

IDIS Changes Affecting HOME Participating Jurisdictions

**June 4, 2012
1:00 pm ET**

Operator: Good day everyone and welcome to today's recent IDIS Changes Affecting HOME PJ's conference call.

As a reminder today's conference is being recorded. At this time I'd like to turn the conference over to Mr. Kevin Roddy. Please go ahead sir.

Kevin Roddy: Yes good afternoon everyone and thank you for joining us today. Today's session on the recent IDIS changes will be the first of the seven upcoming Webinars which will be conducted over the coming month.

We are joined today by a couple of key staff persons at HUD headquarters including Ginny Sardone, the Acting Director of the Office of Affordable Housing Programs, Peter Huber, Financial and Information Services Division, Vashawn Banks, Affordable Housing Specialist as well as myself, Kevin Roddy. I'm a Technical Director with ICF International.

Our agenda for today's program will include covering topics related to IDIS that are relate to open activity flags which we'll discuss the new PR48 Report, the ability to edit activity completion date, changes to the commitment certification, new CHDO certification requirements, enhancements to program income, the addition of a new deadline compliance status report which will be titled the IDIS PR49.

And then at the end of the formal presentation we will set aside and have time provided for questions and answers.

At the end of the presentation there will be specific instructions about how you can either call in or submit a question online.

But before we begin and review the material for the presentation I want to turn our attention or turn this over to Ginny Sardone from headquarters who will give us a little bit of a background.

Ginny Sardone: Thank you Kevin. Good afternoon everyone and welcome to the first in a series of Webinars that we will be doing on the FY 2012 HOME Appropriation Requirements and obviously today the associated IDIS changes.

We'll be posting in the next few days a Webinar on the - with an overview of all of the requirements related to the FY 2012 HUD appropriations so you can find that information on www.hometa.info.

As Kevin mentioned there'll be seven other Webinars including our Webinar today running until July 10 on a variety of other topics related to those 2012 appropriation requirements.

And so once again you can find that schedule on www.hometa.info.

A couple of caveats before we get started, as many of you know, perhaps all of you know, HUD published a proposed rule in December that includes many proposed changes that are similar to the changes in the FY 2012 HUD appropriation.

Congress in fact had a copy of the proposed rule and took, you know, took some of the provisions that we were thinking of proposing and put them into the 2012 appropriation language.

However I think it's really important for us all to remember that the proposed rule is still proposed.

There's nothing in the proposed rule that is currently applicable to the HOME program. And nothing in that rule will become effective until HUD has completed the final rulemaking process which we're involved in right now, and publishes a final rule for effect which we expect to happen this fall.

So the focus for today and for the next several months is on the existing HOME regulations and how those work with specific provisions of the FY 2012 appropriation.

So in other words what we all need to focus on now is given what the HOME regs say, the HOME loans that have been in effect since 1996, how do these 2012 appropriation requirements which are statutes affect the way that people will be running their HOME programs particularly with respect to 2012 funds.

Today's Webinar addresses IDIS changes that went live on May 4. HUD has been working on these changes for a little more than a year now.

And we made those changes to address some long-standing noncompliance and reporting problems that we had in the HOME program.

As many of you know last year Congress criticized the department's tracking HOME projects.

And while it is unrealistic to expect that HUD can act as a construction manager to 20,000 open activities that are in our system at any time, these changes will help HUD identify projects that fall

outside of certain parameters so that we can do follow-up, require additional reporting for, you know, ongoing tracking of those projects.

These changes that we've made are necessary to ensure that HOME resources are used to expeditiously make affordable housing available to low income people which is obviously the purpose of our statute.

So I know that there is a great hunger out there for information on these changes and many, many questions. So with that I'll turn it over to Peter Huber.

Peter Huber: Okay thanks Ginny, thanks everyone. This is Peter. Thanks everyone for joining the call and the meeting today.

We have a lot to go over as Ginny mentioned so we're going to jump right in. First we'll discuss the new activity flags.

And as you can see on your screen and we have the IDIS landing screen, when a user logs on to IDIS this is the first screen that comes up.

And what you'll notice is the orange bar across the top of the screen. That tells the user how many open activities have been flagged, okay?

The user clicks on the word here then they're taken to the following screen that looks like this, okay?

This is the HOME Activity Review Page. This shows all of the flagged HOME activities and those that are 30 days and 90 days away from being flagged.

Activities here on this picture are identified by the activity name, the program year and project ID, the IDIS activity ID, and the grantee PJ activity ID if there is one.

