

# NSP 2 Compliance Starter Guide

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Welcome to the wonderful world of HUD grantee requirements. NSP2 is a modified version of NSP1, which was built on the underlying framework of the Community Development Block Grant (CDBG) program. Some NSP2 grants were awarded to non-profit organizations or consortiums which do not have previous experience working with HUD grant programs. The NSP2 Compliance Starter Guide is designed to explain those underlying requirements, provide basic information about CDBG provisions, and direct users to where more information about the various requirements and provisions can be found.

## NSP Statutory Requirements

Statutory requirements are enacted by Congress and cannot be modified or waived by HUD. NSP1 was established by the [Housing and Economic Recovery Act of 2008](#) (HERA) NSP2 was created in the [American Recovery and Reinvestment Act of 2009](#) (the Recovery Act)

## NSP Regulatory Requirements

NSP Federal Register Notices contain HUD's specific regulatory requirements. Although NSP2 is a modified version of NSP1, all relevant NSP1 regulations are incorporated into the NSP2 Notices provided here. Because these Notices cite statutes from HERA and the Recovery Act, links to both Acts are included above.

- [NSP2 Original Notice \(5/4/09\)](#)
- [NSP2 Correction Notice \(6/11/09\)](#)

## NSP Resource Exchange

[NSP Resource Exchange](#) is a one-stop shop for the information and resources needed by NSP grantees, subrecipients and developers to purchase, rehabilitate, and resell foreclosed properties. There are three primary components to the Resource Exchange site including:

- **Find a Resource**—a database of policy guidance, practitioner support tools and training materials developed by HUD and technical assistance providers who specialize in NSP-related activities. It can be browsed by topic, audience, or type of information.
- **Ask a Question**—a feature that can be used to direct users to previously asked questions based on the user's questions. It also provides users with a question form that can be submitted electronically for those questions and answers that are not listed on the website.
- **Request TA**—a mechanism by which users can communicate with technical assistance providers and request support in implementing NSP activities.

The NSP Resource Exchange can also be used to learn about upcoming events related to NSP and coming soon the site will feature tool kits for designing programs and implementing activities.

## Cross-Cutting Regulations

All NSP grantees must comply with several rules that apply broadly to most federal programs, including:

1. [Davis-Bacon Prevailing Wage requirements](#) apply to some NSP rehabilitation/construction projects
2. [Fair Housing and Equal Opportunity laws](#) apply to all projects receiving federal assistance
3. [Lead based paint hazard controls](#) applies to all housing units constructed before 1978
4. [Environmental review](#) must be completed before starting any federally assisted project
5. [Uniform Relocation Act and Tenant Protection at Foreclosure](#) are two separate acts which may apply

6. [Procurement](#) rules that grantees must follow when purchasing services, materials, or equipment
7. [Section 3 of the HUD Act of 1968](#) requires employment opportunities for low income persons
8. [Section 504 of the Rehabilitation Act of 1973](#) prohibits discrimination on the basis of disability

For more information, HUD provides a [Toolkit on Cross-Cutting Regulations](#) and [Requirements Guidance](#).

### **Reporting Requirements**

- [Financial Management Requirements](#) for NSP2
- [Reporting Requirements-DRGR](#) NSP2 grantees must use HUD's Disaster Reporting Grant Recovery System
- [Federal Funding Accountability and Transparency Act of 2006](#) requirements for Federal Reporting.gov
- [Buy American](#) applies to the construction, alteration, or repair of public buildings and public works.

For more information, also see [Program Management Resources](#).

### **NSP Training Materials**

- [Basically CDBG](#) is a comprehensive training manual for the CDBG program.
- [CDBG Program Guide](#) provides more detail on how projects meet national objectives and eligible activities.
- [Webcast on CDBG](#) video training modules on eight components of the CDBG program.
- [Webcast on NSP-1](#) video training modules on eight components of the NSP1.