



DEPARTMENT OF
HOUSING



CDBG-DR PROGRAM GUIDELINES

TITLE CLEARANCE PROGRAM

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1 PROGRAM OVERVIEW

Tens of thousands of homes within Puerto Rico are still in the recovery process due to the impacts suffered by Hurricanes Irma and María. These homes suffered -in some cases- major hurricane damage, thus, many require rehabilitation, reconstruction, or relocation. ~~A large number of~~ Many impacted homeowners have struggled to receive federal assistance, in part due to ~~lack of uncertain~~ reliable ownership records of the affected properties.

Many homeowners in Puerto Rico lack a ~~legal~~ property title ~~duly registered at the Puerto Rico Property Registry~~, which, for the most part, is a direct consequence of migration flows dating back to the 1930's and 1940's. In addition, there is no legal requirement to register the transfer of title to properties on the Island. ~~Consequently, so many~~ families have lived decades without registering their ownership of land or structures ~~with~~ at the ~~government~~ Property Registry and some have subdivided ~~the~~ properties without complying with the applicable ~~construction's~~ rules and regulations. Therefore, such homeowners do not hold clear and marketable titles to their properties.

After the impact of Hurricanes Irma and María, the Federal Emergency Management Agency (**FEMA**) denied financial assistance to individuals who could not prove ownership of their own homes. According to the Housing Damage Assessment and Recovery Strategies Report for Puerto Rico, FEMA estimates ~~that~~ nearly sixty percent (60%) of the 1.1 million applications for ~~the~~ FEMA assistance were found ineligible. Although many factors contributed, one of the main reasons was the applicant's inability to prove ~~legal ownership that they own~~ of their ~~the~~ homes and/or the land for which they were claiming damages.¹ ~~This~~ The overwhelming denial rate has left many without much needed critical housing assistance resulting in a large ~~number of~~ unmet housing need.

The Puerto Rico Department of Housing (**PRDOH**) has developed the Home Repair, Reconstruction, or Relocation Program (**R3 Program**) to respond to these unmet housing needs. Under the R3 Program, Applicants who lack clear title may be eligible for assistance. However, ~~Applicants can only move forward in the R3 Program up to the point of Award Coordination. T~~ to move forward with an award under the R3 Program, Applicants ~~need~~ were required to have a clear title due to local permit requirements for construction work in Puerto Rico.

~~This reality changed with the approval of Executive Order 2020-063 of August 20, 2020. The Executive Order determined that those applicants who did not have a clear title to their land are allowed to complete an Ownership Certification. The Certification must comply with the requirement of Section 2.1.9.5 of the Regulation No. 9081 of June 7, 2019, known as "Reglamento Conjunto para la Evaluación y Expedición de Permisos~~

¹<http://spp-pr.org/wp-content/uploads/downloads/2018/07/HUD-Housing-Damage-Assessment-Recovery-Strategies-6-29-18.pdf>

Relacionados al Desarrollo, Uso de Terrenos y Operación de Negocios".² The Executive Order made it possible for R3 Program applicants eligible for repair or reconstruction to move forward until the construction stage, even if they did not have a clear title at the time. However, by itself, the Certification of Ownership does not grant proprietary rights or provide a clear title to applicants. Therefore, applicants are required to follow through with the procedures in the Title Clearance Program to obtain a clear title.³

By assisting applicants with the task of obtaining clear titles to their properties, the Title Clearance Program (**Program**) will benefit low- and moderate-income (**LMI**) persons (below eighty percent (80%) Area Median Family Income (**AMFI**)) according to HUD Modified Income Limits for Community Development Block Grant – Disaster Recovery (**CDBG-DR**) in Puerto Rico⁴ by assisting Applicants with the task of obtaining clear titles to their properties. The Program helps disaster-affected homeowners access current federal assistance resources and removes a significant barrier to accessing similar funds in future disasters. The immediate successful result of the Program is to properly register the owner as the rightful title holder within the Puerto Rico Property Registry records. Obtaining a clear title will result in long-term resiliency, sustainability, and security for LMI residents by alleviating issues caused by lack of a clear property title when applying for other federal programs. ~~The Program helps disaster-affected homeowners to access federal assistance resources currently available and removes a major barrier for accessing similar funds in future disasters.~~

One of the priorities of the Program is to obtain approximately forty-eight thousand (48,000) clear titles for PRDOH-owned properties that were damaged by the hurricanes and whose applicants occupy the land with "right of use and enjoyment" ("Usufruct") and/or "right of construction", in accordance with Act No. 26 of April 12, 1941, as amended, 28 LPRC § 241 *et seq.*, known as the "Land Law of Puerto Rico" (hereinafter **Act 26-1941**). The Program also prioritizes homeowners who have experienced challenges receiving federal assistance due to lack of a clear title as well as homeowners who are sixty-five (65) years old or older.