At the top of the screen the lines that are in orange text are the activities that have met the criteria to be flagged.

The lines in blue text are activities that have not met that criteria to be flagged but are either 30 days or 90 days away from meeting the criteria.

Okay this will be your - this would be your warning that these activities if action's not taken on them in the near future will be flagged within 30 days or 90 days.

Okay. Then the next screen just a continuation of that HOME Activity Review Page. You can see there are different categories here that we're going to talk about briefly here in a second, okay?

Okay let's get into the actual flags and the criteria for the flags. The first flag consists of those activities with infrequent draws.

It's important to understand that this flag applies to all open HOME activities meeting the criteria.

This group consists of activities for which some amount of funds have been dispersed but there have been no disbursements in the previous 12 months, okay?

And keep in mind the activities with zero dollars dispersed after 12 months are auto canceled by the system on a monthly basis.

This is something separate from that edit that we put into place in January of 2011.

Okay for activities in the infrequent draw category the PJ must enter a reason and a narrative explanation for the infrequent draws where it's ability to set up new HOME activities and commit funds to HOME activities will be suspended in the system.

Once the reason and narrative explanation are completed and saved full IDIS functionality is restored unless there are other flagged activities.

Failure to - and this is important. Failure to clear this flag does not affect any other IDIS functionality including drawing down of funds, okay? It only affects setting up new activities and committing funds to activities.

Okay the list of reasons that we put into the system from the drop-down menu on the explain bubble -- and I'll show you this in a second -- we have three reasons. Project progressing towards completion, project start was delayed or the project is stalled.

So you have to select one of those three reasons. And then you also have to enter a narrative explanation of the status of the project.

The system will also require the PJ to update the reason and the narrative every 180 days until the activity is completed. The reason and narrative history will be saved and it will be made available on future IDIS reports.

Okay so here's a screenshot and you can see that when a user clicks on the explain, the word explain there on the far right side of the screen the explain bubble pops up with the reason drop-down menu. And you can see the reasons there. It's a little hard to see and the narrative explanation field.

After that information is entered the user clicks save and the flag should be removed from that activity.

Okay now we know things were a little bumpy up to this point. We've heard from many PJ users. We've heard from the help desk, we've heard from the field.

We know that many activities with reasons entered were not initially cleared. The IDIS contractor is working through those issues.

So if you continue to experience issues once you are able to select your reason and enter your narrative and save if this activity flag does not get removed for some reason or another please contact your field office CPD rep or the help desk, the IDIS help desk.

And we'll talk about how to contact the help desk and those things later on in the presentation.

Right now I want to hand things over to Kevin real quick to go over some of the ideas for PJs that will help them if their activities are in this category. Okay Kevin?

Kevin Roddy: All right thank you Peter. It's important to understand that in the past when we've seen infrequent draws in the system many times it's not related to a participating jurisdiction's ability to either oversee or manage the project.

It simply may have been that the PJ selected for example a single line item in the overall project cost or development to fund such as acquisitions.

Moving forward in order to understand and be able to manage the disbursement it's likely that you would want to look at additional items that are eligible costs to fund so that there can be a

progressive step or a progressive series of draws over the development of the project's construction phase or lifecycle.

One item that you might want to consider and in the face of reduced appropriation could be to identify staff time for that project and charts that actual project delivery.

This could include undertaking underwriting at the earlier initial stages of a project. It's environmental review requirements where you're going through the standards under 24 CFR Part 58.

Another element or another approach that you may want to consider is in those kinds of - in types of projects where there are multiple sources of funds, having your draws made on a proportionate basis.

Many times with private mortgage financing or private funding there may be a requirement that the other funds be drawn prior to the funds that draw interest or bear interest.

So it may not work in each and every instance but certainly it is something that should be considered at the time you are negotiating and prior to the formal execution of the agreement to incorporate into your agreement draw schedule.

So what we want to look at and consider is is that based on how the draws will work within a given project how can you identify eligible items within the development budget that will be available over that phase until you get to completion? Peter?

Peter Huber: Okay thanks Kevin. We're going to move onto the next group of flagged activities. The second group of flagged activities is those that have been in final draw for more than 120 days.

By final draw we mean that all of the HOME funds committed to the activity in IDIS have also been dispersed in IDIS. And again this flag applies to all open HOME activities.

Okay the HOME rule at 24 CFR 92 502 (d) (1) states complete project information must be entered into the disbursement and information system or otherwise provided within 120 days of the final project drawdown.

