

Section 108 Loan Guarantee Reporting in IDIS: Public Facility Focus Webinar

2/24/2022

Rob Sronce: Welcome, everyone. It's now the top of the hour. Welcome to today's webinar, the Section 108 Loan Guarantee Reporting in IDIS Public Facility Focus. For the next hour, we'll be providing guidance on Section 108 Loan Guarantee Program advances, activities, and repayment in IDIS with a focus on public facility projects.

If you attended the October 2021 webinar focused on economic development activities, you may find some of this to be review; however, we encourage you to stay. In addition to the slides, today's webinar will include a live IDIS demonstration.

My name is Rob Sronce; I'm with the Cloudburst Group, today's host for this webinar. Our panelists today from HUD's Office of Block Grant Assistance, Financial Management Division, are Scott Laliberté and Marty Dubroff.

Before we start, as I see others are continuing to join, I'd like to review a few things. This webinar is scheduled for one hour. Please note that all participants are muted and in listen-only mode now and for the duration of the webinar. If you need help with WebEx or have other technical issues, please chat at the host through WebEx Chat. If you have questions about the content, please use WebEx Q&A. Please submit questions as you have them. We will gather them for a post-webinar FAQ. We do not anticipate that we will have time today for live Q&A.

If you do need to step away or leave early, please know that the session is being recorded. The slide deck, transcript, and recording will be posted on the HUD Exchange in two to three weeks, if not sooner.

I do want to note that by default, the WebEx Q&A tends to be hidden. Take a look at this slide here. To reveal and use it, find the WebEx control panel in the top right-hand corner of the WebEx frame; locate and click on the Q&A question mark icon up in that top right corner there; and then, the Q&A should now be active and accessible to take your questions about content.

If, for some reason, you need to change your audio settings from phone to computer - to listen over your PC speakers instead of the phone - click on the Quick Start menu on the top left of your WebEx screen; go to the audio conference section and switch the selection from Phone to Computer Audio.

If, on the other hand, you're experiencing audio issues over the internet, you can switch to phone over the telephone the same way.

At this point, I would like to hand over the presentation to our panelist from HUD, Scott Laliberté. Scott?

Scott Laliberté:

Thank you, Rob, and good afternoon, or good morning, depending on your time zone. My name is Scott Laliberté and I am the Loan Management Team Lead for the Office of Financial Management within the CPD Block Grants Assistance Office. We are tasked with primarily handling the Section 108 program, along with some other financial management agendas.

Today's agenda is currently on the screen. At a very high level, we're going to walk through an introduction and overview of the Section 108 program as it relates to inclusion in the IDIS system, which is the Integrated Disbursement and Information System.

We will look at activity setup and accomplishment reporting both from a loan advances standpoint and a loan repayment standpoint. If you are using IDIS to track that, that will be part of our financial tracking.

We will also, as we get closer to the end of the slides, provide some technical assistance resources that will be made available when the recording and supplemental materials are provided.

And then, assuming IDIS cooperates with us, we will have a live demonstration of what we've discussed in our slides with our IDIS demonstration for the second half of the hour.

The principal reason we have to report in IDIS now is because prior to 2014, our portfolio was not included in IDIS. Beginning in October of 2013, we converted our portfolio of loans into IDIS. We eventually produced Notice CPD-17-04, which lays out the reporting requirements for Section 108 loan guarantee recipients.

The two critical elements here are what the timing is for the advance of funds from the actual bank; in this case, for almost all of our visits, the Bank of New York. So, that's when funds were actually advanced and if that's before or after the start of fiscal year 2014 and if the program itself - the 108 program - is generating program income.

And we do have a breakdown for loans that are occurring around that timeframe. If there were any funds that were occurring from an advance before the threshold, you will see those indicated when we get to our fund types with a "-OLD" designation along with your grant number. If you

had any available commitment at that point in time, that will not carry an - OLD designation and we will see that a little bit more in depth as we go through some of our slides.

The introduction again continues. This is where we're looking at, specifically, breaking down when you have to set up in IDIS the activities that you're carrying out with the 108 loan. Any of our new loans - that's a commitment issued on or after 9/30/2013 and/or those that are not fully advanced from the bank - automatically have to set up all activity.

If it's an older loan - that means we had funds advanced prior to that conversion date of 10/01/2013 and there's no program income being generated - then, you do not have to set that up.

If there were funds advanced and it is generating program income, you will fall into that middle category, in which case, you do have to set up those activities that are generating program income. In some cases, borrowers are carrying out multiple activities; some that may be and some that may not be generating income. You will only have to set up those older activities that are generating program income.

