2017-2018 Building HOME Webinar Series IV
Chapter 1 - Overview of the HOME Program

Les Warner: This is our delivery of the Building HOME training. We're doing this as a virtual delivery and there will be four sessions. So every Wednesday we'll gather together for four weeks to cover the Building the HOME Program including all of the activities, all the overarching requirements for the program.

So you should have all received an e-mail today with a Dropbox connection which would provide you with a copy of the slide handouts which may be useful for you in taking notes throughout this series. Also included in that packet were the chapters for the Building HOME manual. You'll notice that those chapters are marked as a draft version, and these will not be – these are generally complete, but will not be – the draft mark will remain on those until they have been finalized and all of the accessibility modifications have been made before they are posted.

Also included in that packet were exercises. And following each of our sessions – except for our last week – there will be an exercise that we'll ask you to do, which will be covered during our office-hour session, which will be the following day. Also included in the packet was an agenda, which will show you – for each of our four sessions – what we're going to be covering.

One thing I want to point out on that. To allow us more time to cover HOME rental activities – both the development and the long-term compliance – we have moved the coverage of the Tenant Based Rental Assistance to the following Thursday.

So we'll be covering rental activities on February 7th. And then on February 8th during our office-hour session, the first half-an-hour we'll be covering the tenant-based rental assistance. And then the balance of our office-hour session, we'll be covering any other questions pertaining to the overall series. So a little bit of a change to our agenda and it just gives us more time to dive a little deeper on the rental activities, which I think will be a positive change for everybody.

There also are a couple of handouts included in those Dropbox that was sent to you. There's a handout on unit mix, which we'll be talking about what we did to the HOME rental and also a chart concerning underwriting.

So the expectation – and that was noted on the registration – was that folks that have signed up for this session will attend all four sessions. And the reason for that is we want to make sure that you have a good understanding of not only the overarching program-wide requirements, but then also the activity-specific requirements. Some of those activities you might not currently be doing, but it may be something that in the future you may be considering. So you need to know the basic details on that.

We understand that folks have schedules that sometimes move a little bit. And so each of these sessions is being recorded. The office-hour sessions are also being recorded. And following this session, you will receive an e-mail that will provide a link to that posted session. That link can then be used all through our series as we add each week's recording to that. So if you end up having to miss one of our live sessions, you will have the ability to use the recording to make sure you don't miss any of that information.

So as we work through our session this week and the rest of the series, a couple of things to help you understand the function of this: At the top of your screen on the right-hand side, you should be able to see a chat box, blue box, and then also the question and answer. So if you use the question-and-answer box, there will be a – you'll be able to type in your question. And this would be anything that pertains to the material to the HOME Program as we're covering it. There are two presenters working together on this. The presenter who's not actually the person speaking will be working on trying to answer those questions and make sure that we're able to follow up on that.

So know that for those of you that find it a little challenging to listen to the speaker, look at the slides, and also monitor that question-and-answer box. That's one of the reasons that we have our office hours the second day. We take a look at the questions that have come through, and in the office session try to revisit some of those common questions and make sure that everybody has a good grasp on that.

There also is a chat box. That will go to Michael, who is kind of handling the webinar platform. And so if you had questions about, hey, I didn't get that Dropbox information or a technical question about, I don't have any audio or, I can't seem to see the slides, use that chat box and Michael will try to make sure that we get you hooked back up and functioning. All right. So let's move ahead.

Introduction. I'm Les Warner. And both Kris and I are with ICF International, which is a consulting firm that helps in the development of this training. And then we'll be presenting these materials. Kris Richmond is my colleague who's joining me on this training. So we'll be switching back and forth throughout the session. So you won't get tired of hearing one person's voice for too long of a time.

And then as I mentioned, Michael or Chantel will be supporting us handling any of those questions that come in on the technical end. Kris and I will be monitoring the question-and-answer box and trying to answer your programmatic questions as we work our way through the different topics.

So we want to start with a polling question just to get a feel for who we have participating in today's session. So Michael's going to switch us over to our poll. And what we're asking you to vote on is tell us whether your number of years of experience is 1-5, 5-10, or 10 or more years.

Our second question will be asking you – will be about your level of familiarity with the HOME Rules. Looks like the polls are open and up if you folks would go ahead and vote.

Michael Reich: Poll will be closing in 15 seconds.