Additionally, the Program will assist in obtaining property titles for applicants who occupy the land with "real right of use and enjoyment" ("Usufruct") and/or "right of construction" in any Government owned properties. Those properties must be transferred to PRDOH following the procedures established in Act No. 132 of July 1, 1975, as amended, 17 LPRC § 751 *et seq.*, known as "Dwellings Located on Another's Land Act", (hereinafter **Act 132-1975**) after which PRDOH will be authorized to grant property titles to individuals. The

² On December 1, 2020, the Puerto Rico Planning Board ("*Junta de Planificación*") adopted Regulation No. 9233. Regulation No. 9233 became effective on January 2, 2021.

³ For R3 Program Applicants that are eligible for relocation and do not have a clear title, their participation in the Title Clearance will be required if PRDOH will acquire the hurricane-damaged property.

⁴ <https://www.hudexchange.info/resource/5334/cdbg-income-limits/>

Program will also assist in providing property titles to applicants who occupy private properties.

2 PROGRAM OBJECTIVE

The goal of the Program is to help LMI households in Puerto Rico to obtain clear and marketable titles of their properties. Providing marketable titles which will promote long-term self-sustainability and resilience by improving access to public and private financial resources. In order to achieve the aforementioned goal, PRDOH will:

- Assist homeowners that lack a clear title to their properties or that are unable to cannot register their properties, under their name, in government records;
- Establish a consistent process to certify that a homeowner owns and controls a property (land or structure);
- Address and resolve issues that which prevent ownership registration of properties that do not require any construction/repair work; and
- Adopt a strategic workflow to conduct an extensive title search, identify issues and resolve them, including but not limited to, the resolution of inheritance situations that prevent title recording.

3 ELIGIBLE USE OF FUNDS

Section 105(a)(8) of the Housing Community Development Act of 1974 (HCDA), as amended, 42 U.S.C. § 5305, provides that CDBG-DR funds may be used for public service. Funds under this Program may be used for necessary and reasonable costs related to title clearance. This includes, but is not limited to:

- Title investigation / research;
- Case management services / title clearance specialists;
- Land surveys and plans;
- Appraisals;
- Engineering / structural assessments;
- Recording fees;
- Property Registry Certifications;
- Registry of inheritance rights and documentation required for property registry and obtaining a clear title;
- Preparation and filing of all needed legal documentation;
- Serving of summons and notifications, if needed;
- Presentation of documents in the Property Registry and other governmental agencies;
- Filing, handling, and solving non-contentious legal issues in court; and
- Other related costs.

4 INTAKE

Interested residents may apply for the Title Clearance Program via one of the following methods:

- Complete an application online by visiting <https://cdbg-dr.pr.gov/en/title-clearance/>;
- Visit a participating PRDOH Regional Office or outreach office;
- Visit an Intake Center; or
- Call 1-833-234-CDBG to make an appointment.

Specific information regarding intake methods, including phone numbers and location of intake centers located in PRDOH's Regional Offices throughout the Island is available in English and Spanish at <https://www.cdbg-dr.pr.gov/en/title-clearance/> and Available in Spanish <https://www.cdbg-dr.pr.gov/autorizacion-de-titulos/>.

Applicants will be required to complete a Program Intake Application and provide supporting documents necessary for eligibility review as detailed in these guidelines. The Program Intake Application will prompt applicants to comply with Program documentation and information necessary for the Program. All documentation submitted by applicant must be valid at the time of submission.

Title Clearance Specialists will be available to assist the applicant through the intake process and answer questions as needed. Applicants who fail to submit all supporting documents required for eligibility review at the time of application will be notified of outstanding documents via through a Required Documents Notification. The applicant must submit all documents outlined in this notification before being reviewed for Program eligibility. If, after a review of submitted documents, the applicant is still missing required documentation to ascertain eligibility, a Missing Documents Notification will be sent to the Applicant the Program will reach out to require the missing documents or information, as per the provisions of the Guidelines for non-responsive applicants.

4.1 Program Referrals

Other programs in the CDBG-DR Housing Portfolio, like the R3 Program, may refer eligible applicants to the Title Clearance Program for support in obtaining a clear title. The R3 Program will also refer applications that qualify for a relocation award in order for the Title Clearance Program to perform Title Search services to ensure that the hurricane-damaged property and that the replacement property are free of any encumbrances. Whenever applicants are referred to the Title Clearance Program from another program in the PRDOH CDBG-DR Housing Portfolio, the Title Clearance Program will accept required documents and information directly from the other program to ease the burden on the applicant and reduce the need for the applicant to submit the same documents and information multiple times.

In general, if an affidavit or certification was used to demonstrate ownership of a hurricane-impacted property under another Housing Program, the applicant will be

referred to the Title Clearance Program. Program-referred applicants will be required to participate and cooperate with the requests from the Title Clearance Program until such time when their title is cleared, or they receive official notification from the Title Clearance Program that their application has been closed.

