



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WASHINGTON, DC 20410-7000

ASSISTANT SECRETARY FOR  
COMMUNITY PLANNING AND DEVELOPMENT

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**Special Attention of:**

CPD FIELD OFFICE DIRECTORS  
SECTION 108 RECIPIENTS

**Notice CPD-17-04**

**Issued:** May 26, 2017

**Expires:** This Notice is effective until it is amended, superseded, or rescinded

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**SUBJECT:** Reporting Requirements in Integrated Disbursement and Information Online System (IDIS) for Section 108 Loan Guarantee Recipients.

**INTRODUCTION**

Complete and accurate reporting in IDIS is essential for HUD to provide Congress and the public with information on program accomplishments and to provide oversight of the Section 108 Loan Guarantee Program. Pursuant to 24 CFR § 570.707, Section 108 funds are subject to the State and Entitlement CDBG program regulations, unless superseded. This includes reporting requirements applicable to States (24 CFR § 570.490) and Entitlement communities (24 CFR § 570.507). When Community Development Block Grant (CDBG) grantees, state assisted units of general local government in nonentitlement areas, or their designated public agencies issue debt obligations guaranteed by HUD through the Section 108 Loan Guarantee Program, HUD requires the CDBG grantee to use the Integrated Disbursement and Information System (IDIS) to track the use of Section 108 funds and report accomplishments related to Section 108 loan guarantees.

Although users of the Section 108 Loan Guarantee Program include “borrowers” of “guaranteed loan funds,” this Notice will refer to Section 108 users as “grantees,” and “guaranteed loan funds” as “Section 108 funds” when discussing IDIS requirements.

The following guidance provides a step-by-step overview for how grantees can ensure compliance with the reporting requirements for financial transactions and accomplishments for the eligible activities undertaken with Section 108 funds. Grantees should consult the *IDIS Training Manuals* for [Entitlement Communities](#) or [State CDBG Grantees](#) for additional detail and screenshots for the steps outlined. The training manuals can be found at <https://www.hudexchange.info/resources>.

## **APPLICABILITY**

This Notice provides instructions to ensure compliance with HUD's requirements for Section 108 reporting. This Notice describes the IDIS reporting requirements that apply to Section 108 loan guarantee commitments: (1) issued after September 30, 2013; (2) not fully advanced as of September 30, 2013; or (3) fully advanced as of September 30, 2013 and either currently being repaid or repaid in full after September 30, 2013. This Notice does not apply to loans that were paid in full prior to FY 2014.

## **BACKGROUND**

At the beginning of FY 2014, HUD uploaded information into IDIS for Section 108 loan guarantee commitments that had not been fully repaid. Subsequently, HUD uploaded information to differentiate the portion of Section 108 loan guarantee commitments that had been advanced prior to FY 2014 from the commitment amounts available to be advanced after the integration of Section 108 funds into IDIS. This differentiation is necessary to enable grantees to track program income and report accomplishments for the portion of their Section 108 loan guarantee commitments that was advanced prior to October 1, 2013. The IDIS *Loan#* for this group of loans were denoted in the system by the suffix “-OLD.” Additionally, HUD has continued to upload recent loans into IDIS.

HUD has incorporated an IDIS feature that allows Section 108 loan “tracking” vouchers to mirror the process that grantees use to create drawdown requests for CDBG funds. However, unlike CDBG or other grant funds, Section 108 funds cannot be drawn down through IDIS because funds are not provided through the Line of Credit Control System (LOCCS) used for grant disbursement; rather, they are advanced by the Section 108 Program's Fiscal Agent. Section 108 borrowers request advances of Section 108 funds by making a request directly to the Financial Management Division (FMD). The Fiscal Agent then advances the funds to a borrower's designated bank account.

## **PURPOSE OF IDIS**

IDIS provides HUD with current information regarding the program activities across the nation, including funding data. HUD uses this information to report to Congress and to other entities, monitor grantees, and most importantly, ensure that the mission of the agency is carried out. In addition to serving as the reporting system for the Section 108 Loan Guarantee Program, IDIS is the drawdown and reporting system for the five CPD formula grant programs – Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Housing Trust Fund (HTF), Emergency Solutions Grants (ESG), Housing Opportunities for Persons With AIDS (HOPWA) – and for the CPD competitive grant program HOPWA Competitive. Grantees also use IDIS for the Consolidated Planning process and the HUD Environmental Review Online System (HEROES).

