one or round two or round three, all activities in the grant, once you've achieved that goal, we push you out to the next date. So basically what it's

doing it is extending further down the line how much funds you have disbursed. We'll see that in a minute when we look at the tracking as well.

So let's see if I have that. So remember that earlier in the slides, we looked at the current process of tracking where each round acted independently. And remember that the grantee had -- was drawing funds. Fifty percent of round one was drawn and 40 percent of round two and so on. In this case, when you can use the cumulative disbursements, even though you were drawing from activities that lived or belonged to separate obligations, the amount drawn will help you achieve the next scheduled goal. So it will push your next required deadline further down, as we said before.

So how is this going to work in DRGR? If you miss a deadline, so if a grantee does not meet their disbursement goal, this is what will happen. So remember that all of the activities have the same block date. If you get to that block date and you haven't met the cumulative goal for that date in time, first of all, in essence your grant is blocked, as some of you are aware. When you get to a deadline and there are remaining funds in the activity, you can no longer draw against them.

So the grantee will be unable to submit any new vouchers because all of the activities will be blocked because they all have a block date assigned to them. At that point in time, Tyler as the DRGR super user, that's his role, will go in and take whatever the unexpended balance toward that goal was. So if your goal was $1 million and cumulatively you'd only drawn $800,000, he will move that $200,000 shortfall, so to speak, back into the restricted balance of your grant. In order to get past that, you as the grantee will need to determine where you're going to reduce $200,000 from your budget, which projects or activities are going to take the hit, so to speak, because of that missed deadline.

Now, remember, before you get upset, remember that all this time you still had an opportunity to ask for extensions, okay? So it's not like you're out of luck. As you're managing your funds, there'll be much more fluid, and you still have the opportunity just as you do now, to request an extension. But in the event that you didn't request the extension, and you thought you would achieve a goal but you come up short, this is what will happen.

So all the activities are blocked with the block date. Tyler moved the undrawn balance toward the next goal, moved that dollar amount into the restricted balance. You as the grantee go in, reduce activity and project budget amounts to justify that increased restricted balance, then Tyler will go and readjust the block dates to that next scheduled deadline and then you can resume requesting your vouchers, submitting vouchers. As a result of this, we will send you a new set of grant conditions that will show all of your subsequent goals reduced by the amount that was taken out of the grant.

So I will manage that. The first thing I'll do, as it says there, I'll coordinate with the de-obligation of funds with our financial office, and then in addition to that, you will be issued a new set of grant conditions explaining that those funds were reduced.

Now, we hope that's not going to happen. Again, you had the opportunity to get extensions and extensions again will be treated just like they are now. Individual activities are identified as extended, and those funds will live outside the cumulative calculation.

So Tyler, let me stop just for a second and see if we have any other questions and then we're going to talk about how we're going to launch this new process.

Tyler Bridges: Great. Okay. So let's see here. Okay. So I just want to go back to the original question when it said, "When will the new disbursement tracking go into effect?" Is that what you're about to talk about?

Phyllis Foulds: That's going to be in the launch, yes.

Tyler Bridges: Okay. Good. And next question, "Will the system let you know when you're approaching a disbursement deadline?"

Phyllis Foulds: Okay. There's not any -- there's not a notice saying, oh, you're five days away, or, oh, you're three days away, but what you'll see is, just as you do now, the activity block dates will be there to guide you. So again, remember that as you achieve a disbursement goal, even if you do it ahead of schedule, so to speak, when we see that you've achieved that goal, we, meaning Tyler and I, will push your block date out to the next scheduled date. So you'll always have your activity block dates to show you what your next deadline is. And, as a matter of reference, your grant conditions will have the next scheduled deadline set for you. So you'll know what the amount is that needs to be drawn by that next shown deadline in DRGR.

Tyler Bridges: Yeah. In addition, they can pull, send report 06B, right? Or is 06 --?

Phyllis Foulds: Yes. Go ahead.

Tyler Bridges: Yeah. 06B, which will show all of your block dates, and actually, we're developing a new release as we speak that'll come out in May and under the new release, we are looking at a way of using what we're calling system flags in order to identify when your block dates are approaching. So stay tuned for that.

Okay. The next question -- let's see here. "How will the program categories be identified in DRGR?" So and I think we're going to get to this, but separately by different rounds.

