



Affordable Home Loan Program
American Rescue Plan Act (ARPA)
Development Bank of American Samoa
MAOTA Affordable Loan Project (MALP)

Scope of Work: Proposed Plan

Project Description

On February 18, 2022, the American Rescue Plan Act (ARPA) Oversight Office of American Samoa Government (ASG) announced its release of the Affordable Home Loan Program (AHLP) and that the Development Bank of American Samoa (DBAS) has been designated as the lead Authority to manage and administer the implementation of the program. As the designated lead, DBAS requests a grant funding of \$8,000,000.00 under the ARPA AHLP to address the need of low-income and moderate-income households and families for accessibility to affordable, safe and stable housing. Implementing the AHLP will provide high-quality primary residence living units in a safe and healthy environment in Manu'a, Eastern Tutuila, and Western Tutuila Districts in three years collaborating with various government and private agencies stakeholders. Further, the AHLP will be a timely and proportional response to the COVID-19 health emergency and its negative impact. Hence, DBAS developed the *DBAS MAOTA Affordable Loan Project* (DBAS MALP) to build new single-family housing units and renovate existing home structures. MAOTA stands for “Malū Apitaga O Tagata Amerika Samoa”, which is translated into secure and safe homes for the people of American Samoa. DBAS proposes the DBAS MALP to achieve the following goals and objectives as listed in American Rescue Plan Act.

- To develop viable communities by providing decent and affordable homes for low-income families or households.
- To create and increase a suitable living environment within the community.
- To expand economic development opportunities primarily for persons of low and moderate-income.
- To increase the number of quality affordable homes across the Territory.

Further, DBAS MALP is an initiative and effort for impoverished families to afford a safe and stable dwelling structure and a home where family members feel assured of care and love in their primary residence, especially when families are facing the negative impact of a life-threatening pandemic. The Governor of American Samoa declared on February 21, 2022, that the territory was under “Code Red” threat level as COVID-19 community transmission was evident. Since the declaration, families have faced the threatening impact of COVID-19, as the positive cases have continued to rise. Government and private business employees must work from home, and students must engage themselves in learning from home. Those who tested positive were to self-isolate themselves in quarantine in their homes to mitigate the community spread of the virus. In addition, travelers must spend days in quarantine in their homes.

According to the medical professionals in the U.S, in-home quarantine is deemed as “the best and only option available to prevent and limit the further spread of the virus.” Implementing the DBAS MALP will not only help families alleviate their anxiety by living in a safe and healthy living environment that is compliant with public health guidelines but also provide them with an investment in improved public health and economic outcomes in communities. With the AHLF funding, DBAS MALP will assist families or households in making improvements in their primary residence or building new houses as their primary residence to ensure safe and healthy living and participate in the government’s efforts to live with the coronavirus responsibly and cooperatively for the common good of the larger community of American Samoa. DBAS MALP serves as a conduit of the ASG’s response to address economic harm resulting from or exacerbated by the public health emergency using the ARPA AHLF funding for safe and stable housing.

To implement DBAS MAOTA Project, DBAS is responsible for publicizing notices and adheres to keeping with the intent of the US Treasury; thus, DBAS has adopted the following notice and comment timeline for its proposed projects:

- A Notice of Proposed Project will be published online, in local newspapers, and via television or radio broadcasts. The Notice will specify that there will be fifteen (15) days for the public to provide comment either in writing or by attendance at scheduled public hearings.
- Concurrent with the publication of the Notice, a draft proposal and scope of work will be published on the ARPA website for the public to review.
- General meetings with the public will be scheduled and publicized within the fifteen (15) days-notice period. Email comments will also be accepted.
- Presentations to the Legislature will be conducted during the Notice period.
- At the close of the public comment period, the agency will have 20 days to revise the project as appropriate and submit the Final Draft to the ARPA Oversight Office.

DBAS will adopt the HOME Investment Partnerships Program (HOME) model of the Housing and Urban Development (HUD) to implement the DBAS MALP, reinforcing the following significant values and principles of community development:

- Flexibility empowers people and communities to design and implement strategies tailored to their needs and priorities.
- Emphasis on consolidated planning expands and strengthens partnerships among all levels of government and the private sector in the development of affordable housing.

