

IDIS BUSINESS RULES for ADDI

Basic Rules for all ADDI funds:

- A. In order for an IDIS activity to be credited to a PJ's ADDI funds, a Participating Jurisdiction must have:
- (1) entered option "B" Homebuyer, on the HM00 HOME MENU, SET UP ACTIVITY, screen;
 - (2) entered an ACTIVITY TYPE of 3 (Acquisition only), 4 (Acquisition & Rehab), or 5 (Acquisition & New Construction) on the HB01, SET UP HOMEBUYER ACTIVITY, screen;
 - (3) entered DOWNPAYMENT ASSISTANCE amounts on the HB04 COMPLETE HOMEBUYER ACTIVITY: COSTS, screen *or* a Source Code of "2", HOME DOWNPAYMENT ASSISTANCE and an Amount on the HB06, COMPLETE HOMEBUYER ACTIVITY: COSTS, screen;
 - (4) entered "Y" for "FIRST-TIME HOMEBUYER" on the HB07, COMPLETE HOMEBUYER ACTIVITY: BENEFICIARIES, screen, and;
 - (5) changed ACTIVITY STATUS CODE to "2", COMPLETED, on the C04MA04, SET UP ACTIVITY screen in the IDIS common path.
- B. If an IDIS activity contains non-zero values for PROPERTY COSTS, which are entered on the HB04 or HB06, COMPLETE HOMEBUYER ACTIVITY: COSTS, screens, these values are considered rehab costs of the HOME project for the purposes of ADDI reporting.
- C. If an IDIS activity has downpayment assistance (DPA) costs greater than \$10,000 or 6% of the purchase price, HUD credits these DPA costs to a PJ's 2003 ADDI funds first, where there is no maximum amount of funds that can be credited to ADDI. Otherwise, if an IDIS activity has both DPA and rehab costs, HUD attempts to credit these funds to 2004 and beyond ADDI funds first.
- D. Each IDIS activity is credited to one year of ADDI funding only. If a PJ has a balance of ADDI funds in a given fiscal year and if that balance is less than the amount of DPA and rehab spent on the next ADDI-eligible activity, HUD counts the unit and credits the balance of ADDI funds available to ADDI, making the balance zero. The remainder, if any, remains part of regular HOME funds.

Additional Rules for 2004 and beyond funds:

- A. The maximum per unit ADDI amount is \$10,000 or 6% of the Purchase Price entered on the HB04 or HB06 COMPLETE HOMEBUYER ACTIVITY: COSTS, screens, whichever is greater.
- B. The maximum amount of rehab that can be credited to ADDI is 20% of each year's funding amount.