If satisfactory project completion information is not provided HUD may suspend further projects set ups or take other corrective action. That's exactly what happened in this case.

Okay the systems flagged activities that have been in final draw for more than 120 days. And again warning flags will appear when an activity has been in final draw for 30 days and again at 90 days.

If the activity is not completed or canceled after 120 days in final draw, the PJ's ability to set up new activities or commit funds to HOME activities other than those flagged activities will be suspended.

Okay here on the HOME activity review screen you can see the activities in final draw status for 120 days or more, 90 days or more and 30 days or more. They're identified all here on that screen.

However only the activities in final draw for 120 days or more are in violation of the regulations and will prevent PJs from setting up new activities or committing funds to activities in IDIS. Okay Kevin back to you.

Kevin Roddy: One of the things that we would want to look at is a potential solution to avoid having a situation where you've draw 100% of your funding and yet the project did not in fact complete or it

still may be in its active construction phase is to understand and schedule for example developer fee draws will not occur depending on the type of project whether it's rental or home buyer development until at least initial occupancy or in a home buyer where you've actually gone to a closing and settlement and the house has actually been sold.

So when you actually when you're setting up the activity certainly the eligible developer fee is one line item cost that would be part of the overall funding award.

Another approach that you may want to consider and it goes back into our discussion previously on the infrequent draw category is that in setting up activities and activity funding including the projected cost of project delivery or project related cost for staff labor up front.

Typically when a participating jurisdiction sets up an activity many times those project set ups are related to the award amount or the amount funded in the written agreement.

But because you can provide and charge eligible staff cost to the project you could using reasonable estimation also set up additional funding for staff costs.

Those would permit and allow for you to continue to draw funds over the development or lifecycle phase of the project for such tasks such as construction inspection, final inspections and any other related project specific tasks.

Again when working with multiple funding sources consider setting disbursements up on a proportionate or pro rata basis so that you have the ability to draw funds over the development cycle of a project as opposed to drawing a significant or the entire portion of it early or up front during the development phase.

Okay Peter?

Peter Huber: Thanks Kevin. Okay the final group of flagged activities are those that are considered involuntarily terminated.

These activities - these are activities that have had an initial funding date in IDIS that was more than four years ago and remain open with an open status in IDIS.

The HOME proposed rule that was published on December 16, 2011 proposed to categorize open HOME activities that have had a commitment of HOME funds for more than four years but are not yet completed as terminated before completion.

Also the fiscal year 2012 HOME Appropriation Law imposed a similar four year project completion deadline on 2012 HOME projects.

To implement the fiscal year 2012 appropriation provision IDIS will now identify these activities.

At this time there will be no loss of IDIS functionality as a result of having HOME activities identified as involuntarily terminated before completion.

However for all 2012 HOME activities and if the four year completion requirement is adopted in a HOME final rule activities that receive a commitment of funds after the rules in effect, activities that fall into this category will be blocked in IDIS by department and the PJ must obtain an extension or waiver or cancel the project and repay the HOME investment.

Although not currently subject to a four year deadline it's important that PJs ensure these projects are completed timely.

Okay so right now for most activities this flag is for your information only. Again there's no loss of functionality for having activities identified under this flag.

So does that mean you don't have to do anything? Well it really depends. The answer to that question would be yes as long as the activity is progressing towards completion, not in final draw and not disbursing funds infrequently, that is flagged in another - by another activity flag category and is progressing.

The answer to that question would be no if the activity will not be moving forward or is temporarily stalled.

If you're a PJ you should be contacting your field office CPD rep to discuss your options, okay?

And as I mentioned 2012 activities meeting this criteria will be blocked by HUD and will require an extension or repayment and cancellation.

Okay so the question you probably have right now is how will I know if it's a 2012 activity? These are activities set up under your 2012 action plan projects in IDIS.

On the activity flags page the HOME Activity Review Page you'll see which activities are 2012 activities by looking at the Program Year Project ID Column. Okay that's how you identify 2012 activities.

Okay Kevin back to you.

Kevin Roddy: When we look at this level of project as far as the involuntary terminated activities it really is going to require a number of PJs to evaluate the basis upon which in the process that they are awarding funding.

Essentially what we're looking at here is having projects completed within four years. In some cases on a smaller scale that's an achievable deadline.

But as you get into larger scale projects many of you are familiar with say for example, new construction rental housing, four years could very well or longer take - it could take four years or longer to actually complete a project.

So PJs need to evaluate and look at their project award or commitment schedule to ensure that they are committing funds to have the project completed within four years.