## PRIOR IDIS TRAINING

HUD has provided training sessions on IDIS that have covered both the [Section 108 Loan Guarantee Quick Start Guide](#) for IDIS Online, [Chapter 7: Receipts](#) and [Chapter 8: Section 108 Loans](#) (in the IDIS for CDBG Entitlement & State Manuals). During a [webinar on February 10, 2016](#), HUD gave an overview of how grantees should use IDIS to track disbursement of funds, report on program income and program outcomes, and mark activities as completed. The training manuals can be found at <https://www.hudexchange.info/resources> and the webinar at <https://www.hudexchange.info/trainings>.

## PROCESS FOR LOAN GUARANTEE COMMITMENTS ISSUED AFTER SEPTEMBER 30, 2013 AND COMMITMENTS THAT HAD NOT BEEN FULLY ADVANCED AS OF SEPTEMBER 30, 2013:

- **HUD adds new Section 108 loans** (the “SL” funds) into IDIS Online. Grantees can view details on loans, such as approval date, cancellation date, and committed and drawn amounts. To view basic information on the loan, go to “*Funding/Drawdown*” in the Main Menu. In the Section 108 Loan sub-menu, click on the “*Search*” link.
- Following the steps in Chapter 2 in the *IDIS Training Manual*, under the “*Plans/Projects/Activities*” tab, the **grantee adds a “project” or uses a “project” established through the Annual Action Plan to be able to group all Section 108-related activities together**. The grantee adds an IDIS project to the grantee’s program year in which it received the Section 108 loan approval. The grantee should specify the estimated amount to be used for each project in the “*Section 108 Loan Amount*” field, as described in more detail in Chapter 8 of the *IDIS Training Manual*. The grantee may add more than one project under the loan, if applicable.
- Under the “*Plans/Projects/Activities*” tab, the **grantee adds IDIS activities under the Section 108 IDIS project(s) to:** (i) report on advances of Section 108 funds, performance outcomes for the activities funded with the Section 108 funds, receipt of program income, if applicable; **and** (ii) provide general activity information.
  - Activity set-up is similar to other CDBG activities, except that the activity is flagged as Section 108-funded on the first page of “*Activity Setup*” by selecting “*Yes*” as the answer to the question “*Will this activity use Section 108 loan?*” on the activity setup screen. Once the activity is flagged as a Section 108 activity, IDIS will limit the available matrix codes to those that are Section 108-eligible.
  - The grantee will be able to add activities to track interest payments (24A), financing costs associated with the Section 108 loan (24B), such as the Section 108 financing fee, or a debt service reserve (24C), in addition to the

activities to be set up to report on accomplishment information if those activities will be funded with the Section 108 funds (SL).

- **Grantee reflects loan advances by creating tracking vouchers in IDIS.** The grantee creates each tracking voucher on an as-needed basis, to occur concurrently in most cases with submission of a Request for Advance of Funds to FMD. These tracking vouchers will be reviewed and approved by FMD staff prior to HUD’s authorization of the Fiscal Agent to make funds available through wire transfer.
  - NOTE: If the grantee advanced any Section 108 funds for which it had not yet submitted tracking vouchers prior to the release of this notice, the grantee should create a single voucher per program year when it made advances to reflect the cumulative amount of the advances made during that program year.
- **Grantee receipts Section 108-generated program income (“SI” in IDIS)** following steps outlined in Chapter 7 of the *IDIS Training Manual*.
  - NOTE: For any SI funds generated prior to the release of this notice that had not yet been expended on eligible activities, the grantee should immediately receipt these SI funds in the system.
- **Grantee adds activities to track repayments of the Section 108 loan (including interest),** funding these activities with either Section 108 Program Income (SI) or CDBG Grant Funds (“EN” in IDIS), if the grantee is using CDBG funds for repayment. If the grantee is using another source for repayment, such as general funds, this step is not applicable.
  - The grantee will use different matrix codes, including Planned Repayments (19F) and Payment of Interest (24A), based on the type of payment it will make with these EN or SI funds. NOTE: Payment of Interest may also be funded with SL; however, SL may not be used to fund principal payments without HUD’s prior approval.
  - The grantee will only use the matrix code for Unplanned Repayments (19G) for repayments using CDBG funds not previously anticipated.
- **Grantee records loan repayments as draws on its SI or EN funds.** The grantee creates and approves draw vouchers against the IDIS activities tracking repayment in order to reflect payments for principal and/or interest made to the Fiscal Agent. Funds drawn against SI-funded activities simply record when the payment was made, similar to how an activity funded with program income would be set up and drawn against. Funds drawn against EN-funded repayment activities will be wire-transferred through LOCCS to the grantee’s bank account just like other EN draws. The grantee must then transfer the funds to the Fiscal Agent. If a grantee fails to make a timely payment, HUD will draw EN funds on the grantee’s behalf from its

CDBG line of credit, which would then be recorded as an Unplanned Repayment (19G) activity. If a grantee wires the Fiscal Agent this payment at a later date after HUD has already made the payment, FMD will work with the grantee to reimburse its line of credit with the EN funds.

