

Supplement to DLL 2025-02
Questions and Answers
March 6, 2025

Q1. What is the difference between the final rule Effective Date and final rule Compliance Date?

Q1A. The final rule Effective Date means the regulations prior to December 31, 2024, have been replaced by the new regulations under the final rule.

The final rule Compliance Date means the date at which ONAP will hold Tribes, Lenders, Servicers, and other stakeholders accountable to the final rule and any non-compliance may subject the Tribes, Lenders, Servicers, and stakeholders to enforcement action.

The period between the Effective Date and the Compliance Date is the Transition Period as described in Dear Lender Letter 2025-02. During the Transition Period, ONAP strongly encourages Tribes, Lenders, Servicers, and other stakeholders to follow the current Section 184 Processing Guidelines and Dear Lender Letters.

Q2. During the Transition Period, which policy documents should Tribes, Lenders, Servicers, or other stakeholders follow?

Q2A. During the Transition Period, because the only available policy documents are the Section 184 Processing Guidelines and Dear Lender Letters, ONAP strongly encourages stakeholders to continue following these existing administrative guidance documents, in lieu of attempting to implement the final rule in the absence of the new Section 184 Program Policy Handbook.

Q3. If the Section 184 Processing Guidelines and current Dear Lender Letters are silent on a policy, procedure or requirement, but a provision in the final rule addresses it, can a Tribe, Lender, Servicer, or other stakeholder follow the provision?

Q3A. Yes. While HUD strongly encourages stakeholders to follow the existing program guidance and not -implement the final rule without further guidance, stakeholders may implement the final rule during the Transition Period and before the publication of the Handbook, but HUD strongly encourages stakeholders to only implement provisions that:

- (i) are clear in its purpose and intent; and
- (ii) where no additional clarification or instruction from ONAP is necessary.

- Q4. Will ONAP identify which provisions of the final rule HUD believes are clear in purpose and intent and do not require additional clarification or instruction sooner than December 31, 2025?
- Q4A. No. Due to the limited staffing and ONAP's priority to publish the new Section 184 Program Policy Handbook, ONAP is unable to publish these provisions of the final rule.
- Q5. If a Tribe, Lender, Servicer, or other stakeholder elects to voluntarily implement a provision of the final rule, does the entire regulation or subpart where the provision is located need to be implemented?
- Q5A. No. The entire regulation or subpart does not need to be implemented. As an example. A Lender elects to voluntarily implement 24 CFR 1005.401(c), which is found within 24 CFR 1005, subpart D. The Lender may do so without implementing the other regulations under 24 CFR 1005. 401 and without implementing the rest of the regulations found under 24 CFR 1005, subpart D.
- Q6. If a Tribe, Lender, Servicer, or other stakeholder elects to voluntarily implement a provision of the final rule, must the stakeholder report this election to ONAP?
- Q6A. No. The implementation of a provision does not need to be reported to ONAP unless a Direct Guarantee (DG) Lender applies a provision of the final rule to loan underwriting. If this occurs, the DG Lender must include a cover letter in the endorsement package that identifies the provisions of the final rule applied to the loan.
- Q8. A provision of the final rule references "on a form prescribed by HUD," "in a form prescribed by Section 184 Program Guidance," or "on a form prescribed by Section 184 Program Guidance." The form has not yet been made available by ONAP. Can a Tribe, Lender or Servicer, or other stakeholder still implement the provision of the final rule?
- Q8A. No. If the provision references a HUD form or model document not yet published by ONAP, the provision of the final rule cannot be implemented at this time.
- Q9. Can a Tribe, Lender, Servicer, or Stakeholder implement a provision that includes the phrase "in accordance with" or "as prescribed by" Section 184 Program Guidance?
- Q9A. HUD strongly recommends against implementing provisions if the provision references "in accordance with" or "as prescribed by" Section 184 Program Guidance. Note exception explained below in Q10A.
- Q10. In cases where a provision of the final rule provides either a fixed number of days or other numeric value, but the provision also provides ONAP flexibility to adjust this figure as "prescribed by Section 184 Program Guidance," could a Tribe, Lender, Servicer, or

other stakeholder implement the provision of the final rule that contains this ONAP flexibility?

Q10A. Yes. However, the stakeholder must use the fixed number of days or other numeric value listed in the regulation. We provide an example:

24 CFR 1005.447 states:

Documents reviewed at underwriting and at loan closing may not be older than the 120 days, or another time period prescribed by Section 184 Program Guidance. Documents whose validity for underwriting purposes is not affected by the passage of time, such as divorce decrees or tax returns, are not subject to time limitations.

Despite the language “or another time period prescribe by Section 184 Program Guidance,” there is sufficient clarity surrounding the 120 days mark. Therefore, Lenders can elect to implement this provision.

Q11. A Tribe, Lender, Servicer, or other stakeholder notices a provision of the final rule fully aligns with the Section 184 Processing Guidelines and/or Dear Lender Letter. Is there anything the stakeholder must do differently?

Q11A. No. If a stakeholder notices a provision of the final rule fully aligns with the Section 184 Processing Guidelines and/or Dear Lender Letter, then it means the final rule carried forward what is in the Section 184 Processing Guidelines or Dear Lender Letter. As there is no policy change, there is nothing the stakeholder must do differently.