Those steps that you might be in a position to incorporate and it's going to occur likely up front during the negotiation of written agreement is to develop a more detailed project schedule that will highlight and identify milestones by which you can monitor projects so that you will know when projects are likely to be falling behind.

You may also consider incorporating clear enforcement mechanisms to ensure that you are holding your projects to those milestones.

Essentially sometimes in spite of all best efforts projects may get derailed. If you know that you say are two years in and you have a four year deadline and yet you have not completed some of the schedule milestones that were set to be done within the first year you may be forced to make adjustments or to reallocate those funds to activities that are faster spending.

Another thing that you may want to consider is putting in appropriate sanctions for slow moving projects for example, reduction of developer fee.

If a developer is slowly moving forward you may consider incorporating into your written agreements with your development entities a performance-based fee to the extent that if they fall behind schedule that you will withhold or reduce their potential developer fee. Peter?

Peter Huber: Thanks Kevin. Hopefully by now you're all familiar with the Open Activities Report, the IDIS PR48. It's similar to the report that we've been posting on our Web site for about seven or eight years now since July 2005.

The PR48 has recently been revised in the most recent IDIS release that came out May 4 to show all of the flagged activities in the different categories.

So you can go into IDIS, run a PR48 and you can see all of the activities and final draw for more than 120 days, activities with infrequent disbursements and also the activities considering involuntary terminated.

And that would be in addition to all the other just regularly open HOME activities that aren't flagged, okay?

Currently HUD users of IDIS headquarters and field office users cannot see the HOME Activity Review Page that HOME PJs can see.

So the only way we really can see your flagged activities is to run a PR48 right now. We're working with IDIS contractors to add enhanced functionality in the future that will allow HUD users to see the HOME Activity Review Page.

Okay this might be a little bit hard to see but it's actually a screenshot of the PR48 Open Activities Report with the activity flags displayed under the heading Stalled Activities.

Our plan is to change that heading on the report. But I just want to show you that on the report itself you can actually see the flags for each flagged activity.

Okay I'm going to turn it over right now to Vashawn Banks who's going to talk briefly about a new completion date that it - that we put into the system recently. Vashawn?

Vashawn Banks: Thank you Peter. The completion date as many of you know defaults to the current date the first time the activity status is changed to completed. Again as IDIS users you have - many of you are already familiar with this.

However as of May 4 the system will no longer simply allow you to go in and change this date to the earliest possible to an earlier entry than the initial date.

So for example if the completion date that's set the completion date has changed if it's set for today you cannot change that date to say June 4, 2010.

Now some of you are also aware that the completion date defaults to the current date when HOME activities are reopened and subsequently completed.

In this case IDIS will no longer allow PJ users to enter a completion date that's prior to the initial completion date.

So for example if the city of New Orleans completed activity one, two, three, four on March 14, 2010 IDIS will record that as the earliest completion date. It will not allow the PJ user to enter a prior date.

So just to wrap that up if a completion date is reopened for any reason such as to enter beneficiary data for a rental project please jot down the original completion date so that it may be reentered at a later time.

Okay Kevin?

Kevin Roddy: Yes. When we talk about this completion date edit for many of you you need to understand that the completion definition in the HOME program relates to entry of accomplishments data in IDIS.

But there's also other corresponding important sort of milestones that occur, essentially the initiation of the affordability period.

So one of the things that you should consider when looking at this is a better integration of that process step of the IDIS completion into establishing the actual date for which affordability will begin.

This could include formal notification to your development partner, your owner, that that is in fact the date that the clock will start to tick on a five to 20 year or longer affordability period.

You also should in your written agreement incorporate what this trigger mechanism will be and the method by which you will in fact initiate or commence the affordability term.

So the key is is that once you've met the definition, either the current definition of completion or any potential future change to that definition you would initiate to a formal process step the completion and the initiation of the affordability period, okay?

In rental housing development it may be a determination that the project while complete and under lease up may still have vacant units.

And if it - the - if it includes for example identifying units as complete but vacant that would be acceptable for completion and initiation of the affordability period.

So you need to look at on the backend when the physical development is complete, when the funds ostensibly have been drawn, what steps will we now initiate formally to commence the affordability period but also initiate completion?

If the activity is complete but has vacant units as Vashawn just described you will have the opportunity or ability to go back, reopen the activity, enter the additional accomplishment data and then close the activity using the original completion date. Peter?

Peter Huber: Great. Thanks Kevin. We're going to switch gears a little bit and talk about some of the other requirements that were in the 2012 HOME Appropriation Law.