Phyllis Foulds: Okay. So again, program categories. First off, yeah. We're going to talk about this in a minute when we talk about some additional DRGR enhancements. But for example, right now, if you have -- let's say you have three obligations, round one, round two, round three, and in each of them you have admin, housing, and infrastructure. So you have basically nine projects. You have round one, admin, housing, infrastructure, round two of each, and round three of each. So moving forward again, there will be no future need to create new rounds. You'll still need to track your project funds so that we can make the connection between the information in DRGR and your written action plan.

But in that example, if you were a grantee with three rounds, if you get a fourth obligation, you no longer need to create round four admin, housing, and infrastructure. You could go into round three and increase the amounts in those buckets. You still have to have funds budgeted -- it's a standard rule of DRGR. You draw funds at the activity level, so you have to have it budgeted there. But in order to create an activity, it must live, so to speak, in the family of a project. So you still have to budget funds at the project level in order to budget them at the activity level in order to draw them. It works from the top down.

But moving forward, you will no longer need to add a new distinct or unique project every time you get an obligation. You will still have to put those monies, or budget those new obligated funds, under an existing project. You can plus up an existing project and still keep them in the same category, so to speak, because again, that's how HUD folk and actually the public can look in DRGR and see how your current funds relate to your written action plan. So you're still going to categorize the funds at a project level, and then identify them at an activity level. The only thing changing is the need to create new projects and new activities if they already existed. You can just add funds to the existing projects or activities. You don't need a unique set of projects or activities for each specific obligation.

So again, as an example, if you have a street project, a street repair project, that was going to take more than two years, you probably took a portion of that money under, I'm going to say, round two. Now, you're coming in for round three to get the balance of those funds. You no longer need to set up street repairs round three. You could just add the amount from your next obligation to the existing street repairs activity if it is the same activity.

So it follows the same rules we've always had for DRGR. An activity is defined by the activity type, the national objective, the responsible organization carrying out the activity, and the service area, or the beneficiaries being served. Again, we're not saying you don't ever have to create new activities, but you don't have to replicate or create a duplicative activity just because additional funds are obligated in the next round. You can simply add those funds to existing activities.

And Tyler's going to share some further enhancements that will help with that as well. I hope that answered that question.

Tyler Bridges: I believe so. So -- Phyllis, if you wouldn't mind going back to the slide that showed the current process, the new budget conditions, that shows the three obligations and then the extended activity.

Phyllis Foulds: Okay. Under the new conditions? Let me go back.

Tyler Bridges: Yes. So it had the -- the first line item was $200, and then the extended was $200.

Phyllis Foulds: This one?

Tyler Bridges: That one right there. And so, I think if we can just go through this again. The question is -- so, the original amount obligated in our one was $400, and $200 was extended?

Phyllis Foulds: Yes.

Tyler Bridges: So is it -- do you think it would be helpful just to briefly, again, show -- just kind of walk through how an extended activity is pulled out from the cumulative disbursement process.

Phyllis Foulds: Oh, okay. Thank you. All right. So in this example, round one, the first obligation, as the note says at the bottom, it was obligated December 30th, 2014, for a total of $400. So for the sake of ease, let's pretend that those activities were actually four $100 activities each. During the course of the grant, the grantee determined that two of those activities were not going to finish in time to hit the December 30th, 2016, deadline for those specific funds, so they came to HUD and said, hey, we need an extra year for activity three and four, $100 each.

So HUD granted that extension and now those two activities -- so, in this example, activity number three and number four, for $100 each, now have extended deadlines. So those two activities alone are going to be removed from the cumulative disbursement schedule and tracked under a separate extended disbursement schedule. And the meantime, the grantee got obligation two and later obligation three, so additional activities are being created non-extended. So those funds, again -- obligation number two is an additional $200.

So it adds to the non-extended goal of round one, the initial $200. You add round two for an additional $200, so now the goal for the entire grant on April 30th, 2017, is to disburse or have drawn $400, the non-extended amount of round one plus the amount of round two. At that same time period, or while all this is still happening, the two activities from round one that were extended are the only two activities that reside and apply to the extended disbursement schedule. So again, those two activities, their budgeted amount and the amount of funds dispersed against them, will be tracked against the extended schedule.