As we're looking at public facilities and housing rehab, many of those activities do not generate program income. So, your principal will be guided by the advanced dates for funds on whether or not you have to set the activity up.

Sorry, our slide deck just jumped completely out of order on me. So, I'm going to jump to the overview of our activity functions in IDIS.

We principally have two types of activities in IDIS. We have what we call a generating activity and what we call a repayment activity. A generating activity shows the initial use of those loan funds that you've advanced from the Bank of New York. We use IDIS as a financial transaction record because these transactions do not occur with IDIS or LOCCS. These transactions occur when the funds are advanced from the bank. So, those funds are then used to carry out the activity that was approved with your Application for Section 108 loan and they are recorded in IDIS, if they're required to be.

The repayment activities are the use of loan funds and use of program income. In the event that you are repaying these loans with the use of CDBG funds, that would be also classified as a repayment activity. And that is the repayment of the debt service to the Bank of New York.

Each loan should have a single project set up for it. This is a critical element that we set up and request that every borrower sets up the project

for the 108 loan after we have added it in IDIS. The reason for this is to allow us to group all of the related activity - so, both generated and repayment activities and any transactions that are associated with this loan - in one location. So, we will see all of our activities: we will see our program income receipt, we will be able to locate our drawdown vouchers, and we'll be able to find our repayment activities. And this is really for simplicity with the borrower in IDIS and our office when it comes to technical assistance. This is also a requirement in IDIS that you have to associate activities with a project.

Many of our activities do follow the convention for setting up an activity under CDBG. If you are familiar with the procedures for setting up an activity and implementing a draw voucher for CDBG, this will look very similar as we go through. Again, we use the project to organize all of our transactions and we use this for setting up the advances and draw the funds for generating activities and repayment activities.

Again, we see the generating activities are the use of 108 funds. That's where we show our accomplishments and our National Objective achievement. And if there were any program income receipts generated, those will be associated with that generating activity. And then, the repayment activity uses that program income as it comes into play and then, it's also how we'll indicate if you are using CDBG funds - either EN or PI funds - to repay the debt service on the loan.

Within the Section 108 fund types, we have four main types. We have SL fund type, which is the actual loan that is made and that is for all loan funds and any advances that are made from the Bank of New York.

Then, we have SI, which is the Section 108 program income receipts that are used almost exclusively to repay loans and financing charges.

And then, we have two general CDBG fund types that are in play; and that's the EN fund type, which is the regular CDBG, or Coronavirus, the CV funds, and those are going to be EN type. And then, any program income that is generated with those regular CDBG funds will be shown as PI; and that is program income from non-Section 108-related activities in CDBG.

Please note that the funds may be tracked in IDIS but you will not actually see disbursements from LOCCS. And as we get into the repayment and setting up of the funding of activity, we will go through that again. But this is tracking the financial transactions; it's not actually moving any funds. All the funds in this program are moved directly between the Bank of New York and the borrower with the exception of the use of CDBG, EN, and PI funds. And those would be covered but those would be more

of a regular CDBG activity; not necessarily a 108-specific activity. But we will discuss that when we get to the repayment section.

Again, we come back to the slide from before where you see the generating activity and now, we're looking at adding some fund types to this. We have loan advances from the bank; those would be SL so, that's the actual advances of funds under the note. And if there's any program income that comes back, that gets receipted as SI to the grantee's bank account. And then, we will track that in IDIS when those SI funds are used to make a debt service payment to the Bank of New York.

We're now going to start to look at what the screens actually look like and how you locate these objects for 108 in IDIS. Once you've logged into IDIS, you will go to the Funding and Drawdown tab on the top bar; that's the blue bar top. And then, on the left-hand menu, you will see Section 108 loans and you can search with those. You can search by the cohort and you can search by the loan recipient name. You can also search by the state. You can enter in the criteria if you know exactly what it is to look for here. Then, once we search for that and click the Search button, you will get some results.

This is an example of the search results that you would see. In this case, we know that the recipient is Los Angeles and that this loan is the B-10-MC-06-0523-D loan. You can see here that that is the -OLD designation. That means that some or all of these activities, depending on the amount, were advanced before the conversion into our portfolio. In this case, the amount was \$4.806 million, and we can see the approval date here, as well. There are cancellation dates for some of our loans and we will work through cancellation process, if it applies, at a later date. But this is what the Activity screen would look like when you click on the actual loan.