DBAS will determine the amounts an individual can apply for under the AHLP for new housing construction, improvement, or modification of existing structure, or rebuilding a structure. All repair loans between \$15,000.01 to \$19,999.99 will require a registered separation agreement in place of a registered land lease. Repair loans from \$1,000.00 to \$15,000.00 will require a utility bill in place of a registered land document. DBAS applies the principle of applying the standard 55 year lease agreement as collateral on a loan. DBAS will use the Residential Mortgage Loan Application for the DBAS MALP loan applicant to complete. Moreover, a house plan will be given for an applicant to consider. Under the AHLP, the applications for DBAS MALP will be housing for persons with disabilities by incorporating ADA accessibility within the eligible applicants' homes.

The three-year DBAS MALP is considered an affordable loan program application proposal from the ASG ARPA Oversight Office. The DBAS President will be directly involved in preparing the DBAS MALP and submitting recommendations to the DBAS Board of Directors for review and approval. To deliver a quick and reasonably proportional response to the dire need of families and households negatively impacted by COVID-19, DBAS plans to start implementing DBAS MALP by June 2022 and have it completed by December 31, 2026.

The following is the funding breakdown of the DBAS MALP: ninety percent of the funds to perform new construction and renovation throughout the territory, while ten percent is set aside for administrative costs. For continuation of the DBAS MALP Project, DBAS will continue to charge 10% of program income annually after three years to ensure sustainability of this revolving home loan fund.

10% DBAS Administrative Cost	\$800,000.00
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The breakdown of the 90% (\$7,200,000.00) is as follows:

25% Manu'a District (New Home & Renovations)	\$1,800,000.00
75% Tutuila (Renovations)	\$1,620,000.00
Tutuila Western District (New Home Construction)	\$1,890,000.00

Tutuila Eastern District (New Home Construction)	\$1,890,000.00
Total	\$7,200,000.00
Grand Total	\$8,000,000.00

DBAS uses the 2020 Census data for American Samoa to allocate the funds for Manu’a and Tutuila districts. According to the 2020 Census data, Manu’a District has 356 housing units, which comprise 3% of the total 11,807 housing units in American Samoa. In contrast, Tutuila has 11,451 housing units, including 97% of the total housing units in American Samoa. Therefore, allocating most of the funds for Tutuila is equitable considering its dense population and high household units. Further, Tutuila has been strongly hit with the COVID-19 community transmission that prompted the public declaration for immediate home quarantine and home isolations for those who tested positive or thought to have been exposed to or have contracted the COVID-19 virus. The DBAS MALP will greatly assist families and households in building new dwellings or making necessary changes, repairs, and renovations to meet CDC standards for more room space and configurations to accommodate social distancing and isolation.

According to the State and Local Fiscal Recovery Funds (SLFRF) [31 CFR Part 35 RIN 1505-AC771], “Recipients may use SLFRF funds to fund the principal of the loan and in that case must track the repayment of the principal and interest . . . When the loan is made, recipients must report the loan’s principal as an expense” (p. 366). Further, SLFRF states, “Interest payments received prior to the end of the period of performance will be considered an addition to the total award and may be used for any purpose that is an eligible use of funds under the statute and final rule” (p.367). Thus, DBAS will consider funds generated by the DBAS MALP as revolving loans to enable DBAS to sustain lending more affordable housing loans to the community even beyond the pandemic times. In addition, DBAS will monitor the loan process and report to the ARPA Oversight Office of ASG regarding the use of funds, i.e. the principal and interest of the loan. DBAS proposes the following estimated payment schedules for home loans and home repair loans:

Table 1

Estimated Payment Schedule: Home Loan (2 bedroom 2 bath)

	Amount	Term	Rate	Monthly Payment	Monthly Interest	Total Interest	Total Amount
Low-Income	\$50,000	30 yrs.	1.0%	\$160.82	\$21.93	\$7,895.11	\$57,895.11
Moderate-Income	\$50,000	30 yrs.	2.0%	\$184.81	\$45.92	\$16,531.51	\$66,531.51

Table 2*Estimated Payment Schedule: Home Loan (3 bedroom 2 bath)*

	Amount	Term	Rate	Monthly Payment	Monthly Interest	Total Interest	Total Amount
Low-Income	\$60,000	30 yrs.	1.0%	\$192.98	\$26.32	\$9,474.14	\$69,474.14
Moderate-Income	\$60,000	30 yrs.	2.0%	\$221.77	\$55.11	\$19,837.81	\$79,837.81

Table 3*Estimated Payment Schedule: Home Repair Loan*

	Amount	Term	Rate	Monthly Payment	Monthly Interest	Total Interest	Total Amount
Low-Income	\$20,000	30 yrs.	1.0%	\$64.33	\$8.77	\$3,158.05	\$23,158.05
Moderate-Income	\$20,000	30 yrs.	2.0%	\$73.92	\$18.37	\$6,612.60	\$26,612.60

DBAS MAOTA represents two floor plans for new home construction:

2 bedroom/2bath (1064Sqft) \$50,000.00

3 bedroom/2bath (1300Sqft) \$60,000.00

The proposed 2 bedroom/2bath and 3bedroom/2bath house plans are both sufficient to meet the home quarantine and home isolation model. Both house plans include a master bedroom with a master bath. As noted and referenced on the CDC website, people with Covid-19 must stay in home quarantine and isolation for at least 5 days.