We'll be able to identify those activities because in DRGR, if you're familiar with the extension process, when you do get an extended activity, they're identified. They have a little "E" behind them. So we will know, when Tyler goes in and does his updating of deadlines and pushing out to the next date, he will not extend activity dates. He will not update the activity dates for extended activities. They will have been set, in this case, for 12/30/17.

So when you achieve that $200 round one non-extended goal, the cumulative goal, on the top table, he'll push out all of the non-extended activities, deadlines, to April 30th of '17, so that, again, the entire grant can help achieve that except for the two extended activities. Those will still live in their own little world with their own little schedule that ends on December 30th, 2017. And funds drawn for those activities alone will help achieve that extended schedule disbursement deadline. Did that help?

Tyler Bridges: I believe so. So if the grantee in this scenario here had never received an extension, that $200 extension, then the first cumulative disbursement amount would be $400 and then the second one would be $600 and then the last one would be $1000?

Phyllis Foulds: Yes. Exactly.

Tyler Bridges: Got it. Okay. And if we could stay on this screen here, because this next question, I think, is kind of related. And I believe this questioner is talking about swapping funds under the old process. So under the old process, if an R1 program did not finish by the expenditure deadline, we can push the remaining amount to a subsequent round. Under this new process, does that mean we now have to submit a request for an extension?

Phyllis Foulds: Maybe or maybe not. And the reason is in that example, if -- remember that if -- you're right. In the current way we're doing things in this example, if round one were not going to achieve its goal, but you were drawing funds against round two, if you've drawn enough against round two to achieve the round one amount, you've achieved the goal. Because, again, unless it's an extended activity, all funds being disbursed count toward the next scheduled goal, regardless of which funds they're drawn against.

Now, if you have an activity in round one that is a big ticket item, so to speak, it has a high budget amount, and you know there's no way it's going to achieve it, you can still come in and ask to have that individual activity extended. But what you're going to find when the process is implemented, and it'll be so easy to see when you receive your new grant tables, because, again, the example we had before where the grantee was working against all the rounds, they were drawing against round one and two and three, when we convert to the new process, chances are, they've already achieved round one and possibly even round two's goal by using funds from across the entire grant. So the need for extensions will be greatly reduced, because now you can use the credit, so to speak, from the later rounds that have been drawn to help you achieve the earliest round's goal.

Rounds don't matter anymore when we talk about disbursements, because the only thing they do is establish the next date in time for which a cumulative amount must have been drawn. We're going to look at the grant as a whole and just schedule what is the next two year deadline? What's the following two year deadline, and so on? And what is the cumulative amount that must be drawn from across all activities within the entire grant?

So every round is no longer responsible for achieving its own goal, it's more of team effort, so to speak. Every activity and every disbursement can count toward the next schedule disbursement goal. So yes. You can still ask for an extension if needed. But I think you're going to find that the need for extensions will be much less often unless, again, you have these really big outlying projects that you know will take more time, and then, of course, those can be extended and will be pulled out of the calculation for all of the subsequent deadlines coming up.

Tyler Bridges: So we have several more questions. How much more time do we have for questions here?

Phyllis Foulds: Let's just do a couple more questions.

Tyler Bridges: Okay. Great.

Phyllis Foulds: I do want to have time to go into -- the last couple things we want to talk about is the schedule, how we're going to make this happen, how we're going to roll it out to you, and then Tyler's going to give you a little more information on some other enhancements that may help with this.

Tyler Bridges: Okay. A lot of the questions are related to extensions. So "If we receive an extension is it tied to specific activities or is it tied to some grouping of projects, like infrastructure or housing?"

Phyllis Foulds: Okay. So at this point, if you've ever done an extension request, you request extensions for specific activities, because that's what drives your request. If you need more time to spend money because you had a rain delay for a street project, you would tell us that. This street project needs more time because it rained. However, when we grant the extension, we sum up, if you would, all of the infrastructure funds. If there were four activities that were infrastructure activities that all needed more time for various reasons, we take the sum of the remaining balance when you get to that block date and say, this is how much money can be extended for X amount of additional time. But rather than keeping you specific to the activities, we then blend it into the program category.

So moving forward, extensions will be considered and granted in the same manner. It's going to work exactly the same way it does now. So even though extensions are awarded or granted at a program level, that program amount is based on the sum of specific activities. So again, just as we do now, we extend the block dates on those impacted or included activities. What it allows you is the freedom to move funds within those activities as needed or to put a new activity in the same program category within that amount of funds. None of that will change. The only thing changing moving forward is that when activities are extended, they will no longer be included in the cumulative disbursement calculating. That's the only difference. So really, nothing about extensions will change.