We're now going to look at the generating activity setup and how we walk through those specific screens in IDIS just so you can see what they look like when we start.

Again, this is where we make our determination if we have to set up an activity in IDIS. If it is a newer loan - so, that means the loan was funded on 10/01/2013 or later - you will have to set it up and it will not carry the -OLD designation.

If it was funded prior to that and it is generating program income, you will also have to set that up. In that case, you would be looking for the SL fund type with the -OLD designation.

And if we are straddling this threshold, you will see the loan listed twice; one with a -OLD designation, one without.

Again, most of the discussion today is on public facilities and housing rehab. Many of these activities do not generate program income so, you may be exempt from setting this up on the -OLD loans.

The first thing we need to do is set up a project in IDIS. We will - again, if you're on the Funding and Drawdown box, you will see on the left-hand bar, Project. You will click Add for the project and that will allow you to select from the screen. You can select the program year. This is typically the program year of the commitment approval. Then, you can put in project title and a description, and then, you can add the organizations.

We also have to add the estimated amount, including any pertinent income, for the Section 108 loan. If this loan is not anticipated to set up and generate program income, then, it is simply the amount of the loan that we awarded you with our commitment letter.

If it is generating program income, then typically, we expect to see a full refund of program income. So, you would simply multiply that commitment amount times two for the amount in the project setup.

Now that we have that project setup, we can move on to setting up our activities. Again, all of these activities must be approved with our application process and they must be eligible 108 activities. This is a subset of the larger CBDG activity community. And it's important that when we have these activities - and you can have more than one activity, which is why we actually have two listed here. We have one as a public facility; one as a housing rehab. This is where we're reporting loan funding, which is actually the advances of funds from the Bank of New York, and we will show that with the creation of an activity and funding of that activity with a drawdown voucher. This is also where you will put your proposed accomplishments if you are rehabbing X amount of units or you're building a community center or if you're helping certain populations, this is where you would put that in. You also put your outcomes, including how you are meeting the National Objective with activity.

We're going to now look at setting up the generating activity. We're now going to be in the Plans, Projects, and Activities, the main menu from the blue bar. You will see Activity on the left-hand bar. At this point, you'll go ahead and click Add an Activity and you will start with the basic information on the activity, the name of the activity. Then, when we get to the program, this is where we have to look and make a couple of changes under the activity category.

The first one is: is this activity designed to prevent, prepare for, respond to

coronavirus? Most of these activities are not so, we can typically mark that as 'No.' If it is, you can certainly change that to a 'Yes.'

Then, the next question is: does this activity use the Section 108 loan? The default on that is 'No,' so, you will need to change that to 'Yes.' If you do not change it to a 'Yes,' when we get to the funding stage of the activity, you will not see SL and SI funds.

After that, we will select what the matrix code is for the activity. In this case, we picked 03F for parks and recreational facilities. Then, you'll continue on with the rest of the setup for the activity.

A general reminder: the Section 108 loan designation does limit the available matrix codes. When you click 'Yes,' it will limit the codes. But this should not be an issue because we will have approved what the activity is before we get to this stage.

It's also important that you select the project for the 108 loan. And you can do that within the Activity screen with the IDIS project ID and you can select the project and/or you can search for the project. You must answer the question; is this activity subject to Section 3 requirements? And you will have to make a determination at the grantee level on whether Section 3 is applicable.

Again, remember, this is not required for older loans that are not generating program income.

Now that we have the activity set up, we can go to our funding. When we get to the point that we have funding - and please bear in mind that I am skipping a number of steps at this point. We will walk through this in more detail in the live demo. These are just critical touchpoints.

Now we're ready to fund the activity. We will go to the Activity Funding link and click the Add-Edit Funding Source and now, we're looking for our funding sources. Almost exclusively, we'll use the SL fund type so, we'll be looking for that. You'll see the program under the Funding Sources category, and you'll see the CDBG/108 Loan/the loan that was approved and then, you'll see the SL Fund Type. This will show you the amount of funding that's available and the amount that's drawn. You'll go ahead and add Edit and add in the funding that you need to for the SL fund to represent what has been drawn from the Bank of New York.

If you have new activities, this is where you might see something that is straddling the threshold of our portfolio conversion. This is where you would see the loan listed twice. This may represent, in the case of public facilities, a draw for acquisition of property that occurred beforehand.