Les Warner: Great. So it looks like a large number of you are 1-5 years, so early in your experience in the program, which is perfect. We're going to be covering all the basics on this. But we also have some folks that are at 5-10 or 10 or more years. And of course, because we've had some rule changes within the last number of years, this can be a really useful course on kind of refreshing and thinking about how you do in compliance. Okay. Michael, we can move on to the next polling questions; so if folks will go ahead and vote.

Michael Reich: Poll will be closing in 15 seconds.

Les Warner: Thank you. Great. So our result looks like kind of matching the earlier poll that a lot of you are kind of a novice learning the regulations, but then we have a mix of other levels of experience.

I think one of the reasons that we cover all of the programmatic requirements and then the project specific is there are a lot of folks who have come into the program, work in a particular area of the HOME Program, and may not have had much exposure to what the actual HOME Rules are other than the specific portion that they're working with. And it's really helpful to have that context of why are we doing some of these things the way we're doing them, understanding what the overlay program-wide, and in some cases, other Federal requirements are. All right.

So here's our agenda for the series: Today we're going to be doing sort of an overview and then talking about those general program rules. Next week we'll get into the general administration, monitoring, and then also talking about our community housing development organizations, we're going to be calling CHDOs, and the requirements for that.

Our third week we'll then get into our four eligible activities. So in Session 3 we're going to be covering homeowner rehabilitation. And then the homebuyer activity Week 4 will be solely devoted to rental. And then in our office-hour session on that following Thursday we will have a half-an-hour session that will cover our tenant-based rental assistance. That's going to be on February 8th.

So all of our series are going to be each Wednesday. They'll be from 1:00 p.m. to 3:00 p.m. Eastern Standard Daylight Time. And then the following day on Thursday we'll have the office hours from 1:00 to 2:00. During the office hours, we will cover the exercises which will kind of test your knowledge on the materials that were covered in the preceding session the day before, but also it will give us a little more time to answer some of those questions and kind of revisit some of those topics to help clarify some of those points. So we're requesting that folks participate in all four. We will be sending you a link. And approximately half-way through this session and each week we will take about a 10-minute break, switch speakers for our sessions.

Okay. So let's jump into Chapter 1, which is kind of giving you an overview of the HOME Program and a little bit about its history, which kind of helps to understand why some of the rules look the way they are. So prior to the HOME Program being created by the National Affordable Housing Act of 1990, there were a number of competitive programs that generated some housing funding. There also was the ability to use things like the Community Development Block Grant, CDBG, funds and use some of those for housing activities.

But the creation of the HOME Program under the 1990 Act created a specific set-aside of funds specific to decent, affordable housing for low-income people. And part of the concept of creating this new funding source was to get the banks, the private sector, units of local government, and also nonprofit capacity involved in working at the local level to address – use these funds to make investments in and protecting and also creating decent, affordable housing units in those communities based on their local needs.

So the money flows from HUD to participating jurisdictions. You'll hear us talk about PJs – that's the participating jurisdiction. That means that they are a recipient of the HOME funds from HUD. So cities, counties are recipients. We also have a category of consortia. So this allows contiguous units of local government who do not qualify themselves directly to receive a HOME funding allocation to join together as a consortium and receive a direct allocation, which then they will divide amongst those consortia members.

And so in a consortium, there would be a lead entity. The money will flow to that lead unit of local government within that consortium. And then they will be responsible for distributing the money throughout that area and also the oversight, the monitoring aspects that we'll be talking about later. We also have our allocations going to states. And generally, this money is being used in those areas of the state that are not receiving a direct award of HOME funds.

So some of the key partners that we're going to be talking about throughout this series: State recipients are entities that are receiving funding from that state. And the money's either going to go to a unit of local government that's going to run that local program on behalf of the state or money also will be flowing to community housing development organizations and also directly to developers.

For money that is coming to a PJ – a local PJ – so a city or a county – they also may, as a partnership, have a subrecipient who's going to manage a program on behalf of the PJ. So if I were a county, I might be funding a local nonprofit who's going to run, let's say, a down payment assistance program, and so they would be responsible for marketing the program, qualifying individuals, essentially handling all those compliance requirements on behalf of the PJ. And the

PJ will then, of course, provide some oversight to make sure that that's being done correctly by the subrecipient.