Tyler Bridges: Okay. I want to clarify a previous question because the participant clarified their question here. Would the question earlier about whether there's going to be any change in process to eligible activities -- the clarification was, "Under the old process some certain activities were considered eligible for an extension, and they had to be 'long term in nature.'" And so, the question is, "Is there going to be any change to which activities are eligible for an extension?" And the answer is no.

Phyllis Foulds: No. Right. Nothing about the extension process will change.

Tyler Bridges: Excellent. Okay. Let's see here if I can just squeeze in a few more. "If an activity is given an extension, can their expenditures count toward the cumulative disbursement, even if they end up spending faster than those not given an extension?"

Phyllis Foulds: No. Because they are pulled out of the tracking, so to speak. So they will -- once an activity is an extended activity, the amount budgeted against that activity, which is only the remaining balance, that's all that gets extended, that amount will be pulled out of the cumulative calculation, and they will run their own life cycle. It's like they're living in their own world.

Everything else is cumulative and all other disbursements count toward the cumulative goal, but the extended activity is not included in the goal that's calculated, nor is it included in the progress toward the goal. It lives separate.

Tyler Bridges: One more question, it's related just to that. "If a $1 million activity receives an extension and $500,000 have already been drawn down, does the $500,000 still count towards the cumulative disbursement deadline?

Phyllis Foulds: Yes. Because only the -- so, let's split the number. Let's say $1 million and $600,000, so I have two different numbers, $600,000 was drawn and $400,000 will be extended, the $600,000 drawn prior to the extension taking place will stay in the cumulative calculation. Only the $400,000 amount that's extended -- because when you get an activity extended, what you do is create a new activity for the balance of the funds. We don't extend the $1 million, we only extend the $400,000 that hadn't been drawn. So the $400,000 will be pulled out, it will become the new extended activity, and it will live in the extended disbursement deadline calculation. The $600,000 already drawn will help toward the cumulative disbursement amount, because it was not extended.

Tyler Bridges: Thanks Phyllis. Okay. So there are a few kind of miscellaneous questions. I think we can answer those best at the end if we have time. Otherwise we'll get it out in the FAQ.

Phyllis Foulds: Okay. So I'm going to progress along. Let's go ahead so we can wrap up for everybody who doesn't have questions and we can do a separate session if we need to or something to address those or send you individual answers. So here's the schedule on slide 23, this is the schedule for launching this new process. All right. So here we are. Today we're having the webinar to train you guys. We had a similar discussion with HUD staff, with your CPD reps in the field and with DRSI staff earlier in the week, so we should all be on board and trained on it. Again, we'll answer more questions if we need to.

On or about March 1st, we will be issuing what we're going to call transition documents. There will be a cover letter with an acknowledgment form included sent to the grantee along with these new grant conditions. So the language in your grant condition, those are the terms and conditions you got every time you get a new obligation. We're going to send a new cumulative one with this new cumulative budget table and extend it as needed, if you have extended funds. You're going to get a new budget table just like the one we looked at earlier, with a cover letter saying here are the new grant conditions. The language under the period of time that you have to draw funds is little bit different to incorporate this cumulative process that we're going to use.

The grantee needs to sign and return the acknowledgment form. Basically, what you're saying is, we get it, we understand, this is how it's going to operate. So when the grantee signs this and sends it back -- and by the way, the signature for that acknowledgment form needs to be the same individual who is authorized to sign obligations or anything else on behalf of your grantee. So whoever has been signing your 7082s to obligate funds in the past is the same person who needs to sign these acknowledgments.

So you'll get those, again, sometime in the first week of March, we're shooting for. If you get those back to us, if we can have them within two or three weeks, I'd say around the 20th of March, then Tyler and I will have time to go in and make the necessary adjustments in DRGR so that your block dates for non-extended projects are set properly. The extended block dates are already there, so we don't have to do anything with those. And then we will implement the new tracking process.

So again, the only reason I'm emphasizing is when these letters and documents come out, the quicker you can turn them around to us, the quicker we can do the updating in DRGR. The reason we're pushing so hard on these dates is the final note there. We're hoping to get this all in place before you're moving to your next quarterly action plan and QPR submissions. It doesn't have to happen then, but it would sure be nice and neat if we had it all completed within the quarter.

