



Office of Native American Programs

December 17, 1998

**TO: All Tribal Government Leaders and Tribally Designated Housing Entities (TDHE)**

**FROM: Karen Garner-Wing, Acting Deputy Assistant Secretary, 8APIN**

**TOPIC: Line of Credit Control System**

**SUBJECT: Requirements For Drawdowns of Program Funds**

**Purpose: This guidance outlines the current requirements that tribes and tribally designated housing entities (TDHEs) are to use regarding requests for program funds.**

**Grantees are required to follow financial controls outlined in 24 CFR Part 85, Treasury regulations at 31 CFR Part 205 and PIH 97-41 (HA), Required HA Cash Management and Investment Policies and Procedures Regarding Requirements Governing Cash Management and Approved Investment Instruments.**

**At this time, requirements for making drawdowns through the Line of Credit Control System (LOCCS) have not changed with the implementation of the Native American Housing Assistance and Self Determination Act of 1996. Program funds may NOT be drawn down in lump-sum payments from LOCCS.**

**HUD has established, per PIH 97-41, that the average amount on deposit in the General Fund cash accounts (including funds for the modernization and development programs) should be the amount needed on hand for transaction purposes. In addition, the time between the drawdown and disbursement of funds by the housing authority is established to be no more than three working days. These requirements remain in effect.**

**For those TDHEs (former Indian housing Authorities) that have made a lump-sum drawdown in advance of need, repayment of these funds, including any interest accrued on the funds, is required. Your respective Area Office of Native American Programs can give you specific details on the process for returning the funds to LOCCS.**