- **Grantee tracks performance outcomes.** The grantee continues to track performance outcomes for the activity(ies) carried out with Section 108 funds. Performance outcome tracking is similar to CDBG activity tracking; in addition to the new Section 108-specific IDIS matrix codes (24A-24C), grantees will use any IDIS matrix codes relevant to the activities being carried out with Section 108 funds.
  - NOTE: Grantees should retroactively report on performance outcomes, associating those outcomes with each respective program year when the accomplishments occurred. For example, under these instructions, if a grantee had not completed the construction of a water/sewer line as of September 30, 2013, it would be required to report on the low- and moderate-income service area and associated accomplishment information, such as linear feet built per program year, in IDIS.
- **Grantee updates status of Section 108 activities to “Completed.”**
  - For Section 108-funded activities (other than repayment activities), grantees should update the activity’s status to “Completed” when all advances have taken place, a national objective has been met, and all accomplishments have been reported as described in Chapter 3 of the *IDIS Training Manual*.
  - Grantees must continue to set up repayment activities (19F, 19G, 24A) for the term of the loan if they are using EN or SI funds for repayment. NOTE: Grantees should mark repayment activities as “Completed” after each program year.
  - The grantee must continue to report any SI funds generated by Section 108-funded activities including any SI in excess of the amount needed to set up and fund repayment activities in IDIS.

**PROCESS FOR LOANS WHERE GRANTEE HAD ADVANCED FUNDS PRIOR TO OCTOBER 1, 2013 (“-OLD LOANS”) AND RECEIVED SI FOR LOAN REPAYMENT FOLLOWING THIS DATE:**

- **Grantee adds an IDIS “project” or “projects”** for the -OLD loan following the steps outlined in the section above.
- Under the “Plans/Projects/Activities” tab, the **grantee adds IDIS activities under the Section 108 IDIS project(s).**

- **For Section 108-funded activities (other than repayment activities), grantees should update the activity’s status to “*Completed*” when a national objective has been met, and all accomplishments have been reported as described in Chapter 3 of the *IDIS Training Manual*.**
  - NOTE: Once a grantee sets up an activity under the -OLD loan, the grantee will not be required to enter a tracking voucher for the activity, as IDIS will automatically generate a voucher for the funded amount of the activity. If there are any questions or concerns about how to set up the activity (including the correct matrix codes for the activity), please contact HUD prior to setting up the activity, as this function prevents any future modifications to the activity.
  - Grantee reports on cumulative accomplishments for the newly set-up activity for the program year when the activity was completed. For example, if a multi-family housing activity was completed in FY 2012 when the final four low- and moderate-income (LMI) households moved in to the building with units rehabilitated with Section 108 funds, but the grantee had filled six LMI units in FY 2011 and ten units in FY 2010, then the grantee would report all 20 LMI units in FY 2012. It would provide more detailed information, however, in the ‘*Activity Narrative*’ field for this activity on the outcomes for each individual program year.
- **Grantee receipts any SI generated by the Section 108-funded activity(ies) that it had not previously reported or expended on eligible activities.**
  - The grantee must continue to report any SI funds generated by the activities and if it generates SI in excess of the amount needed to set up and fund repayment activities in IDIS, it must also report these amounts in IDIS.
- **Grantees must continue to set up repayment activities (19F, 19G, 24A) for the term of the loan, if they are using SI funds for repayment.**
  - NOTE: Grantees should mark repayment activities as “*Completed*” after each program year.

**PROCESS FOR LOANS WHERE GRANTEE HAD ADVANCED FUNDS PRIOR TO OCTOBER 1, 2013 (“-OLD LOANS”) AND IS MAKING REPAYMENTS TO THE -OLD LOAN WITH AN IDIS FUND TYPE OTHER THAN SI:**

- **Grantees must continue to set up repayment activities (19F, 19G, 24A) for the term of the loan, if they are using EN or PI for repayment.**

- NOTE: Grantees should mark repayment activities as “*Completed*” after each program year.
- NOTE: If a grantee uses a fund type that is not included in IDIS (e.g., local funds), no action by the grantee is required in IDIS.

## **CONCLUSION**

Grantees that have questions and comments on this Notice or other Section 108 IDIS-related questions should contact their HUD CPD Field Office Representative. Field Offices should direct inquiries and comments to the Financial Management Division in Headquarters at [108Reports@hud.gov](mailto:108Reports@hud.gov).