



# Federal Register

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**Tuesday,  
November 23, 2004**

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## **Part II**

### **Department of Housing and Urban Development**

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**24 CFR Part 5  
Electronic Submission of Applications for  
Grants and Other HUD Financial  
Assistance; Proposed Rule**

**DEPARTMENT OF HOUSING AND  
URBAN DEVELOPMENT**

**24 CFR Part 5**

[Docket No. FR-4875-P-01]

RIN 2501-AD02

**Electronic Submission of Applications  
for Grants and Other HUD Financial  
Assistance**

**AGENCY:** Office of the Secretary, HUD.

**ACTION:** Proposed rule.

**SUMMARY:** This proposed rule establishes the requirement for applicants for HUD grants or certain other financial assistance to submit their applications to HUD electronically through the federal government grant portal, Grants.gov, in response to a HUD announcement of funding availability that is placed on Grants.gov/Apply or its successor Web site.

**DATES:** *Comments Due Date:* December 23, 2004.

**ADDRESSES:** Interested persons are invited to submit comments regarding this rule to the Regulations Division, Office of General Counsel, Room 10276, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410-0500. Interested persons may also submit comments electronically through either:

- The federal electronic rulemaking portal at: [www.regulations.gov](http://www.regulations.gov); or
- The HUD electronic Web site at: [www.epa.gov/feddocket](http://www.epa.gov/feddocket). Follow the link entitled "View Open HUD Dockets." Commenters should follow the instructions provided on that site to submit comments electronically.

Facsimile (FAX) comments are not acceptable. In all cases, communications must refer to the docket number and title. All comments and communications submitted will be available, without revision, for public inspection and copying between 8 a.m. and 5 p.m. weekdays at the above address. Copies are also available for inspection and downloading at [www.epa.gov/feddocket](http://www.epa.gov/feddocket).

**FOR FURTHER INFORMATION CONTACT:** Barbara Dorf, Director, Office of Departmental Grants Management and Oversight, Room 3156, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410-3000, telephone (202) 708-0667 (this is not a toll-free number). Hearing- or speech-impaired individuals may access this number through TTY by calling the toll-free Federal Information Relay Service at (800) 877-8339.

**SUPPLEMENTARY INFORMATION:**

**I. Background**

The President's Management Agenda for Fiscal Year 2002 sets forth the President's goals for electronic government (e-government), which include a requirement for federal agencies to allow applicants for federal grants and other federal financial assistance to find, apply for, and ultimately manage grant funds online through a common government-wide portal. The President's Management Agenda furthers the objectives of the Federal Financial Assistance Management Improvement Act of 1999 (31 U.S.C. 6101), which seeks to unify and simplify application submission and reporting requirements for potential applicants and grantees of federal financial assistance. This policy is also consistent with the objectives of the Government Paperwork Elimination Act (GPEA) (44 U.S.C. 3504), which seeks to reduce or eliminate application submission and reporting burdens on program participants.

On October 8, 2003 (68 FR 58146), the Office of Management and Budget (OMB) published in the **Federal Register**, a notice of issuance of a final policy directive requiring federal agencies to use the Web site, Grants.gov, to electronically post synopses of funding opportunities under federal financial assistance programs that award discretionary grants and cooperative agreements. Grants.gov allows applicants to find, apply for, and manage federal grants through a single web portal. The governmentwide use of Grants.gov will simplify the grant management process and create a centralized, online process to find and apply for over 600 grant programs from the 26 federal grant-making agencies. Grants.gov will streamline the process of awarding over \$360 billion annually to state and local governments, academia, and not-for-profit and other organizations. This initiative is one of the 24 federal cross-agency e-government initiatives focused on improving access to services via the Internet. Additionally, the Grants.gov initiative will facilitate efficient operations for federal grant agencies and the grant community.

**II. This Proposed Rule**

Based on OMB's directive, this proposed rule would require all applicants for HUD grants and other financial assistance to submit applications electronically through the Grants.gov Web site. HUD believes that electronic grant application submission will standardize, simplify, and improve

the integrity of HUD's grant making process.

For the purpose of this policy, applications subject to this requirement would include submissions from applicants for HUD grants, cooperative agreements, capital fund or operating fund subsidies, capital advances, vouchers, and other financial assistance awards, including programs that are classified by OMB as mandatory, as well as formula grant programs or activities for which HUD has placed an electronic application on Grants.gov/Apply. Electronic submissions may also include plans, updates to plans, and funding requests submitted to HUD to fulfill requirements to receive new or funding renewals or other federal financial assistance. The requirement for electronic application to be established through this rulemaking does not extend to Federal Housing Administration (FHA) insurance or loan guarantee transactions that are not associated with the grants and financial assistance previously described. The FHA is covering its e-government transactions through separate rulemaking.

