



NONPROFIT APPLICATION GUIDE OUTLINE

Last Updated: June 20, 2023

The following guide can be used by nonprofits applying to participate in the Federal Housing Administration's (FHA) Nonprofit Programs including HUD Homes, FHA Mortgage, and Secondary Financing. Upon FHA approval of an application, a nonprofit will be placed on FHA's [HUD-Approved Nonprofit Roster](#).

HUD Handbook 4000.1 *FHA's Single Family Housing Policy Handbook* (Handbook 4000.1) sets forth all FHA application requirements for nonprofits seeking to participate in our programs. Eligible participants must make initial contact with FHA and provide preliminary information (see Handbook 4000.1 Section I.B.4.b). FHA will affirm that this information was accepted indicating that the nonprofit may proceed with the application process.

A nonprofit proceeding with the application process must submit a complete application. A complete application refers to an application that satisfies all general application requirements and all program specific application requirements for the programs in which the nonprofit seeks approval. In those instances, when a nonprofit seeks approval for more than one program and the program specific requirements request duplicate information, the nonprofit is only required to submit that information once.

Please note that the following is only a list of documentation that must be submitted as part of a complete application. It does not explain the requirements or replace the Handbook in any way. Applicants should follow the Handbook and this guide for detailed requirements.

General Application Requirements: Handbook 4000.1 Section I.B.4.b.iii(A)

1. IRS Tax-Exempt Status
 - a. IRS Letter of Determination
 - b. Employer Identification Number
 - c. Certification
2. Board of Directors and Employees
 - a. Voluntary Board Certification
 - b. Board of Directors Information
3. Principal Management and Staff
 - a. Resumes and Social Security Numbers for principal management and principal staff members
4. Relevant Experience
 - a. Documentation evidencing relevant experience
5. Delegation of Signature Authority
 - a. Organizational Resolutions





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6. Articles of Organization
 - a. Conformed Copy
 - b. Written declaration
7. Quality Control Plan
 - a. Maintain records of QC findings and actions
 - b. Periodic reports
 - c. Corrective measures and training
 - d. Report violation of law or regulation, any known false statement, fraud, or program abuse
 - e. Those items nonprofits are encouraged to submit although not required.
8. Administrative Capacity
 - a. Narrative of experience demonstrating an ability to carry out activities in a reasonable timeframe and successful manner
9. Financial Capacity
 - a. Expended Federal Awards of \$750,000 or More:
 - i. The nonprofit must submit the three most recent year-end audited financial statements, profit and loss statements, and balance sheets. The audited financial statements must be provided by the applicant's Independent Public Accountant (IPA) certifying that the nonprofit:
 - maintains internal controls over federal awards;
 - complies with applicable laws, regulations, and contract or grant provisions; and
 - prepares appropriate financial statements.
 - ii. The nonprofit must also submit the most recent quarterly financial statement along with certification from a Certified Public Accountant (CPA) or other financial professional attesting that the information accurately represents the financial condition of the nonprofit agency.
 - b. Expended Federal Awards Less than \$750,000:
 - i. The nonprofits must submit two years of audited or unaudited financial statements, prepared in accordance with Generally Accepted Accounting Principles (GAAP) and reporting practices, and must include:
 - an auditor's review report, if available;
 - a treasurer's report; and
 - any supplemental schedules.
 - ii. The nonprofit must also submit the most recent quarterly financial statement along with certification from a CPA or other financial professional attesting that the information accurately represents the financial condition of the nonprofit agency.
10. Other Business Partners
 - a. Identify business partners including company and staff names.
 - b. Explain nature and cost of services provided by business partner as well as how nonprofit will exercise control over business partner.





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11. Consultant Services

- a. Describe the nature and cost of consultant services, how the nonprofit exercises control over consultants, the work to be performed by consultants per program, and the percentage of work performed by consultants per program.
- b. Provide disclosure and supporting documentation related to any agreements with other parties that may derive financial gain through the homeownership program. Disclosure must identify the name of the business entity, individuals from the company who will be working with the nonprofit, terms of the relationship, and how the party will be compensated.

12. Acting on Own Behalf Certification

13. FHA Approval Letter

14. Adequate Facilities

- a. Submit contact information and physical address of the agency's main office
- b. Submit interior and exterior photographs of office facilities and copy of floor plan

15. Lending Partner Information

- a. Name address and contact of any lending institution, bank, or private party that has provided financing to the nonprofit

16. Application Certification

- a. Submit a document signed by an authorized representative of the nonprofit organization certifying to FHA that the information submitted in response to the [complete] application package is accurate.
 - i. Certification must include the following statement: "Name, authorized representative of XX Nonprofit, recognizes that HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties (cite)."

Program Specific Eligibility Requirements: Handbook 4000.1 Section I.B.4.b.iii(B)

To participate in nonprofit programs, all [General Application Requirements](#) must be met.

For participation in any of the three nonprofit programs, refer to the guidance below for an overview of program specific requirements.

HUD Homes

1. NAID Documentation (Name and Address Identification Number)
2. Required documentation (IRS Letter of Determination/Ruling, HUD Nonprofit Approval Letter, IRS Form W-9, *Request for Taxpayer Identification number (TIN) and Certification*, and HUD form SAMS-1111, *Payee Name and Address*)
3. Copy of the Affordable Housing Program Plan (AHPP) – **please refer to I.B.4.b.iii(B)(1)(c) for detailed requirements associated with the AHPP**





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FHA Mortgage

1. NAID Documentation (Name and Address Identification Number)
2. Required documentation (IRS Letter of Determination/Ruling, HUD Nonprofit Approval Letter, IRS Form W-9, *Request for Taxpayer Identification number (TIN) and Certification*, and HUD form SAMS-1111, *Payee Name and Address*)
3. Copy of the AHPP – **please refer to I.B.4.b.iii(B)(2)(b) for detailed requirements associated with the AHPP**
4. Copy of the Board Resolution, signed and dated
5. Evidence of past or current mortgage performance

Secondary Financing

1. NAID Documentation (Name and Address Identification Number)
2. Required documentation (IRS Letter of Determination/Ruling, HUD Nonprofit Approval Letter, IRS Form W-9, *Request for Taxpayer Identification number (TIN) and Certification*, and HUD form SAMS-1111, *Payee Name and Address*)
3. Copy of the AHPP – **please refer to I.B.4.b.iii(B)(3)(a) for detailed requirements associated with the AHPP**
4. Copy of the Board Resolution, signed and dated
5. Restrictions on Conveyance (copies of legal instruments)