Proof of land ownership or a registered land lease agreement is strictly required. The applicant's name must be on the fee simple title to the property. This also includes a registered warranty deed or a standard 55-year lease agreement. The applicant and or co-applicant must have at least

30 years of leasehold interest remaining on the property for a 15 year loan term, and up to 50 years of leasehold interest remaining on the property for a 30 year loan term. DBAS is required to ensure a valid and enforceable first lien on the property. Home insurance is optional for DBAS MALP awardees; however, it is highly recommended for homeowners.

DBAS will conduct workshops on DBAS MALP initiatives and guidelines, financial literacy education, public safety, and safe and healthy living for potential borrowers. Further, DBAS will

seek the assistance of government and private agencies assistance to locate impoverished families in dire need of relief from their poor and inhabitable living conditions to address the urgent needs of low-income and moderate-income families and households. To conduct pre-implementation and implementation activities, such as conducting ocular inspections of various project sites and site visits to monitor project implementation, a vehicle solely for DBAS MALP is necessarily important. Currently, DBAS has five working vehicles, assigned to the collection department, the general operations department, the loan recovery collection department, the inspection of ongoing projects, and the DBAS President. With a vehicle assigned solely to DBAS MALP, DBAS will be able to manage and administer DBAS MALP efficiently and effectively and deliver services promptly.

With AHLP funding, DBAS will aid low-income and moderate-income families and households to address their housing needs to mitigate the community spread of the novel coronavirus and live in a safe and healthy environment during the COVID-19 outbreak in the territory and beyond. With its educational outreach activities with potential borrowers, DBAS will be able to provide cognitive awareness of alleviating one's desperate and miserable conditions and boost the community's physical, social, and economic morale. With DBAS MALP, DBAS will achieve its mission "to serve the economic and development needs of the community of American Samoa through affordable financial services" and not leave any impoverished family in isolation, even in times of home quarantines and self-isolation.

Eligibility Analysis

INTRODUCTION

This memo analyzes whether the American Rescue Plan Act ("ARPA") funds received from the Federal Government can be used for the Home Loan Program. The analysis below shows that funding for this purpose does qualify as an eligible use under ARPA subject to the bounds discussed below.

ELIGIBILITY ANALYSIS

The American Rescue Plan Act establishes four categories for eligible use of State and Local Fiscal Recovery Funds. Section 602(c)(1)(A) specifically authorizes "assistance to households, small businesses, and nonprofits..."

The US Department of Treasury has released further guidance on the issue of assistance to households (including housing programs) in the Interim Final Rule (IFR) and the Final Rule. The IFR stated that the following is eligible:

"(ii) Programs or services that address housing insecurity, lack of affordable housing, or homelessness..." 31 CFR 35 (IFR P. 142 accessed via PDF).

This broad authorization covers the Home Loan Program as an eligible use. Since the intent is to address housing insecurity issues, providing affordable home loans would fit within this category. The Final Rule also reiterates this when it put forth the following:

“Facilities and equipment related to the provision of these services to the disproportionately impacted household, population, or community.” 31 CFR 35.6(b) (11) (vi).

In providing affordable home loans, the major consideration affecting eligibility is the Final Rule’s discussion of the treatment of loans. Treasury does not prohibit loans from extending beyond the December 31, 2026 date by which all funds must be expended. Instead, it allows for the following:

“(A)t origination, the recipient must measure the projected cost of the loan and may use SLFRF funds for the projected cost of the loan. Recipients have two options for estimating this amount: they may estimate the subsidy cost (i.e., net present value of estimated cash flows) or the discounted cash flow under current expected credit losses (i.e., CECL method).” 31 CFR 35 (Final Rule P. 367 accessed via PDF).

Treasury also states that when the loan is made, the principal is to be reported as an expense. The issues that will be of some concern to ASG is ensuring that all loans are approved prior to December 31, 2024 to ensure that nothing could be construed as being unencumbered/unspent. Also, the program income will have to be accounted for thoroughly, particularly if the life of the loan extends beyond December 31, 2026.