Then, you may see funds that are still available that get drawn down afterwards so, the construction of the facility. You may see the loan listed twice; one with the -OLD designation. They can both be used to fund the same activity. Again, our old loans have the -OLD designation.

There is one wrinkle. When you are funding activities for the first time with the -OLD designation, you will not create a drawdown voucher. When you get to the point that you've funded the activity and it is showing that it is now funded, you will let our office know that you have generated an activity that's funded with -OLD funds. We will then work with our contractor to create a system draw voucher for that, simply so we can track funding that was advanced from the bank before we convert it into our portfolio. If the advance is made with non-OLD funds, you will set up a draw voucher for it.

We're now going to move to discussion on repayment activities. The project is now underway and if you are generating program income, you will now look at repayment activities.

The first thing you need to do is set up a loan repayment activity when you're either using project-generated income - that's SI - or if you're making repayments with any of the HUD funds. That's CDBG as EN funds or if you're repaying with CDBG program income funds.

You have the activity setup here but we're going to be in the Repayment category as opposed to the Advances category. You will set up a repayment every program year for repayment and you will enter in the loan and project information in the activity description. Then, you will, again, associate it with that master project that we created so we can track all of our transactions together.

We will determine - when you get to the matrix code, you will have to determine if the repayment is planned or unplanned and then, what type of debt service you're actually repaying; if it's interest or principal or if you're looking at fees. Please bear in mind that there are no National Objectives or accomplishments needed with this because it is considered an administrative activity. Usually, our repayments are funded by SI but if you're paying back with CDBG, you'll be using PI or EN. Then, in some rare instances, we will use SL funds that were not used in the original activity but were drawn down.

The primary matrix codes that you'll be using for the repayments are 19F, 19G, 24A, and 24B. The 19 series is for the repayment of principal; and there's the designation between planned and unplanned repayment. Then, 24A is the payment of interest costs and then, 24B is the payment of costs of Section 108 financing. The only time you would primarily use 24B is if

you are paying for issuance costs when we bring that loan from the interim facility into a public offering.

If there are any questions about what type of repayment activity you are carrying out, please feel free to contact our office.

Again, when we set this up, we're actually going to select the project and the activity. Then, we will have our standard program box where we will check 'No' for responding to coronavirus. We will change the answer to 'Yes' for the 108 loan and then, you can select the matrix code. At this point, we've selected 19F; that means it's a planned repayment of Section 108 loan principal. You will not have to go through the Accomplishment and National Objective screens in IDIS.

Now we're going to look at creating draws and receipting program income if it applies.

We do have one added level of security when you're creating a draw voucher for the use of SI or SL fund types. That occurs once the voucher for drawdown has been created and approved at the grantee level. The grantee will create the voucher in IDIS and it will approve it. Once it's done, it will change the status to "Pending HQ Approval." At that point, you'll need to reach out to our office for final approval of this loan. Please remember that IDIS tracks the 108 loan funds; the funds are not disbursed by LOCCS for SL and SI funding.

Again, you will create a draw voucher only if this is a new loan. You will not do this for -OLD-funded activity. In those cases, you will let our office know that you have an activity that was funded with -OLD funds and we will work with the system to get the voucher generated automatically to show those funds as drawn down.

This is the process, at a very high level, for advancing and drawing on program income. You'll advance from the fiscal agent, which is Bank of New York Mellon, and we require concurrent action when we do this initially.

In IDIS, you create and approve the voucher after creating the activity. And once you get it to the status of "Pending HQ Approval," you will notify our office.

At the same time, you will be preparing the Request for Advanced Funds that gets submitted to our office and we will authorize that transaction to the Bank of New York. Then, the Bank of New York, the following Wednesday after we submit it to the Bank of New York, will actually send you the funds via wire transfer. Again, there's nothing here connecting

that with IDIS. These are separate but concurrent processes, and that's when you're advancing funds under the activity with a draw voucher.

If you have repayment with SI, you will be in the top swim lane. If you're repaying with entitlement or program income funds, you'll be in the bottom swim line.

If you're repaying with program income, the grantee will pay the principal and interest to the financial agent. Then, they will also create and indicate in IDIS with the activity and Create and Approve a Voucher. Then, you will notify our office that the voucher is ready for approval and then, HUD will approve the voucher to complete that transaction. This can occur with the IDIS transaction at the same time or after the payment has occurred to the Bank of New York. If you are repaying with CDBG funds - so, EN or PI funds - you have to accomplish this beforehand. You must create the activity and fund it and create and approve the voucher. You will not have a Pending HQ Approval status on vouchers that are funded with EN or PI funds. Those funds will actually result in a draw of funds that come down from LOCCS. Once you have those funds from LOCCS, you will then wire those funds to the fiscal agent for the payment of debt service.

