



CONFLICTS OF INTEREST

24 CFR 578.95





Conflicts of Interest

- Types of Conflicts
- Exceptions
- Contact your CPD Rep.





Types of Conflicts

- What Regulations and Rules apply?
 - Procurement
 - **24 CFR § 578.95(a)**
 - CoC Board Members
 - **24 CFR § 578.95(b)**
 - Organizational Conflicts:
 - **24 CFR § 578.95(c)**
 - Other Conflicts:
 - **24 CFR § 578.95(d)**



Exceptions

- **Threshold Requirements for governmental entities only:**
 - Public disclosure of conflict
 - Opinion of Recipient's attorney that exception does not violate State or local law.

HUD legal counsel determines whether threshold requirements are met.



Exceptions

- **Threshold Requirements for private nonprofit organization:**
 - Disclosure – in accordance with written code of conduct or other conflict-of-interest policies:
 - Opinion of Recipient’s attorney that exception does not violate the organization’s internal policies.

HUD legal counsel determines whether threshold requirements are met.



Exceptions – 7 Factors

- A. Significant cost benefit or essential expertise to project.**
- B. Opportunity for open competitive bidding or negotiation.**
- C. Person affected has withdrawn from his or her functions, responsibilities, or the decision-making process with respect to the specific activity in question.**

HUD CPD determines whether to grant the exception.



Exceptions – 7 Factors

D. Interest or benefit was present *before* affected person was in the “conflicting” position (24 CFR § 578.95).

E. Undue hardship to recipient or person affected when weighed against public interest served by avoiding the prohibited conflict.

HUD CPD determines whether to grant the exception.



Exceptions – 7 Factors

F. Person affected:

- Member of group or class of eligible persons intended to be beneficiaries, and,
- Exception will permit such person to receive generally same interests or benefits as are being made available or provided to the group or class.

G. Any other relevant considerations.

HUD CPD determines whether to grant the exception.



When in Doubt?

Contact your HUD CPD Representative to resolve a question or conflict.