CONCLUSION

The issues of major concern as they relate to loans are ensuring that the funds are expended in a timely manner based on ARPA’s deadlines and accounting for program income for reporting purposes. The program is, otherwise, an eligible use but these reporting issues will make the terms of the loans of vital importance. The program, overall, falls within the broad enumerated uses but also respond to public health/negative economic impacts. The main focus must be ensuring the terms comply with the Treatment of Loans provisions in the Final Rule.

DBAS meets the following statutory requirements for eligibility to implement the Affordable Home Loan Program as DBAS will ensure that the program should:

1. Improve access to stable and affordable housing for homeless individuals and/or for low to moderate-income level families or households.
2. Support the development of affordable housing to increase the supply of affordable and high-quality living units.
3. Support long-term housing security.
4. Support durable and sustainable homeownership.
5. Provide permanent supportive housing.
6. Support healthy and safe neighborhood environments.

7. Address public health disparities in neighborhoods and communities.
8. Improve public health and economic outcomes in neighborhoods.
9. Be a reasonably proportional response to COVID-19 public health emergency and its negative impact.
10. Support efforts and measures for COVID-19 mitigation and prevention tactics and strategies.
11. Promote healthier living environments.
12. Support efforts and measures in response to COVID-19 public health emergency.
13. Be focused on addressing the housing needs in response to the negative impacts of the pandemic.
14. Addresses issues with homelessness in the territory.
15. Use and meet low- and moderate-income definitions as set forth by federal guidelines, such as the Federal Poverty Guidelines (FPG), commonly referred to as Federal Poverty Level (FPL).
16. Adhere to HUD guidelines for home assistance programs and use the most recent HUD data for administering the Affordable Home Loan Program.

Furthermore, DBAS will comply with the following statutory requirements:

1. Provide housing assistance and programs on generally applicable terms.
2. Utilize a competitive process.
3. Maintain a conflict-of-interest policy consistent with 2 C.F.R. § 200.318(c).
4. Ensure that decisions concerning this award must be free of undisclosed personal or organizational conflicts of interest, both in fact and in appearance.
5. Ensure that no employee, officer, or agent may participate in selecting, awarding, or administering a contract supported by a federal award if they have a real or apparent conflict of interest.
6. Comply with eligible use requirements and any other applicable laws or requirements, including reporting.

To implement the DBAS MALP, DBAS will enforce the following guidelines:

Eligible Beneficiaries

An individual must meet the following basic eligibility requirements for DBAS MALP:

1. An American Samoa resident who is a U.S. Citizen, U.S. National or a legal Permanent Resident.
2. Must be at least 18 years of age with a source of income.
3. Must have been employed for one or more consecutive years.
4. Must meet the definition of low-income and moderate-income based on the

definitions provided by the U.S. Department of the Treasury as Final Rule as an implementation of the Coronavirus State and Local Fiscal Recovery Fund (Final Rule/SLFRF).

According to the Final Rule/SLFRF (U.S. Treasury, 2022), a “*low-income household*” means a household with: (1) Income at or below 185 percent of the Federal Poverty Guidelines for the size of its household based on the poverty guidelines published most recently by the Department of Health and Human Services; or (2) Income at or below 40 percent of the Area Median Income for its county and size of household based on data published most recently by the Department of Housing and Urban Development. (pp. 408-409).

On the other hand, *moderate-income household* means a household with: (1) income at or below 300 percent of the Federal Poverty Guidelines for the size of its household on poverty guidelines published most recently by the Department of Health and Human Services; or (2) Income at or below 65 percent of the Area Median Income for its county and size of household based on data published most recently by the Department of Housing and Urban Development. (Final Rule/SLFRF, U.S. Treasury, 2022, p. 409)

Upon the recommendation from the ARPA Oversight Office, DBAS adopts the following calculations as exemplified by Buffalo County, South Dakota, using the Tool for Determining Low and Moderate Income thresholds to determine income eligibility (U.S. Treasury, n.d.) of families and households in American Samoa:

Table 4

Low Income: 185% FPG by Household Size

Persons in Family							
1	2	3	4	5	6	7	8
23,828	32,227	40,626	49,025	57,424	65,823	74,222	82,626

Table 5

Low Income: 40% AMI by Household Size

Persons in Family							
1	2	3	4	5	6	7	8
19,640	22,440	25,240	28,040	30,320	32,560	34,800	37,040