Subrecipient could be a public entity, could be a nonprofit. For those of you that work with the CDBG Program, just note that this definition is a little different than what is used under the CDBG Program. We're going to be talking in our second week extensively about community housing development organizations, but these are nonprofit entities that are going to be certified and provided HOME funds to create affordable housing units. We'll go into more detail later about the specific requirements on that. Also, a lot of our HOME funds are being utilized in conjunction with developers that are creating housing units for us. And again, these can be for-profit entities – these can be nonprofit partners.

So there are four eligible housing activities under the HOME Program. Those are Homeowner Rehabilitation, Homebuyer Assistance, Rental Development – and that might be either we're building something new or we also could be acquiring and we might be rehabbing, but we're going to create long-term, affordable rental units using our HOME dollars.

Our fourth activity is Tenant Based Rental Assistance. So we're going to assist individual households to subsidize their rent and make that rent affordable for them. So here's an important chart: We sometimes call it the sheet cake chart. But it lays out a lot of the key regulations or rules that you need to keep in mind in sort of understanding how you can use your HOME funds and what those requirements are.

So let's start on the left-hand side of this. So you are allowed to use up to 10 percent of your HOME funds to cover your administrative costs. Now, we'll talk a little bit later in the training on how we define what's eligible to be charged off and its administrative cost. So that's the maximum. You're not required to spend 10 percent; but the maximum that's going to be allowable is 10 percent of your overall allocation. And this includes – if you have a subrecipient, if you have a state recipient – this includes those funds that are also being provided to them to undertake the activities they're responsible for.

On the far right-hand side is our CHDO set-aside. So I mentioned on an earlier slide that one of the concepts for the HOME Program was to utilize and tap into the nonprofit capacity around the country to utilize that towards affordable housing. And so there's a minimum requirement that at a minimum 15 percent of your HOME allocation has to be used in conjunction with the community housing development organization. We're going to be talking in our second section about the specific requirements on this. But know that for this – to use this set-aside, you have to have a certified CHDO. We have to certify them to show they have adequate capacity to undertake the specific project.

Those projects have to be one of the CHDO set-aside-eligible activities, which generally are activities that include the development of housing. So whether we're going to build something, whether we're going to take something that currently is not decent and affordable and bring that up to our standard, make sure that it's going to be long-term affordable. So there are specific activities that will qualify on this. And we'll also be talking about the required roles for the CHDO in that.

One of the flexibilities that's provided under this requirement is that the PJ has the ability to provide up to 10 percent of whatever this CHDO set-aside is. They can provide up to 10 percent of that amount in the form of predevelopment loans. So if I'm going to have a CHDO that's going to come in and apply for funding for a development project, they're going to have to have done some leg work to have a fundable project that might include things like having an option on a piece of property, doing some engineering, maybe doing some architectural work, things like a marketing study to determine: Is this a project that actually we should do? Is it going to be sustainable?

So this allows the PJ in providing this predevelopment money to sometimes bridge that gap on CHDOs having enough funding available to be able to put together a viable project. So this 10 percent for predevelopment is something that's completely optional. So some of you may be listening to this and thinking, well, I don't think we do that. That's fine. This is something that is optional for the PJ. And it's being done to try to make sure that you have an adequate pipeline of fundable CHDO activities.

Going back to the right-hand side, we have a 5 percent CHDO operating assistance. This again, is also optional. And this allows you, as the PJ, to utilize up to 5 percent of your overall allocation to provide operating assistance to CHDOs. So this is not project-specific funding, but it is funding that can be used to pay operating cost to help stabilize the organization. It might be used for things like getting additional training, trying to make sure that you have appropriate capacity for the CHDO. Again, it's something optional.

In the middle section of this then – the light green section – are our four eligible activities. Keep in mind, that some of these things, such as a homebuyer or rental program, might be something that a CHDO would be doing under that CHDO set-aside if it meets all the criteria for CHDOs. All right.

So let's talk a little bit about the rules. So the HOME Program has been around since 1992. But there was a kind of major change update to the rule that went into effect, was published in July of 2013. And most of it went into effect in August 23, 2013. It's an important date to keep in mind because that tells us when these things became effective to know, gee, what rule is going to apply on this?

The way these rule changes went into force was at the point as you were committing funds will be the trigger. So if you commit HOME funds of any appropriation year and you commit them on or after August 23rd, 2013, then those programs are going to fall under the requirements of the new HOME rules, so really an important part to understand. So you, as the PJ, may have – let's say you have 2013 allocation and some projects were funded, let's say, in July of that year. Some projects were funded in August after – on or after this date.