Okay. So the next few slides -- so, that's that. We can entertain questions at the end. The next few slides, I'm going to let Tyler present, because these are some additional enhancements that'll be coming in DRGR, and you don't have to do, but we highly recommend and Tyler will explain why, to again help enhance this cumulative process and help clean up and streamline activities and projects in DRGR. So Tyler, take it away.

Tyler Bridges: Thank you. And this addresses some of the questions that have come in as well. So all of us grantees, have set up DRGR by round of funding, so you've got all these projects and activities that currently separated by rounds of funding, R1, R2, R3, etc. And now that we're going to move toward this cumulative disbursement process, the need to track those activities separately by round of funding is no longer necessary. And so, we know, or we realize, that we're kind of leaving you with a situation where you have all these separated activities and projects by round of funding that are no longer necessary.

So what we've done is we've worked closely with our contractor and we've tested with the big three, New York City, New York State, and New Jersey, and we've come up with a solution which basically consolidates those activities for you and kind of gets rid of rounds of funding all together.

So what it does is if you had a housing activity, let's say it's single family housing rehab, low-mod, and you created that activity two, three, four times because it was funded each time under subsequent rounds of funding, then you can -- what we'll do is we'll send you a spreadsheet. You can identify, okay, these four activities are the same activity, they're only separated by rounds of funding, and then we will go ahead and, what we call, consolidate those activities for you into one activity and it'll take all of the data, so beneficiaries, proposed, actual drawdowns, expenditures, program income, everything, it'll merge it all into one activity so that you can basically just move forward with the one activity as if the rounds never existed.

And this also solves the problem too of what to do with the remaining obligations you're going to make. So post this process, kind of been given the go, the alternative would to kind of plus up your latest round of funding, but you still got the remaining, or the prior rounds, not consolidated. So this really does kind of serve for a cleaner process. And I won't spend any more

time on it than this. We're going to release future information shortly after this process that'll kind of go through the benefits of doing it and how to get through it.

And here's some -- so, fully automated, right? So you don't have to do any work besides tell us what to consolidate. It'll make your DRGR action plan easier to understand, so currently, the public has to try to tell -- kind of understand what exactly is going on with all of these activities separated by round of funding. It should simplify the management of your grant. So no longer will you have to be plugging costs across rounds of funding or trying to report beneficiaries all over the place. And it should also simplify your reporting in your drawdowns. So all of it being in one activity versus several should make it easier overall.

There's a asterisk here. Grantees that do not want to consolidate will be considered on a case by case basis. We do understand that in some situations, consolidating activities may not be right for everyone, and so, again, when we start to release this information, and start to consolidate grantees, there's no -- you will not be forced. We cannot do it without you. We need you to participate in the consolidation process. So each grantee will be approached individually. And we'll have that discussion about whether or not you want to consolidate and why.

Phyllis Foulds: Thank you, Tyler. And then the only other thing I wanted to point out is as we do the consolidation of activities, extended activities are also not eligible for consolidation, for obvious reasons. You couldn't take an extended activity with one block date and shove it back in with all of the consolidated activities that were not extended. So don't worry about that. It's not -- it will not impact your extension, in other words. Those will have to be tracked separately.

All right. So moving on, and again, for the sake of time, we're going to go ahead and run through the rest of the presentation. If we have a few minutes at the end we'll entertain the last questions. But just as a bit of a recap, these are the impacts of the new cumulative disbursement process. For new obligations, really no impact, other than the grant conditions will be greatly simplified. We're not going to define the funds. We're going to tell you the amount of funds, the amount of time to use it. It is between you as the grantee and your CPD representative or specialist to know that the funds you are getting in your next obligation will be used in a manner that complies with your HUD-approved action plan.

Creating funds in DGRG, you will no longer need to create new projects or activities. You can instead, as the next bullet says, plus up any existing projects or activities where it's applicable. So as Tyler said, if you were already doing housing and you get more money, you could just add to the money you already have in an activity for housing, provided it was not extended.

Budget adjustments for prior obligations, this is the questions somebody had about, well, what about the need to use funds I drew in round two to help achieve the goal for round one. Hooray. We won't need that anymore. Grantees can move funds in DRGR more freely without impacting the grant agreement conditions and provided those changes match the public action plan.