Table 6

Moderate Income: 300% FPG by Household Use

Persons in Family							
1	2	3	4	5	6	7	8
38,640	52,260	65,880	79,500	93,120	106,740	120,360	133,980

Table 7

Moderate Income: 65% AMI by Household Size

Persons in Family							
1	2	3	4	5	6	7	8
31,915	36,465	41,015	45,565	49,270	52,910	56,550	60,190

Eligible Activities:

ARPA AHLP funds are allocated to develop DBAS MALP in form of an affordable interest-bearing loan to construct new single-family-owner occupied units and renovate existing structures. An affordable equitable interest rate will be charged as follows:

Low-income	1.0%
Moderate-income	2.0%

DBAS Administrator for DBAS MALP will monitor funding allocations by respective Districts to ensure a fair lending practice of funds. A separate account will receive funding draws from ARPA for construction projects. Another account will receive loan repayments to generate DBAS MALP project income to fund future projects and cover administrative costs.

Income Eligibility:

To determine a potential DBAS MALP loan borrower's income eligibility, DBAS will use the income limits as provided by the U.S. Treasury based on the definitions of low-income and moderate-income households (Please refer to the tables on pp. 10 of this proposal). The annual income includes income from all persons in the household. At least three months of source documents (e.g., wage statement, interest statement, and so forth) as verification of income is required for review. In addition, a written statement regarding the amount of the family's annual income and family size must be certified for completion and accuracy. This certification also requires that the family will provide source documents upon request.

Loan repayments from the DBAS MALP are treated as DBAS MALP Project Income (PI) or a revolving loan fund for more MALP projects in the future.

DBAS will comply with treatment of loans instructions as provided in the U.S. treasury final rule below:

TREATMENT OF LOANS (pages 366-368 of Final Rule)

The interim final rule allowed recipients to use SLFRF funds to make loans for uses that are otherwise eligible (for example, for small business assistance). Subsequent guidance clarified how recipients must track and dispose of program income from loans, consistent with the statutory requirements for the timing of SLFRF expenditures.

SLFRF funds must be used to cover "costs incurred" by the recipient between March 3, 2021 and December 31, 2024. The interim final rule provided that SLFRF funds must be obligated by December 31, 2024 and expended by December 31, 2026. In using SLFRF funds to make loans, recipients must be able to determine the amount of funds used to make a loan and must comply with restrictions on the timing of the use of funds and with restrictions in the Uniform Guidance.

When SLFRF funds are used as the principal for loans, there is an expectation that a significant share of the loaned funds will be repaid. Thus, recipients may not simply consider the full amount of loaned funds to be permanently expended and must appropriately account for the return of loaned funds.

For loans that mature or are forgiven on or before December 31, 2026, the recipient must account for the use of funds on a cash flow basis, consistent with Treasury's guidance regarding loans made by recipients using payments from the Coronavirus Relief Fund.³⁸⁰ Recipients may use SLFRF funds to fund the principal of the loan and in that case must track repayment of principal and interest (i.e., "program income," as defined under 2 CFR 200). When the loan is made, recipients must report the principal of the loan as an expense.

Repayment of principal may be re-used only for eligible uses and is subject to restrictions on the timing of the use of funds. Interest payments received prior to the end of the period of performance will be considered an addition to the total award and may be used for any purpose that is an eligible use of funds under the statute and final rule. Recipients are not subject to restrictions under 2 CFR 200.307(e)(1) with respect to such payments.

For loans with maturities longer than December 31, 2026, the recipient must estimate the cost to the recipient of extending the loan over the life of the loan. In other words, at origination, the recipient must measure the projected cost of the loan and may use SLFRF funds for the projected cost of the loan. Recipients have two options for estimating this amount: they may estimate the subsidy cost (i.e., net present value of estimated cash flows) or the discounted cash flow under current expected credit losses (i.e., CECL method). See further guidance issued by Treasury for further explanation.³⁸¹

Public Comment: Many commenter's asked for further clarification on the treatment of loans and the calculation of "costs incurred." Some commenter's requested that grants made for eligible activities prior to December 31, 2024 to a revolving loan fund, an economic development corporation, a land bank, or a similar facility should be considered obligated and expended at the time of the grant. This would allow funds to be expended by the grantee beyond the covered period and for funds returned to the grantee to be re-invested in further uses outside of the covered period.

Treasury Response: The final rule maintains the treatment of loans from the interim final rule and subsequent guidance, as discussed above. This approach is consistent with the statutory requirement that funds be used for costs incurred for eligible purposes by December 31, 2024 and is consistent with standard accounting practices and the Uniform Guidance.