In the event that your activity does generate program income, you have to record that program income in IDIS. You will use the fund type SI to indicate that it is Section 108 program income. It is important that you identify the specific 108 activity that generates that. Our SI funds initially can only fund activity for debt service repayment. So, you won't be able to use 19F, 19G, 24A, B, or C, until the debt service burden is paid off.

In some cases, borrowers are generating income above and beyond what they had to outlay and we can handle that as a special case. Essentially, what we will do is revise the receipt of the Section 108 program income to be regular program income. Then, it will be considered CDBG program income and subject to the rules that apply to regular program income under the CDBG program.

To enter the receipt, you will go to the Funding and Drawdown tab. Then, on the left-hand box, you will see Receipt tab and you will click, "Add the Receipt." When you do that, it will bring you to the Add Receipt box and you have four different options. You will do the Receipt from Section 108 Loan Option and that will then allow you to include the activity ID and the amount and the date of receipt. Once that's done, that receipt will now be available for use.

Remember, this cannot be used for any generating activities or other CDBG activity. The repayment of debt service is the primary purpose unless it is approved by our office.

Again, we talk about if you have excess SI generated, we can revise it to program income, so it's not lost. We just have to work through a revision process on the receipt to allow that to be used as regular PI.

I'm going to talk briefly about set up for accomplishments and the National Objectives on an activity. Again, we talk about the new loans will need to be set up and you'll have to report the accomplishments annually. If you have not already set up this loan; if you're just now discovering that you need to set these loans up, you can report the accomplishments retroactively, if needed.

Our reporting for accomplishments and National Objective verification follows the same protocols as regular CDBG activities. If there are -OLD loans that you were funding, you can aggregate the accomplishments into one program year. Typically, that is done in the program year completed unless that is not available; in which case, you will pick the earliest program year. We do request that you add a comment in the accomplishment reporting narrative to identify the year or years of completion for the actual accomplishments and that you will provide a narrative for the detail for each program year as part of the accomplishment reporting.

Once the activity is completed - and that means that it's fully funded - and you have logged your accomplishments and drawn down the funds and you've completed the National Objective, you can complete the activity.

For our repayment activities; remember, there are no accomplishments needed so, there's no National Objective, as well. Each year when the program year closes out, the grantee should mark those activities as completed. You want to keep that as an audit trail to indicate what activity was repaid with what source each program year.

Again, we're starting to wrap up with our conclusion now. We're going to look at determining what you have to report, and if you have to report. If it's a new loan - the commitment was issued after conversion into our portfolio or funds were advanced after that portfolio conversion date of 10/01/2013 - you will have to set it up in IDIS and you will have to create a voucher for the drawdown.

If it was not, you have to make a determination on if there was program income generated. If there was no program income generated, you do not have to set up an IDIS.

If there was program income, you will have to set it up. But the important caveat here is that you will not create a draw voucher for the -OLD loans.

You will let the system know.

Then, in reporting your accomplishments, as well, you will report them annually and retroactively by year, if needed. For the old loans, you can report cumulative accomplishments in the year they were completed or the earliest available year if the year it was actually completed is not available. You do have to have the generating setup and then, you may have a repayment setup if you're using SI, SL, EN, or PI funds for repayment of the debt service burden.

We're now going to move to the live demo. Before I start walking through the live demo, I actually want to give everyone assurance that what you are seeing here is in our training portal so, this is not live data. If you are one of the recipients that I'm picking on, do not take it personally; I've just picked one that's the hometown I grew up in. But the screens will be the same as what you will see in production, but this is not production data.

The first step you will do is you will put in your username and password, agree to the terms of service, and then, you will log in. In this case, I will quickly jump to the grantee I'm going to be using. You will not see that screen. This is the screen you will land at. Now, we will begin to walk through the process of setting up the loan in IDIS.

The first thing we're going to want to do is go to our Funding and Drawdown tab and then, you will see down the side here, we see our Section 108 loans. We will search that. We'll click the search button and then, I can search this either by the loan type or the cohort or the amount or the recipient. In this case, I'm going to put in the recipient name and click the Search button.

Now I see the results of this. I actually see that the City of Frederick has two 108 loans set up; they have one from 2020 and one from 2021, and that we have the approval amounts. If I view one of these, I will see the same screen that we saw before where it identifies the loan, the amount, the approval date, and it will show me the amount that I've committed to the activity and the drawn amount on those activities.