Those projects, even though they're from the same year's allocation, they fall under some different rules based on whether they are under the 2013 rule or not. So it becomes really important for a whole number of years as we're monitoring projects to know what rule actually applies. And hopefully, our written agreements are correct in citing the correct requirements.

Another change that happened last year was our Commitment Interim Rule. This went into effect on January 3rd, 2017. And this put some different rules in place for 2015 and later grants as opposed to grants that were made or awards that were made prior to that. And we're going to talk a little bit more about that as we move forward on this.

One note on this if you're not familiar with this: It may make sense to look on the HUD Exchange at the Commitment Interim Rule webinar, also of course, to read the Interim Rule. But the webinar goes into further detail [inaudible] we'll really have time in this setting. All right.

Now, one of the key focuses of the 2013 HOME Rule changes were a concern on timeliness. The HOME Program is a housing production program. And so there are some rules that have been put in place under the 2013 rule about that. Now, we'll note as we go through here, that the 2017 appropriation language made some changes on this, which may be temporary. So the 2013 HOME Rule says that a PJ as two years to commit funds to activities, that includes your CHDO projects.

We're going to be talking in a minute how the appropriation rule has changed this to some extent, but keep in mind that that is based on appropriation rule. So over the upcoming years, we may be back with this two-year commitment rule in place.

We also have a deadline on our homebuyer units on getting them sold. So from the point that our homebuyer units have been completed, there's a 9-month deadline to be able to sell that unit having under a binding sales agreement. We'll talk in further detail about that during the activity section.

There also is an 18-month lease-up requirement for your rental housing projects. So from the point that the project is completed – and we'll talk about how we define that in just a minute – you have an 18-month period to get those units rented up. Otherwise, those funds have to be repaid. So it becomes a really important rule to understand in operating your program and also making funding decisions about, what do we know about this local market? If we build it, will we actually be able to get these units leased up in this time period? Or might we be at risk of having to repay our funds?

We also have a 5-year project completion deadline. So from the point that we commit funds to an actual activity, we have 4 years to get that project completed or have the risk of having to return those funds. And then there overall is a 5-year expenditure requirement for all of your HOME funds, but we have an exclusion under our Interim Rule that applies to 2015 and later grants. All right.

So we also have sort of adds into this mix of things to keep in mind is that when we were waiting for the 2013 rule change, Congress, as part of their appropriation language, tried to anticipate that rule change and added in appropriation language that was specific to each of those funding years. So 2012-2013 appropriation language had some different compliance. So we have the compliance timeframe that was in place as part of this and some of that. So if I have funding that I'm making a commitment, we know that if it's committed on or after August 23, 2013, it falls under the new HOME Rule.

If our funding was 2012 -2013, and we committed it prior to the August 23, 2013 date, then we also have to look at the appropriation language. So specifically for 2012 -2013, there was a 4-year project completion deadline. And that's based on construction completion – a little bit different of the definition. There also was a 6-month – not a 9-month – homebuyer sales deadline for those two appropriation years. So again, it goes back to the issue of during this period where we are sort of transitioning to the new rule in those open activities you have, you'll have some activities that were funded prior to the appropriation language and prior to 2013 that are still in some phase of your monitoring or affordability period.

We'll have others that fall under the 2012 or 2013, appropriation language. So they might have a 6-month homebuyer sales deadline. And then we could have some activities that were funded then on or after August 23, 2013, that instead of having a 6-month sales deadline, having 9-month deadline. So it makes things a little more complicated; particularly at this point as you are monitoring those projects and looking at compliance, it will be important not only to know the appropriation year, but then also look at that commitment date to be able to decide, okay, which version of these rules actually applies?

So a little more about the appropriation language. The Consolidated Appropriation Act of 2017 suspended this 24-month commitment requirement. And that's for all deadlines that would have been for 2016 or 2019. So it didn't eliminate that requirement. It simply just suspended the compliance on this. So it's temporary. Also, HUD's not going to be enforcing those deadlines. It'll not be taking money back.

Now, keep in mind that when this appropriation language was put in a place, it did not eliminate the commitment requirement. It did not eliminate the 5-year expenditure deadline or the CHDO Program. So the CHDO Program has a more stringent requirement than your other programs. So don't think that, oh, I don't have to worry about a 24-month commitment requirement anymore. It still applies to your CHDO projects. And you still are facing that 5-year expenditure deadline.

There were a few PJs that HUD was already in the process of doing de-obligation of funds. Those are being returned.