So again, if you're familiar with having to do what we call a swap, you swap some of the funds that were moving more quickly in round two with funds that were moving more slowly in round one. If those funds were not in the same program category, we had to go back and change your

grant conditions, because grant conditions were defining not only the amount of funds but also the use of the funds. Since we won't be doing that definition anymore, we'll no longer have to go back and continuously update and revise those grant conditions. So again, you should not need as many adjustments, nor will we need to go in and modify documents as often, which will be great for all of us.

On the next slide, disbursement deadline extensions, as I stated before, I really think when we get into this cumulative process and you're able to take advantage all the time of all the funds drawn across the grant, except the extended activities, you're going to see that you're not going to need future extensions as often as you did in the past. You're going to have more flexibility with the funds that are extended. As we said before, they're at the program level and we'll be able to work with you more on that. And amendment to grant conditions will only be necessary to update a disbursement goal table or to carve out extensions.

So again, basically, the only time you'll need new grant conditions or revised conditions is when you get a new obligation, which will add another line with another goal for the next period, or if you get extended activities that are reduced from those funded amounts and your goals that were already previously established.

And hooray, most importantly, you will not need voucher adjustments to meet those deadlines. We don't care which round you drew the funds from any longer, as long as you draw them by the next scheduled deadline. So the number of voucher adjustments will be greatly reduced, which ultimately, my favorite slide of the day, this where we're all going to land, folks. The ultimate impact of the new disbursement process is really going to make life simpler. I can't tell you how excited I am. I personally am thrilled. I keep calling it Christmas in March. So I really hope we get this all rolled out and everything works well. The final slide here just has my name and contact information.

Please, if you do have any questions, one thing I do ask as you are mostly grantees on the call, please coordinate with your CPD specialist. Once we get off the call, again, we're going to share the questions and answers that have gone through the call today. We'll have that available. But I know your CPD reps will certainly appreciate knowing what your questions are and being a part of that question and answer process. So when we're off the call, again, feel free to have your rep contact me, if you would coordinate the questions through them, I'd appreciate it. Again, sometimes they serve more than one grantee and so maybe they can consolidate some of the questions so we don't have to hit it over and over again if some of you have the same questions.

Tyler, we have a few minutes left. Are there any remaining questions we can address?

Tyler Bridges: There are a few. And I just want to remind the audience, if you have any questions or if you think I jumbled your question, feel free to write it in now even if we can't answer it in the next few minutes. We do want to make it part of our FAQ. So every question's a good one. So if you have the time, just go ahead and enter it now.

I do have one question on the consolidation and -- which I'll just answer. It says, "When will the consolidation of activities occur?" Again, we need to get through the process, the big part of this

process, which is transitioning. And then, after that, we'll begin to contact grantees who would like to begin to consolidate. And we said in the presentation April 2017.

And then, "Will it impact the next QPR?" We'll have to take a look at that. In no situation are we going to allow the consolidation to impact the ability for you to submit your QPR on time. So there's no concern there.

Now, Phyllis, this is a question for you and this is actually -- we got this question twice. "How will this new process and the transition affect extensions that are currently under review?"

Phyllis Foulds: So we'll be going through those. We do have a number of them that have been submitted. Again, changing the process, really the worst thing that would happen I guess, the worst case scenario, is that we would approve an extension and you needed up not really needing it. So if you have extensions that you would still need even after the process, it's no problem. If we do process an extension -- and the only difference, again, is that other -- just like now -- other funds cannot help you achieve the goal of the extended activity. So really it shouldn't impact it. We're going to continue looking at them and processing them just like we have been. But basically, when you create the new extended activity, you reduce the budgeted amount of the non-extended part, leave the part that was drawn there, and only the remaining balance is extended. So really, I don't see that this would have any impact on the extension process at all.

Tyler Bridges: Give me a second here. I'm just reading through some questions. You know, I think the rest -- we've covered most of these. A lot of them are related to one another, and I think that the best would be to go ahead and just get them into the FAQ.

Phyllis Foulds: Okay.