If you have started the process to commit funds to activities, you can click on the View Activities button and it will show you something that is associated with this loan. I have not set up any for the B20 loan so, I'm going to go back to the B21 loan because I do have an activity setup there so, you can see what that looks like now. You can see that I committed \$200,000 on an activity but I have not drawn anything yet. If I click the View Activities button, it will show me what that activity is. Then, I have an Activity ID so, if I needed to look up that activity, I could.

The B20 loan has not been set up at all. We are now going to begin the process of setting that up. The first thing we need to do is set up a project so, I'm going to go to the Plans/Projects/Activities tab on the blue bar at the top. Then, I'm going to go to our project and create the project so, I'm going to go to the Project box and click Add. The program year is going to be the year that the loan was approved so, that's 2020. I'm going to call it "2020 Section 108 Loan." If you have an internal designation, you can use it for the Project ID. Then, I'm going to put in a description. This one was created for the construction of the community center and that, I notice, was \$1,000,000 and is not going to generate any program income. I'm going to put \$1,000,000 here for that.

Then, I will scroll down and save this. I now see that I have a Project ID; it's 2020 for the year and the Project ID is 12 and the status is open. At this point, I can now create an activity that will show the use of those funds that I'm ready to advance.

Again, we're still going to stay in the Plans/Projects/Activities tab and I'm now going to add an activity. We have an activity bar on the left-hand side; I'm going to click Add an Activity. Here's where we will select the project. I know that it was Program CDBG and that it was Project ID 12. I can search for that and see if it finds the one I'm looking for. In this case, there are multiples so, I don't actually see the one I want so, I'm going to clear that off and search here, look for 108 for the project title. Now I'm searching and now I'm seeing the 2020 Project Loan so, I'm going to select that project to use. Now, I'm ready to set up the activity.

This is the Market Street Community Center. I've now given it an activity name and I'll put here 108 so, I can locate it easily. And now, we'll start to answer our questions.

Under the CDBG, is this to prevent, prepare for, or respond to coronavirus? It is not. Will the activity use Section 108 loans? It's currently 'No' so, I'm going to click the Change Answer button to make that 'Yes.' Now it says 'Yes' and I will select the matrix code that I'm using. Here, this is a neighborhood facility so, it is going to be matrix code 03E. I do not have any funding for these but if you had funding, you could go ahead and ESG, HOME, or any of the other funding sources that are there.

Is this activity part subject to Section 3? I'm going to say it is not. For the environment review, it should be completed, exempt, or underway, depending on what it is. In this case, I'm going to say that the environmental review is complete and for the activity description,

that it is for the creation and expansion to the community center, and I'm going to go ahead and click Save. You'll see here now it is Not Ready to Fund and it is not funded because I have to set up my CDBG detail. I'm going to click on the Add CDBG button. This is going to bring me to my CDBG Detail screen. Here's where I will select my national objective. In this case, it is Low/Mod Clientele. My accomplishment type is going to be public facility and I expect to complete that public facility not in 2020 but it'll be in 2021 by the time it's completed and there will be one facility there.

Now, the performance goal is going to be "create suitable living environments," "provide affordable housing" or "economic opportunity." In this case, it's going to be "create suitable living environments" and I'm going to be "improving availability and accessibility."

You do have to enter an address so, in this point in time, I know what the address is. I've entered the address. I'm going to try and validate the address. I see a green checkbox; that means it has validated successfully and it is now a valid address for this project.

I can come to the activity purposes; is it going to help prevent homelessness? Help the homeless? Help those with HIV/AIDS? Or help persons with disability? In this case, it's going to be helping the homeless and persons with disabilities. It will not be associated with another activity. In some cases, you may have various sources of funding that are in play so, you could potentially check that as 'Yes' and then, enter the associated activity ID when you're reporting your accomplishments.

Now, we're looking at the organization carrying out the activity. Is this activity going to be carried out by the grantee? In this case, yes, it is. And the option is actually going to be carried out by grantee employees.

The target area is where you can put in special zones. If you've got a CDFI area, target areas, strategy areas, NRSAs, opportunity zones; none of those are going to apply in this case. For our special characteristics, we will not have any special characteristics either so, I'm going to click Save and Continue. Everything shows me success that it's saved.

Now, I'm going to do the Presumed Benefit. I will put in my information if it applies. The presumptive benefit here is no so, I will not have a description.