Due to language that was in that law the 2012 HOME Appropriation, the Commitment Certification has been revised in IDIS.

This is a certification that we entered a year or two ago that pops up when a PJ is trying to commit funds or funds an activity in IDIS.

The specific new certification only applies to activities set up under 2012 action plan projects in IDIS.

The certification will be displayed whenever a HOME PJ commits funds to an activity in IDIS.

Under the new certification the user must certify that it has conducted an underwriting review, assessed developer capacity and fiscal soundness and examined neighborhood market conditions to ensure adequate need for the project prior to committing funds to a HOME activity in the system.

Okay here's a screenshot of the commitment certification. The certification is unchanged from the previous certification except for small Roman Numeral IV which again applies only to activities set up under 2012 action plan projects in IDIS.

Future Webinars will cover market analysis, underwriting and developer capacity.

As we mentioned at the beginning of the Webinar please check the HOME TA Web site at www.hometa.info for information on those Webinars.

Okay similarly we've also added a new CHDO certification as a result of the requirements in the fiscal year 2012 HOME Appropriation.

This certification requires a user to certify that a CHDO has demonstrated development experience prior to receiving an award of CHDO set-aside funds in a system.

The certification will appear each time see our funds are sub granted to a CHDO eligible organization in IDIS.

Currently this certification applies only to fiscal year 2012 CHDO reservations or CHDO sub grants in IDIS.

So even though the user must agree to the certification each time it sub grants CR funds to a CHDO in IDIS the certification only applies to 2012 HOME funds.

Okay and here's a screenshot of the CHDO certification. And as you can see the certification clearly states that it applies to 2012 CHDO set-aside funds only.

We're also going to be conducting a Webinar on understanding the CHDO development capacity requirement in the near future.

And you can find information about that Webinar on the HOME TA Web site as well which again is www.hometa.info.

I'm going to pass it over to Vashawn again and he is going to go over some of the program income enhancements that we hope PJs will enjoy.

It's been a long time coming. We've been wanting to fix program income for quite a long time in the system. So this is a small step but it's actually quite a big step in these two enhancements that Vashawn's is going to talk about.

Vashawn Banks: All right thank you Peter. So the new PA sub fund which is shorthand for Program Income for Administration allows participating jurisdictions to set aside up to 10% of its program income received for the purpose of paying for eligible HOME administrative and planning costs.

PJs may also sub grant TA funds to state recipients and sub recipients. Now this is important.

Please note that effective in grant year 2012 PJs are no longer allowed to increase their AD sub funds, the administrative sub funds up to 10% of program income received and must instead create a PA sub fund to record and extend its program income for admin funds.

However if for any reason PJs have 1992 through 2011 program income that has not yet been receipted in IDIS and it intends to set aside up to 10% of those funds for admin costs the PJ should increase AD sub fund by the necessary amount.

HUD added the PA sub fund to IDIS for several reasons. As many of you already know PJ's ability to increase the AD sub funds by 10% of the PI receipted was an option only if PJs had HOME entitlement funds available for the transaction.

If PJs did not have sufficient EN on hand IDIS would not permit PJs to set aside a full amount of PI or program income for administrative costs that was physically available in PJ's local account.

Not only did this present accounting hardships for PJs but it also made it difficult for HUD to effectively monitor whether PI for administrative costs have been properly receipted and dispersed through IDIS.

So the PA sub fund resolved these issues and provides PJs with a simple method to record, track and expend its PA use for administrative costs.

It is completely independent of the AD sub fund yet it's amount is still calculated based on the total amount of PI receipted by PJs as required by the HOME final rule.

In addition PJs have the ability to sub grant its PA funds to other organizations. PJs should continue to enter the full amount of its PI receipts in IDIS and then use the PA sub fund to authorize up to 10% of the PI receipted to be used for administrative purposes.

Now as you can see in this first screenshot IDIS now has a section for creating the PA sub fund and sub granting PA fund.

To get here simply click the Grant button located along the top ribbon. Click the Add link located in the sub fund program income box on the left side, Select HOME under the program drop box, select PA from the fund type drop box and 2012 from the program year drop box. Then click the Search button.

After you click the add fund type link that's located in the action column below you'll be taken to the following screen.

The only item I want to point out here to everyone is that the maximum amount that's located under ad sub fund PA is based solely on the total program income that was receipted in 2012.

I want to repeat that. The only thing I want to point out is that the maximum amount is based on the total program income receipted in 2012.