Scope of Work

Notification of Funding Availability:

The Notification of Funding Availability (NOFA) DBAS MALP is issued by the DBAS administrator. The NOFA must be announced via the local media (e.g., newspaper advertisements, radio community bulletin announcements, DBAS social media and website) for at least 15 days prior to conducting community workshops.

Public Engagement Plan

COMMUNITY ENGAGEMENT PLAN

Community engagement is an essential aspect of ARPA funded projects. The intent of the US Treasury in fostering public participation is to maintain transparency and provide opportunities for feedback to ensure that funds are used in the most beneficial manner.

In keeping with the intent of the US Treasury and the American Samoa ARPA Oversight Office, the Development Bank of American Samoa (DBAS) has adopted the following notice and comment timeline for proposed projects:

- A Notice of the Development Bank of American Samoa Proposed Projects will be published online, in local newspapers, and via television or radio broadcasts.
- The Notice will specify that there will be fifteen (15) days for the public to provide comment either in writing or by attendance at scheduled public hearings.
- Concurrent to the publication of the Notice, a draft proposal and scope of work will be published on the ARPA website for the public to review.
- General meetings with the public will be scheduled and publicized within the fifteen (15) days' Notice period. Email comments will be accepted.
- Presentations to the Legislature will be conducted during the Notice period, as needed.
- At the close of the public comment period, the agency will have twenty (20) days to revise the project as appropriate and submit the Final Draft to the ARPA Oversight Office.
- The Final Draft of the Project will be posted for public review once completed and certified by the ARPA Oversight Office.

It is the responsibility of the Development Bank of American Samoa to publicize notices and adhere to the stated timelines. Upon the final approval of the ARPA Oversight Office, DBAS will initiate a general public engagement schedule to inform the community of the final program guidelines.

Engagement Schedule:

1. **June 13, 2022**- Initiated Community Engagement Plan
 - a. Notice has been published online, in local newspaper, TV & Radio
 - b. Application requirements and other program details have been published
2. **June 21, 2022** - General Meeting with Public
3. **July 5, 2022** - Public Comment period closed
4. **July 12, 2022** - DBAS revised the project as appropriate and submitted final draft to ARPA Office.

Community Workshops:

Several community workshops in Manu'a, Eastern and Western Districts must be held to properly inform the community about the available DBAS MALP funding. Virtual and in-person community workshops are required to better notify the public about the project requirements. Interested individuals must attend at least one community workshop as a pre-requisite to participate in the DBAS MALP Lottery Process.

DBAS MALP Lottery Process:

The DBAS MALP Lottery is a pre-application process method used by DBAS to ensure that individuals who wish to apply have attended a Community Workshop and that the potential applicant is fully aware of the DBAS MALP requirements. A certain number of DBAS MALP applications will be disseminated to winning lottery ticket holders. The number of winning lottery tickets will be determined according to the entitlement funding allocation by the respective Districts. The lottery process guarantees a potential borrower receives an application, but it does not guarantee the approval of their DBAS MALP loan application. Every application will go through a loan underwriting process and the numerical order in which the lottery ticket winners were drawn.

Each district will be allotted a number of lottery winners. For example, Eastern District will have 50 lottery ticket winners, whereas available funding for the district builds up to 37 new homes and leaving 13 alternative lottery winners on waiting list. However, if the first 37 of the 50 lottery ticket winners all meet qualifications and requirements in the underwriting process, then the remaining 13 lottery winners will forfeit the opportunity. As previously mentioned, lottery winners are determined in the numeric order in which lottery ticket is drawn. If there are vacancies due to the inability to satisfy loan underwriting process and exhausting all 50 winning lottery tickets, another lottery date will be announced, and process will be repeated with an assigned number of lottery ticket winners to be pulled.

The lottery process has been used by DBAS in administering HUD HOME program for more than six years. It has proven to be effective as it has ensured transparency and fairness. This process may take up to two weeks and it starts with individual workshops for each district on a designated day and ends with a public lottery that will be held on one day for all districts. Workshops are conducted to inform and answer any of public's questions concerning the DBAS

MALP. After the workshops, passes will be given out to the attendees; this pass is to account for the potential borrowers that have attended one of the informational workshops.

To receive a lottery ticket a potential borrower must present a pass, identification and land documents to satisfy pre-qualifications. If a potential borrower misplaced or lost the lottery ticket, he or she may still attend the public lottery, and provide proper identification to verify that lottery ticket number belongs to him or her.