When we get to the HUD funds, it's important that you remember you have to enter zeros for all these boxes for ESG, HOME, HOPWA. Even though there are no funds being used, you have to actually say that there are no funds being used. You have to actually put zeros in as we calculate

our leverage.

We will scroll down here. There's no grant loan assistance on this so, we can click Save.

Now, we're back to our Main Activity screen and I see that this loan is, in fact, Ready to Fund and it is not funded. Now, I will scroll down to the Activity Funding button and, we see what resources I have available. We have CDBG funds, we have EN, PI, and revolving loan funds and then, I have two SL funds. I have the one for B20 and the one for B21. In this case, I'm going to use the B20 fund so, I'm going to make sure I select that. I'm going to click Add-Edit for the action.

Now, I will say how much I'm going to fund this for. I'm going to fund this for \$1,000,000 to start and I'm going to go ahead and save that. Now, I see that it is funded at \$1,000,000 and how much is available for funding and that's the funded amount. Then, I have nothing drawn at this point so, I'll return to Add-Edit Funding so, I'm back to the main screen and Add Other Sources. Now, I can return to the activity.

Now, I see that it is funded, and it is Ready to Fund. At this point, we can now start creating our draw voucher. We will now walk through the process of creating a draw voucher.

It's important to remember the Activity ID here because you will need to know the Activity ID when you're creating your draw voucher.

In this case, we will click on the Funding and Drawdown option on the top screen, and we will go to drawdowns. We're now going to create a voucher. The voucher will automatically be set up to create for Frederick and I know the activity is 1348. If you don't have the activity, you can search for it. But in this case, I know the Activity ID that I want to fund so, I will go ahead and click Continue.

I funded this at \$1,000,000 so, I'm going to go ahead and draw the entire \$1,000,000 down and that will match what I'm planning to advance from the Bank of New York. Once I put that in, I will go ahead and click Confirm Voucher. It requires that I put a date in for the requested submission date and then, I will click, "Generate the voucher."

At this point in time, I have now created that voucher. It says, "Voucher created successfully," and it gives me the information and it gives me a Voucher ID number.

I'm now ready to approve this voucher so, I'm now going to pass the screen. I'm going to briefly stop sharing and I'm going to pass control to

my coworker, Marty Dubroff, and he's going to walk us through the approval of the voucher process. Marty, I am now passing you control, so, once you are on the line, go ahead and share your screen, please.

Okay. Marty is now an approver at the City because you do have to maintain two-person control at the grantee level. You have a creator and an approver. Marty's going to function as the approver in this case. Again, that person will log into IDIS, go to the Funding and Drawdown tab, and then, on the Drawdown Vouchers, he will click on the Approve Voucher button. In this case, you can enter either the voucher number or the Activity ID. In this case, we go to the Activity ID as 1348 and then, he will scroll down and search for that.

Once you're in as the approver, you will click on the Maintain and Approve Action. He will scroll down and if he scrolls over to the right-hand side, he will see the Action. You want to click Approve. You will have to select the date that it approved the voucher, which is today. He will click Approve this Voucher line item. And once he does that, you will see the line item status change from Open to now, if he scrolls down and looks at it - scroll to the right, please, Marty?

You will see the line item status is now saying, "Pending HQ Approval." Once you reach this stage, you will take a screenshot of this window and email that to us, or you'll provide us the Voucher ID and the Activity ID to our office for us to review and approve that draw voucher.

Okay, thank you, Marty. If you would pass control back to me.

I'm now going to share my screen again. I'm now going to change profiles, so I am now functioning as a Headquarters employee. I'm going to show you what that looks like when I approve the voucher at Headquarters.

In this case, it's Activity 1348 and the activity owner is Frederick. There's the voucher that Marty just approved for me so, I'm going to go in and maintain and approve that, and I'm going to approve it.

At this point, our office will review the activity to make sure that the matrix codes are correct, the activities are set up and make sense, and that we'll go ahead and approve this voucher. I will approve that and now, the voucher status will go to Approved and that is the indication that that voucher is completely drawn now.

I'm going to quickly switch back to Frederick and then, if I pull up that voucher, when I search for the voucher for Frederick, it will show that it's approved for drawdown. Now, if I look at that activity, I can search that

activity and, again, I know it's Activity 1348. If I search the activity and I view it, it will show that it is funded and I can click on the Activity Funding to see that it is done; that it is now showing the funded amount of \$1,000,000 and drawn amount of \$1,000,000 and then, I still have \$1,000,000 left under that funding amount.