There is a deadline compliance status report, which is one of the HOME reports that's posted on the HUD Exchange. There's also a corresponding IDIS report which will show you what those specific deadlines are for each of your program years. And that would be a very good reference tool in trying to track, how am I doing as far as staying in compliance with these requirements?

So let's talk a little bit about the definition of commitment. So when we talked about meeting that 2-year commitment deadline, we need to know, well, how do we define that? Also, that 4-year project completion deadline – that clock starts ticking at the point we make a commitment. So we need to be able to find what we consider to meet that definition.

So to have a commitment of HOME funds, we have to have fully executed funding agreements in place. So that means they have been signed and dated. That's by all parties. So you might be an entity that had both the programmatic signature and maybe you have a legal department sign-off on those agreements. Until that document has been fully executed – so we're going to be going by the latest date for the number of signatures – that's going to mark when you're actual have met that commitment. And that starts our time clock for our commitment deadline and also our 4-year project completion.

So there are a couple of ways we could be making those commitments. A lot of our commitments we're going to be underwriting and completing a review and making a commitment of HOME funds to a specific local project. We may have a developer that is requesting money for developing a new rental project. That would be a commitment when we have finalized our review and signed, fully executed that binding agreement.

You also might be executing an agreement with a state recipient or subrecipient that's going to run a program. That would also count as a commitment of funds. For CHDOs, these are going to be project-specific. So the CHDO would have applied to you with a full description of that project. All of the required elements you would have completed, making sure all the sources and uses and all the documents were in place. At the point that you have a legally binding agreement, fully executed, that's going to meet our definition of commitment.

Some things that don't qualify in that way – if you are a subrecipient that is controlled by the PJ – so for instance, if I were a state PJ and I was going to transfer some of my HOME funds to another department – maybe I'm going to provide it – maybe I'm in the community development department. I'm going to provide it to my housing finance agency or maybe multifamily projects – that's still considered to be the state. And so it's a subrecipient that's controlled by the PJ. And so we would not count that agreement as being a commitment. Once they have identified the individual projects, those commitments to the individual projects will count as our commitment.

Also, in the case where we have a consortia and that lead consortia executes an agreement with those consortia members, that is not committing it to a project but simply transferring a portion of their overall award to each of the consortia members. That's not counting as a commitment. At the point the lead PJ is providing a – executing an agreement for a particular program that's going to be run or a particular project, that would then meet that definition of commitment.

So as part of putting that eligible commitment in place, not only do we have a fully executed agreement, but we're making sure that the PJ has completed all of the required steps to make that funding decision. So things that are part of that – all of the financing has to be secure. That means that we need to be able to verify not only that they plan on having some of these sources available – maybe they applied for it – but we need to be able to see that they've actually secured that.

So for instance, if they're going to use your HOME funds but they're also applying for low-income housing tax credits, we need to make sure that we can document the tax credits were secured. And we also have a letter of offering from an equity provider which would put a dollar amount on that. So we know what the actual financing that's going to be available from that source and that's been secured.

You're also required to have a budget and a production schedule. That production schedule we're going to be talking about later in this training about how that production schedule is used to not only be able to determine will this project be completed within my 4-year project completion deadline, but it's really used as a tool, also by the PJ, to kind of track progress on projects and make sure that they remain on schedule.

You're also required to complete your underwriting and subsidy layering. We'll talk more about that, particularly in our homebuyer and in our rental sections. And when required, a market assessment needs to be completed. So we've already talked about with our homebuyer programs that we have generally a 9-month sales deadline. And also on rental, we have an 18-month sales deadline. So that market assessment is not only looking to see is this the right thing, is there a need in this market for single-family houses, but also trying to determine how many of these units can be sold? How many of these units can be rented within our deadlines to size those projects appropriately?

And the PJ is really at risk if they're not able to meet those deadlines of having to reprogram or return money. So a really important part of that making a commitment is completing that market assessment. Also, we're depending on the experience and the capacity of our developers when the same questions arise in talking about CHDOs. So part of that process is making sure we've completed that assessment of your experience and they're financial capacity. The expectation is that construction needs to be able to begin within 12 months. So again, our production schedule would be able to show that.

So let's talk about project completion. So a project is completed when all construction has been completed and those property standards are met. And we'll be talking as we go through individual activities. There are different property standards depending on the type of activities you're undertaking. So once the work has been completed, those property standards have been met – which we're going to determine based on the final inspection – we also need to make sure that that final drawdown of our HOME funds has been disbursed. And then within 120 days, our beneficiary data needs to be collected and entered into IDIS, which is our recording system.

