

§ 904.205

to light that can be dealt with in further counseling and training. This phase should be designed to cover many of the same basic subjects as the pre-occupancy phase, both by review and refresher where necessary but in much greater depth.

(4) *Assistance to the HBA.* The parties responsible for the counseling and training program shall be responsible for the formation, incorporation, and development of the HBA, including the execution of the Recognition Agreement between the LHA and HBA, as provided in subpart D of this part.

§ 904.205 Training methodology.

Equal in importance to the content of the pre- and post-occupancy training is the training methodology. Because groups vary, there should be adaptability in the communication and learning experience. Methods to be utilized may include group presentations, small discussion groups, special classes, and workshops. Especially important to a successful program are individual family home visits for discussion and instruction on unique problems and operation of equipment.

§ 904.206 Funding.

(a) *Source of funds.* For purpose of funding counseling and training pursuant to this subpart and for establishing the HBA, the LHA shall include an amount equal to \$500 per dwelling unit in the development cost budget. If additional funds should be needed for any of these purposes, the LHA with the assistance of the CPC, if any, shall explore all other possible sources of services and funds.

(b) *Planned use of \$500-per-unit funds.* These funds are to be used to pay for:

- (1) Pre- and post-occupancy counseling and training;
- (2) Establishment and initial operation of the HBA (for operation in the management phase, see § 904.305).

In planning the use of these funds, the LHA shall recognize that for a number of years after the initial counseling and training there is likely to be some turnover and follow-up counseling and training needs. Therefore, the LHA shall limit the amounts for the counseling and training of the initial homebuyers and shall reserve a reasonable

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amount for future counseling and training needs during the management phase of the development.

(c) *Period of availability of \$500-per-unit funds.* These funds shall be available during the development phase, and a specific amount shall be set aside, in accordance with paragraph (b) of this section, to be used for ongoing needs after the close of the development period.

(d) *Budgeting of \$500-per-unit funds.* (1) The Development Cost Budget submitted with the Development Program shall include an estimated amount for counseling and training program costs. However, such costs shall not be incurred until after HUD approval of the counseling and training program.

(2) Upon HUD approval of the counseling and training program, the LHA shall include the approved amount in its Contract Award Development Cost Budget. This amount shall constitute the maximum amount that may be included for such purposes in the project development cost; provided that, if the approved amount is less than \$500 per dwelling unit, it may, if necessary, be amended with HUD approval, but not later than the Final Development Cost Budget and subject to the \$500-per-unit limitation.

(e) *Application for approval of counseling and training program.* (1) The LHA shall submit an application for approval of a counseling and training program and for approval of funds therefor. This application shall be submitted to HUD at the time of the submission of the development program or as soon thereafter as possible but no later than the submission of the working drawings and specifications.

(2) The application shall include a narrative statement outlining the counseling and training program, including any services and funds to be obtained from other sources, together with copies of any proposed contract and other pertinent documents. This statement shall include the following:

- (i) Indication that the training entity is completely knowledgeable of the Homeownership Opportunity Program and is aware of the needs and problems of prospective homebuyers;