At this point, we can now walk through what the receipt of income would look like if we have it. If we have that, it's on Drawdown and we would do a receipt so, I will add a receipt. That is going to be a Section 108 loan receipt. I can select which loan it is associated with. In this case, it is the B20 loan and that I received \$10,000 in program income and that the activity is 1348. That is income from events. I'm just going to save that. That will now create - it says it's now posted and that it is now available for funding.

If I was to create an activity showing the repayment of that, I would go ahead and add an activity and the project is going to be 108. Now, we'll search that and it is the 2020 Section 108 Loans so, that's the activity I want to use, use the repayment of that service with SI.

Again, I'll answer my questions: is this to prepare, prevent, or respond to coronavirus? No. It will be using 108 so, I have to change my answer to yes.

Now, in this case, I have to select my matrix code. I know that it was 19F; it's Planned Repayment of Principal so, I will go ahead and pick that. Then, I can go down; it is not subject to Section 3, and it is sent for environmental review, and I will do repayment out of principal for the activity description. Then, go ahead and save that.

Now, I do not have to set up the activity. You can see the Activity Detail and Accomplishment boxes are grayed out and that the row automatically goes to the Ready to Fund status. I can go to Activity Funding. This brings up my list of funds that are available. Now, you can see that I have a new row with fund type SI, and that's that \$10,000 that I just receipted. At this point, I want to go ahead and Add-Edit that because I want to add that \$10,000 to the activity and save it. Then, I will save it again and return to my Add-Edit Funding and then, return to my activity.

Now that activity is Ready to Fund and it is funded, at this point in time, I can create a draw voucher for that. We have a little bit of time left so, I'm going to walk through the process of how you would set this up if you were paying with entitlement funds.

I will start a new activity and I will select the Project ID. So, for the search, it's the 2020 loan that I'm going to be repaying. It is not to respond

to coronavirus. I will go ahead and change this answer to 'Yes' and, again, I'm going to do 19F for Planned Principal. It is not subject to Section 3 because it's administrative and exempt from environmental review. I will do Repayment of Principal. Save that.

Now, I need to go ahead and set up a name on that. Save this. Okay, now, I see that it is Ready to Fund. Again, my CDBG Setup and Accomplishment boxes are grayed out so I can add the funding. I want to add the funding here because from EN funds - so, I want to go ahead and add. Out of these grant years, I have the various different grant years that I want. Out of these loans, I have funded amounts available. I'm going to fund this out of the 2021 grant and I'm going to fund it with \$90,000. I will save that. No, I did that incorrectly, sorry. It's actually not there; I do it down here. That's the grant unit that I added; says it was successfully done, I return to Add-Edit Funding.

Now, I show that the funded amount here is \$90,000 and that's correct. On this activity, I now show that it is Ready to Fund and funded.

At this point, I can create a draw voucher for that activity. Because this is not using Section 108 funds, I can just do the two-step approval. There's the creator of the voucher and the approver of the voucher. That process will be the same as it is for CDBG and it'll be the same as the first two steps that we carried out when we were using the SI voucher.

At this point, our demo is concluded. I'm going to go ahead and stop sharing that screen.

We are now beginning to wrap up. With the slides, when you see them, we will have links to a number of resources within our program both on the HUD Exchange and HUD.gov. We will also have a link to our Notice for Reporting and we will also have a link to the same webinar that we put on back in October that had an economic development focus. We also have links to the CDBG manual for IDIS.

We finish with our program contacts. Our Director is Paul Webster; Seema Thomas is our Deputy Director; Jorge Morales is our Loan Origination Team Lead; and again, I am Scott Laliberté and I am the Loan Management Team Lead.

You have all of our emails and my phone number. If you have general questions, you could email our general mailbox, which is Section108@Hud.gov, and we will work with you from that point. We'd be more than happy to have a specific discussion and/or a session with you if you need directed TA (technical assistance) on this as we move into the process.

At this point, I will turn it back over to Rob to conclude our presentation.

Rob Sronce: Thank you so much, Scott, and we did get a couple of questions. I dropped into the Chat the link to where you will be able to find the recording when it's available. Please subscribe to the newsletters, the news from HUD Exchange for Section 108 and IDIS so, you'll get that notice when it comes out.

I also dropped in URLs for the resources shown on the slides but the slide deck will have active links in it.

Thank you so much, Scott and Marty, and this concludes today's webinar.

Scott Laliberté: Thank you all.