As I mentioned earlier PJs that have 1992 or 2011 program income balances available should follow the previous procedure if choosing to use a portion of those funds for administrative costs.

Now once you have a chance to play with this new functionality in IDIS you'll notice that the process has been streamlined and it closely resembles the steps required for creating other sub funds.

I should also note that since this is just an overview we really won't have time to get into like step by step instructions.

But within the next couple of weeks our office will be publishing HOME Facts that describes this entire process in detail.

All right, so that brings us to sub granting program income. Now although the HOME final rule has always allowed PJs to sub grant its PI to other organizations and many PJs are already - have already been utilizing this process in the real world there really wasn't a way to reflect PI sub grants in IDIS.

Now once a PJ enters PI receipts into the system it has the additional option of designating up to 10% of the PA funds, 10% of the funds for the PA sub fund rather.

It can also sub grant PI to its sub recipients and/or state recipient is applicable or any combination thereof.

However unlike a PA sub fund which can - which can be created only for 2012 grants and later a PI sub grant can be created for any grant year just as long as funds are available.

Now as we look at the IDIS screenshot for sub granting PI you'll notice that sub granting program income is very similar to other sub grants that you've grown accustomed to creating in IDIS online, you know, like CHDO reservation and SU sub grant.

To get to this screen simply click the Grant button along the top ribbon, click the Add button located inside the sub grant program income section on the left side.

I should note here that the only differences on this screen between creating a PI sub grant and creating a PA sub grant occurs when the PJ user selects the program year and selects the fund type from the drop box.

In the screenshot you'll notice that we selected 2011 as our program year and program income as our fund type.

Now we could have just as easily selected the PA fund type however that would've required a program year to be 2012 as I mentioned a few moments ago.

All right so let's recap wrap up this section shall we? The new PA sub fund replaces PJ's ability to increase the AD sub fund by 10% of the PI received in IDIS.

There's also new functionality they give PJs the ability to sub grant both PA and PI funds to state recipients and sub recipients again as applicable.

And we briefly describe how to perform these functions in IDIS.

As a reminder our office will be publishing HOME Facts on this topic within the next few weeks and we are available for further discussion via email or telephone. Peter?

Peter Huber: Thanks Vashawn. Okay the last thing we wanted to talk about today is the addition of a new report. It's the IDIS PR49 Report.

Now the PR49 is similar to the traditional HOME Deadline Compliance Status Report. And eventually the PR49 will replace that report.

This new report allows for near real-time tracking of a PJ's progress in meeting its HOME two year commitment, ensure their reservation requirements and the five year expenditure requirement, okay?

No the posted HOME deadline compliance status report, the traditional report that we've been posting on our HOME Web site our HOME Reports Web site for years remains the official report for determining compliance with the HOME deadline requirements.

Before we rely completely on the PR49 version we want to make sure it's 100% accurate.

So for the next few months we're going to be running the PR49 Monthly and also the HOME Deadline Compliance Status Report.

We'll be running those concurrently to make sure it's 100% accurate before we make the transition only over to the PR49, okay?

And keep in mind if you want to see where you are or where a specific PJ is with meeting its requirement at the time of its deadline you would need to run the PR49 report on the 1st of the month after the deadline.

This report would include all commitments, show the reservations and expenditures through the end of the previous month.

Okay here's a screenshot of the PR49 report. As you can see it looks very similar to the traditional HOME Deadline Compliance Report. It has all the same fields.

The only thing missing is remarks or common field that we have on our report that we've posted on the Web. So other than that it's pretty similar.

Okay Kevin that about wraps up our portion. I don't know if you have any closing remarks before we get into questions?

Kevin Roddy: Well one of the things I think is important for all the PJs is to understand that IDIS is not a financial management system but a grants management system.

And that their project management and their grant administration needs to be integrated into these process steps especially with these changes moving forward.

Some of the real-time reporting abilities such as the PR49 that Peter just discussed that went over the compliance deadline status will provide assistance in working with and communicating to development partners as well as elected officials where you are at any point in time.

But it's important also to understand that the attention on this program has been significant and that only each PJ can tell their story.

And the manner in which you tell your story as it relates to accomplishment and project progress is reporting in real-time in a timely fashion in IDIS.

What we want to do now is I want to turn this over to our operator who's going to explain how to use the Ask a Question feature. And we're going to be in a position to take questions both called in live as well as questions that can be submitted online.

So operator if you want to go through and explain how the question feature works?

Operator: Certainly sir. And that does conclude this presentation portion of today's call.

END