Now, we're going to talk in a minute about an exception for rental housing. But this is our definition of project completion. So all the construction is completed, meets our standard, the funds have been drawn down and disbursed, and we have a deadline then on entering all of our data within 120 days of that. So for our homebuyer programs, keep in mind this means that that unit has been sold and that the title is actually transferred to the homeowner. We're going to collect that beneficiary data of who those homebuyers are and that's going to be placed into our system.

For rental, we have a little bit of a different – or an exception – for rental. We have to have met the requirement on construction completion, meeting our standards, also the funds having been drawn down; but there is not a requirement for rental that those units actually have been rented. So once we meet our other aspects – the project standards, the property standards, and the drawdown of those funds – we are going to mark those projects as being completed in IDIS. And then as those units are rented up, we're going to collect that beneficiary data and go back in and enter that information.

And keep in mind, we have that 18-month timeline from project completion to make sure that those units are rented and that data needs to be entered into the system.

The Tenant Based Rental Assistance – which we'll talk about during our last office-hour session – it's a point that that final drawdown has been disbursed. So we might be setting up a Tenant Based Rental Assistance for a particular household and setting up a 12- or 24-month period of funding. It's at the point that that final drawdown has been disbursed that we're going to consider that to be completed.

So let's revisit the project deadline. We mentioned this earlier. We have 4 years for completion. So at the point that we've executed that agreement, have that commitment in place, it's 4 years from that date that that project needs to be completed. If you, as the PJ, identify that you've got a project that's not going to meet that deadline, you do have the ability to request a 1-year extension.

To be able to do that, first of all, you need to be able to track and realize, oh, I'm in trouble as far as meeting that 4-year deadline. But you could submit a request providing information about what's the current status of that project and be able to explain, why am I not going to meet this 4-

year deadline? The steps that you've taken to overcome those delays, those obstacles on that, show that if you were able to get this extension, that adequate funding's in place, and that with that extension you would be able to meet your project completion on that. Those would be reviewed by HUD. And if granted, that would give you up to a 1-year extension on that.

If you fail to request that extension and you miss the 4-year project completion, those funds have to be repaid. So it's a risk for PJ that you need to really be tracking your projects and make sure that you're not going to miss meeting this required timeline.

Again, we have a 9-month sales deadline for our homebuyer units. And in some cases we mentioned under the appropriation language we could have some units that actually are on a 6-month timeline. So this means that from the point that our construction has been completed – so that unit is ready to be sold – that you have 9 months to have a sales contract in place, a binding sales agreement, to show that that unit is sold. It does not have to be closed and transferred, but that sales contract needs to be in place.

Otherwise, you would be required to either convert those units to rental units and then follow all the long-term compliance requirements as a rental unit, or you'll have to repay those HOME funds because you have failed to meet this 9-month deadline. Similarly, for rental at the point we have completed that unit – we've marked in IDIS that our project is completed – we have 18 months to get our HOME-assisted units occupied by income-eligible households. Otherwise, those funds have to be repaid. So it becomes really critical in the underwriting and the review of those projects to make sure that the market actually is there and that you'll be able to rent out those units within those time requirements.

And for 2014 and earlier for all of your HOME funds, there is a 5-year expenditure deadline in place. There is a waiver of that requirement for 2015 and on through I think 2019. But again, that's appropriation language so it could go away at some point. But for CHDOs, the set-aside – the earlier set-aside also falls under this 5-year expenditure deadline. All right. So we are at 1:48. Kris, are there any questions that we should revisit? Or shall we take a break?

Kris Richmond: Well, I just wanted to let everybody know that Les was going over some highlights and that we aren't going to go into great detail. I had a ton of CHDO questions coming in.

Les Warner: Yes.

Kris Richmond: And I reminded everybody we're going to go over CHDOs next week. And this is really you're just highlighting what commitment means, what deadlines are, that type of thing. So there were a lot of really detailed questions that I don't think we have the time to cover right now. But I want people to know we're going to cover this as it relates to each activity or when we go into CHDOs as well.

Les Warner: We are. We're trying to provide the basic building blocks here. And then as we move forward, we'll go into much further detail on how those work in the specific activities. All right. Well, then I'm going to suggest – I have that it's 1:49 here. Let's take a 10-minute break and come back at 2:00 Eastern Standard Time.