Electronic application submission means applicants will not waste time and resources on preparing, mailing, and hand delivering paper copies of their applications to HUD Headquarters, field offices, or multiple locations. To participate in electronic grant submission on Grants.gov, applicants need only a computer with access to the Internet. To make it easier for applicants to use the Grants.gov electronic portal, applicants can download the application instructions and forms, complete the application off-line and share with others via e-mail, and later upload and submit the completed application to Grants.gov.

The requirement for electronic submission would apply to all program application or plan submissions placed by HUD at [www.Grants.gov/Apply](http://www.Grants.gov/Apply) for electronic submission via the Grants.gov portal. The requirement would not take effect for individual program applications until HUD makes available the electronic application on the [www.grants.gov/Apply](http://www.grants.gov/Apply) Web site. Placing an application on the [www.grants.gov/Find](http://www.grants.gov/Find) Web site with a link to find forms and other application materials would not trigger the requirement for mandatory, electronic application submission. The HUD assistant secretary with authority over the program may waive the electronic submission requirement, as provided for in 24 CFR part 5.

### III. Findings and Certifications

#### *Justification for 30-Day Public Comment Period*

In accordance with HUD's regulations concerning rulemaking at 24 CFR part 10 (entitled, "Rulemaking Policy and Procedures"), it is HUD's policy that the public comment period for notice of proposed rulemaking should be 60 days. In the case of this proposed rule however, HUD has determined that there is good cause to reduce the public comment period to 30 days. As discussed in more detail earlier in this preamble, this proposed rule would simply require applicants to submit applications electronically rather than paper copy. Electronic submission of grants and other funding applications requires only a computer with access to the Internet and poses no substantial burden on applicants, and in fact may actually reduce the paperwork burden for timely application submission.

#### *Unfunded Mandates Reform Act*

Title II of the Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531–1538) establishes requirements for federal agencies to assess the effects of their regulatory actions on state, local, and tribal governments and the private sector. This proposed rule does not impose any federal mandate on any state, local, or tribal government or the private sector within the meaning of the Unfunded Mandates Reform Act of 1995.

#### *Executive Order 13132, Federalism*

Executive Order 13132 (entitled "Federalism") prohibits an agency from publishing any rule that has federalism implications, if the rule imposes either

substantial direct compliance costs on state and local governments and is not required by statute, or the rule preempts state law, unless the agency meets the consultation and funding requirements of Section 6 of the order. This proposed rule does not have federalism implications and does not impose substantial direct compliance costs on state and local governments or preempt state law within the meaning of the order.

#### *Impact on Small Entities*

The Secretary, in accordance with the Regulatory Flexibility Act (5 U.S.C. 605(b)), has reviewed and approved this proposed rule and in so doing, certifies that this rule will not have a significant economic impact on a substantial number of small entities. Providing for electronic submission of grant applications will simplify and lessen the burden on applicants' resources because they will no longer need to duplicate and submit paper applications. Although HUD has determined that this proposed rule does not have a significant economic impact on a substantial number of small entities, HUD invites comments regarding any less burdensome alternatives to this rule that will meet HUD's objectives as described in this preamble.

#### *Environmental Impact*

In accordance with 24 CFR 50.19(c)(1), this proposed rule does not direct, provide for assistance or loan and mortgage insurance for, or otherwise govern or regulate, real property acquisition, disposition, leasing, rehabilitation, alteration,

demolition, or new construction, or establish, revise, or provide for standards for construction or construction materials, manufactured housing, or occupancy. Therefore, this proposed rule is categorically excluded from the requirements of the National Environmental Policy Act (42 U.S.C. 4321 *et seq.*).

For the reasons described in the preamble, HUD proposes to amend 24 CFR part 5 as follows:

#### **PART 5—GENERAL HUD PROGRAM REQUIREMENTS; WAIVERS**

1. The authority citation for 24 CFR part 5 continues to read as follows:

**Authority:** 42 U.S.C. 3535(d).

2. Add § 5.1005 to Subpart K to read as follows:

#### **§ 5.1005 Electronic submission of applications for grants and other financial assistance.**

Applicants described under 24 CFR 5.1001 are required to submit electronic applications or plans for grants and other financial assistance in response to any application that HUD has placed on the [www.grants.gov/Apply](http://www.grants.gov/Apply) Web site or its successor. The HUD Assistant Secretary or equivalent HUD official with authority over a program may waive the electronic submission requirement for an applicant on the basis of good cause in accordance with 24 CFR 5.110.

Dated: October 25, 2004.

**Alphonso Jackson,**  
*Secretary.*

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BILLING CODE 4210–32–P