Tyler Bridges: Here's a question, "Will we still need to break out the categories in our action plan amendments?" And so, if this question is in your published plan, the answer is absolutely. So what you haven't seen today is we actually have a really comprehensive policies and procedures document that we've prepared that talks about how this process carries into your published plan. And yes. There's no changes to the requirements of your published plan, which means that you've always had to spell out how you're going to budget funds inside per program category. When it comes to amendments, I'm not quite sure what that question means, so if that participant wouldn't mind following up on that, we'll make sure that we get an answer for you properly.

And then the next question, "May activities be swapped between the cumulative group and the extended group even if they're in the same eligible program or projects?"

Phyllis Foulds: May activities be swapped between? As long as they're within the same program category. So again, it's just like it acts now. If we allowed you to extend $1 million for infrastructure activities and as you're working toward that new extended goal, you open a bid and you come in $200,000 underbid, if there's something else you want, another infrastructure activity, you wanted to put toward that extended deadline, you could. But -- and I know it's hard to grasp, but seriously, when we get into the cumulative disbursements, I think you're going to

find that most of the time, more times than not, the ability to count later rounds, what we used to call later activity rounds, the ability to be able to count those toward the next schedule deadline is going to really take care of most of these issues. But the bottom line is yes. If you find the opportunity to substitute in a new or a different activity within that extended umbrella, you still have that ability, just like you do now.

I will share this, we have one grantee, I won't name names, but some grantees got your funds in two or three rounds. Some have 10 or 12 rounds. It just depends upon the way you decide to develop and manage your grant. We have a grantee that has about 8 or 10 rounds. Right now they'd only achieved round one and two and they were drawing funds sporadically here and there. When we convert to this new process, that grantee doesn't have to worry about a deadline for another year and a half. When we push all of their funds and apply them cumulatively and progressively across the rounds in chronological order, they achieve all of their goals down to like round five. It's amazing.

So I mean, this is really going to simplify how you look at funds, the way you manage funds. You're not going to have to worry anymore about when those specific funds were obligated. Just move forward, draw your funds, and watch the progress move along. Again, if you see those heavy activities that are really going to impact your ability to hit a goal and you have a justified reason to extend them, you can still extend them to help reduce the amount that you need to achieve the next schedule deadline.

But I really think you're going to be amazed when you see, when these new budget conditions come out, grant conditions come out, with the cumulative table, it is going to show, like the example I showed you, it is going to show how far ahead you really are in your drawdowns. It makes huge differences.

Tyler Bridges: Excellent. So I think that that just about does it. I think we're a few minutes early. Did you want to wrap up in any way?

Phyllis Foulds: I think that's it. Again, we're excited to present this. We really thank you all for your time and attention today. I know this is a lot to take in and again, please feel free. We're going to be posting the PowerPoint and the question and answers. Tyler, do you know the proposed date or time or place for that?

Tyler Bridges: It should be up within a week. And then we'll -- but we'll also -- so, grantees should be rest assured that all of this is going to be communicated to them via their HUD rep as well. And all of the -- on the deadlines that Phyllis showed with the letters going out and kind of the new disbursement tables, there'll be plenty of opportunity for each individual grantee to ask their specific questions and how it's going to impact them, and also for us to hear your feedback, and then, subsequently, for the consolidation as well. And like I mentioned, we also have some written policies and procedures that really illustrate the entire process that we'll be making available soon as well.

Phyllis Foulds: All right. So look for the posting of the PowerPoint and Q&A. We'll get those notices to you. Final reminders, if your grant is not fully obligated, the letter should have come to

you in the last week or so. Please coordinate with your CPD specialist. The last thing we want to do is not get funds at least obligated to you. You need an opportunity to use them for your recovery.

Secondly, be watching for this new roll-out and the new documentation with your new grant conditions and that cover letter, the reminder that the grantee needs to sign off on the acknowledgment when you get that, it should be coming out the first or second week of March. The quicker you can get that back to us, the quicker we can put you into this expedited process, expedited, maybe, process, to help you take advantage of the cumulative expenditures.

And as Tyler said, if you have questions, please coordinate through your CPD rep. And we look forward to this. I think this going to be an incredible -- I know it's a lot to take in, like I said, but it's really going to do us well in the program. We look forward to it.

So thanks again for all your hard work and the great things you do. Your success is our success and we hope the other way around as well. So anything we can do to help you through this transition, work through your CPD rep and they can contact me and we'll see if we can get you answered. Thanks again, and we appreciate it. Y'all have a good day and a great week.

(END)