The lottery will take place at a public venue where all those that received lottery tickets will attend. Four glass boxes containing lottery tickets for the three districts and one for Tutuila renovations will be displayed at the public lottery. Other ASG agencies, non-profit and NGO representatives will be invited to witness and ensure transparency and fairness of the lottery. The lottery will also be broadcast on KVZK-TV and social media. The lottery winners will be given two weeks at most to complete and submit all the requirements on the application checklist. All names of approved applicants and their awarded amounts will be posted on the DBAS website.

Figure 1

Development Bank of American Samoa MAOTA Affordable Loan Program Lottery Process

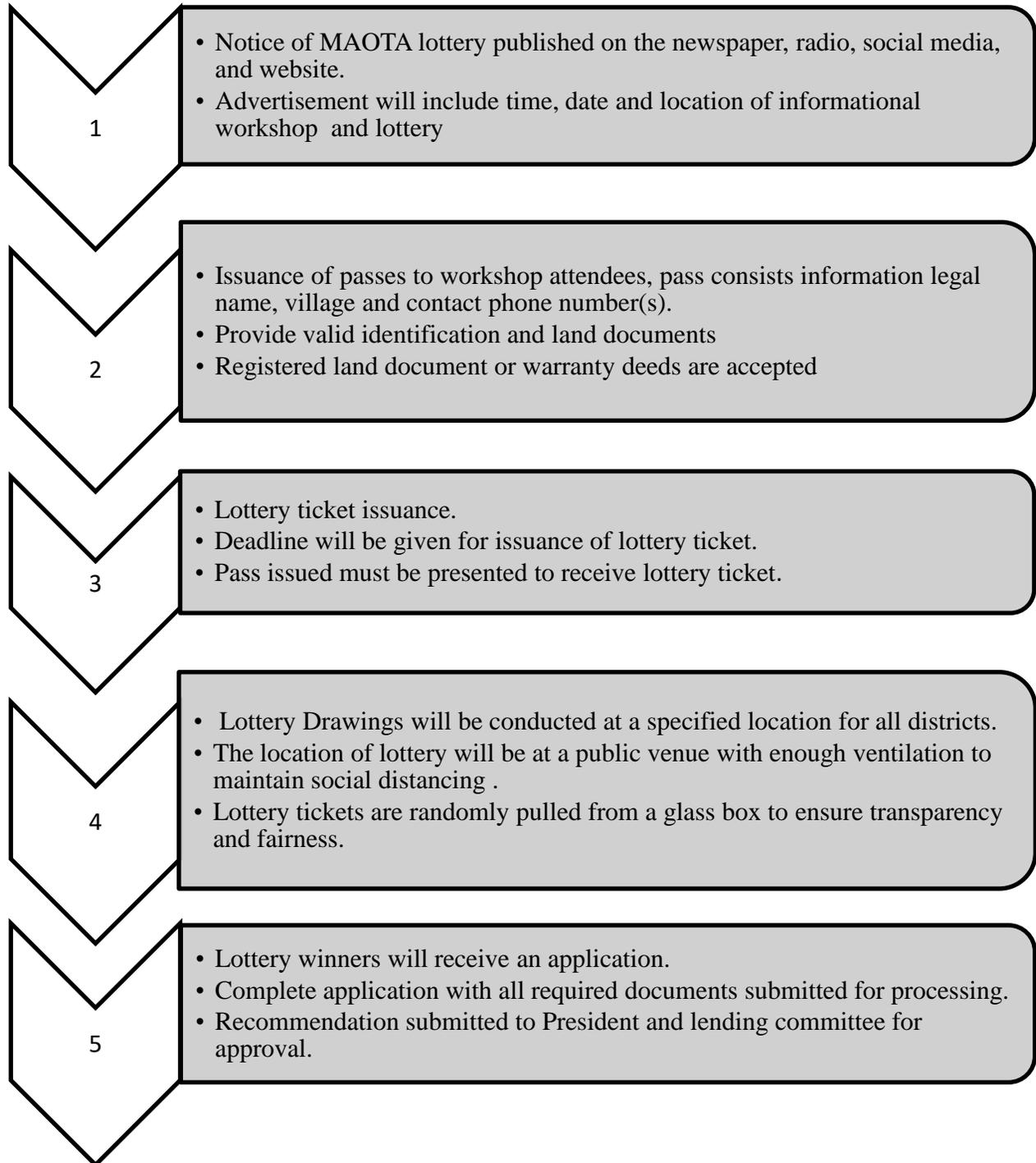


Table 8*Implementation Plan and Timeline*

Date	Activity
April 2022	Proposal Submission
May 2022	Submission of Updated Proposal
June 2022	<ul style="list-style-type: none"> • Publication of Notice of Proposed Project for public comment • Publication of draft proposal and scope of work on the ARPA website for the public to review • General meetings with public • Presentations to the Legislature if needed • Organizing and analyzing of data and information collected from public comments
July 2022	<ul style="list-style-type: none"> • Project revision as appropriate • Submission of the Final Draft to the ARPA Oversight Office • Conduct outreach to locate impoverished families or households • Advertise MAOTA MALP
August 2022	<ul style="list-style-type: none"> • Provide technical assistance to potential borrowers • Provide AHLP workshops: Manu'a and Tutuila, including Aunu'u • Provide technical assistance to potential borrowers • Inform eligible borrowers • Accept and process applications
September 2022	<ul style="list-style-type: none"> • Conduct site inspections • Award loans
October 2022	Start project implementation
November 2022	Monitor project implementation
December 2022	Start submission of quarterly reports
September 2023	First submission of annual reports
September 30, 2025	Project completion and reporting
December 31, 2026	Performance period ends for all projects to be completed and final reporting may still be required thereafter.

Conflicts of Interest

The DBAS will maintain a conflict-of-interest policy pursuant to 2 C.F.R. § 200.318(c) that states:

The Federal awarding agency must establish conflict of interest policies for Federal awards. The non-federal entity must disclose in writing any potential conflict of interest to the Federal awarding agency or pass-through entity in accordance with applicable Federal awarding agency policy.

This conflict-of-interest policy will apply to each activity funded under the ARPA Affordable Home Loan Program.

Further, the DBAS will disclose in writing any potential conflict of interest affecting the award in accordance with 2 C.F.R. § 200.112 that states:

(1) The non-federal entity must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award, and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the non-federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-federal entities may set standards for situations where the financial interest is not substantial, or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions for violations of such standards by officers, employees, or agents of the non-Federal entity.

(2) If the non-federal entity has a parent, affiliate, or subsidiary organization that is not a State, local government, or Indian tribe, the non-federal entity must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the non-federal entity is unable or appears to be unable.

Table 9*Proposed Itemized Budget*

	Total Amount	Year I	Year II	Year III
New Home Constructions:	\$7,200,000.00	\$1,800,000.00	\$2,700,000.00	\$2,700,000.00
Manu' a District (new homes, repairs & shipping costs).	\$1,800,000.00	\$450,000.00	\$675,000.00	\$675,000.00
Eastern District (new homes).	\$1,890,000.00	\$472,500.00	\$708,750.00	\$708,750.00
Western District (new homes).	\$1,890,000.00	\$472,500.00	\$708,750.00	\$708,750.00
Tutuila Home Renovations: (\$20K/81 repairs)	\$1,620,000.00	\$405,000.00	\$607,500.00	\$607,500.00
ADMIN FEES:	\$800,000.00	\$334,691.44	\$232,654.28	\$232,654.28
PROJECT BUDGET TOTALS	\$8,000,000.00	\$2,134,691.44	\$2,932,654.28	\$2,932,654.28

Budget Explanation

Number of new homes and renovations: The following numbers for new homes and Renovations may change depending on an applicant's needs and the floor plan that accommodates and meets each applicant's household needs during COVID-19 pandemic.

Estimated Numbers:

- Manu'a District new homes: 26
- Manu'a District home repairs: 25
- Tutuila Eastern District new homes: 37
- Tutuila Western District: 37
- Tutuila Home Renovations: 81

Project Lead

The Development Bank of American Samoa (DBAS) is the designated project lead with Input and contribution from the following key stakeholders:

- Development Bank of American Samoa
- Office of the Governor
- Department of Human and Social Services
- Department of Public Works
- Department of Commerce
- Community at Large
- Treasury
- Office of Protection and Advocacy for the Disabled
- Territorial Energy Office
- Other branches of Government (Legislative representation)
- Non-profit
- NGOs
- Private sector representation
- ARPA Oversight Office

As the project lead, DBAS will collaborate with the above-mentioned stakeholders to implement its DBAS MALP to provide affordable, safe, and stable housing for low-income and moderate-income families under the ARPA AHLP. Through the DBAS MALP, DBAS fulfills its mission “to serve the economic and development needs of the community of American Samoa with affordable financial services.” Further, DBAS is the designated agency to administer the affordable home loan programs of the HUD. Therefore, DBAS has the experience and the expertise to manage and administer the Affordable Home Loan Program under ARPA by implementing its DBAS MALP.

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