Applicants who are referred by other Housing Programs within the CDBG-DR Housing Portfolio may be required to obtain a clear title before receiving benefits from the Housing Program from which they were referred. Program-referred applicants who are found to be non-responsive or non-cooperative with the Title Clearance Program may be determined to be ineligible to receive benefits under the Housing Program from which they were referred. All non-responsive or non-cooperative Program-referred applicants will be referred back to the corresponding Housing Program for further action. Non-responsive or non-cooperative Program-referred applicants may be required to repay PRDOH for Program funds spent in the case if they are found to have submitted inaccurate or incomplete information to appear to meet Title Clearance requirements in order to obtain an award under any other Housing Program.

4.2 Applicant Identification

As part of the Program Application, all applicants will be required to submit documentation to prove their identity. This documentation may include, but is not limited to, the following:

- Government Issued Photo Identification (Federal or State issued);
- Driver's License;
- Passport;
- Military ID Card; or
- Certificate of Naturalization or Permanent Resident Card.

4.3 Citizenship/Migratory Status

Only U.S citizens, non-citizen nationals, or qualified aliens, as defined in the following chart, are eligible to receive assistance. Title Specialists will verify citizenship/migratory status, according to the rules and guides presented in **Table 1**.

Table 1: Citizenship/Migratory Statuses Rules and Guides

Status	Definition
U.S. Citizen	A person born in one of the fifty (50) states , the District of Columbia, Puerto Rico, Guam, the U.S. Virgin Islands, or the Northern Mariana Islands; a person born outside of the U.S. to at least one U.S citizen parent; or a naturalized citizen.
Non-citizen National	A person born in an outlying possession of the U.S. (e.g., American Samoa or Swain's Island) on or after the date the U.S. acquired the possession, or a person whose parents are U.S. non-citizen nationals. All U.S. citizens are U.S. nationals; however, not every U.S. national is a U.S. citizen.

Status	Definition
Qualified Alien	<ul style="list-style-type: none"> • Legal permanent resident ("green card" holder). • An asylee, refugee, or an alien whose deportation is being withheld. • Alien paroled into the U.S. for at least one (1) year. • Alien granted conditional entry (per law in effect prior to April 1, 1980). • Cuban/Haitian entrant. • Aliens in the U.S. who have been abused, subject to battery or extreme cruelty by a spouse or other family/household member or have been a victim of a severe form of human trafficking. • Aliens whose children have been abused and alien children whose parent has been abused to fit certain criteria.

If an applicant does not meet any of the above criteria, the household may still apply for Title Clearance Program if:

- Another adult household member meets the eligibility citizenship criteria described in the table above; or
- The parent or guardian of a minor who is a U.S. citizen, non-citizen national, or a qualified alien, applies for assistance on behalf of the child, as long as, they live in the same household. The parent or guardian must register as the co-applicant.

All applicants must submit documentation to prove their citizenship status. This documentation may include, but is not limited to:

- Passport;
- Birth certificate;
- Certificate of naturalization;
- Certificate of citizenship, or
- Permanent resident card (green card).

~~In case the~~ If Applicant is unable to provide any of the documents listed above, on a case by case basis, the Title Clearance Program will accept, as proof of citizenship or legal presence, documentation listed in the Interim Guidance on Verification of Citizenship, Qualified Alien Status and Eligibility under Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Federal Register Vol. 62, No. 221 (November 17, 1997), 62 FR 61344.

Temporary tourist visa holders, foreign students, temporary work visa holders, and habitual residents, such as citizens of the Federated States of Micronesia and the Republic of Marshall Islands, are ineligible for the Program.

4.4 Program Priorities

During the first **three hundred and sixty-five (365) days** of the Application intake period, which began on September 20, 2019, the following applicants ~~were~~ will be given priority:

- **Applicants who have experienced challenges receiving federal assistance due to lack of a clear title:** The Title Clearance Program will use third-party data and/or documentation provided by the applicant to verify denial of assistance due to lack of clear title for the purpose of prioritization.
- **Elderly applicants:** Elderly applicants are those aged **sixty-five (65) years or older** at the time of application. The elderly applicant ~~must~~ had been a head of household or co-head of household, as in the case of a married couple, to qualify for prioritization.
- **Applicants who occupy properties in the PRDOH land portfolio:** Applicants who ~~are~~ where able to demonstrate they were granted "right to use" or "right of enjoyment" of a parcel owned by PRDOH under Act 26-1941 ~~will be~~ were prioritized.

Within these priority applicant groups; the Program will prioritize applicants who ~~are~~ were referred from another program within the CDBG-DR Housing Portfolio and placed even greater priority on those referrals that have reached the award stage of the R3 Program. The priority of these referred applicants exists, and will continue beyond the ~~mentioned~~ program priority period, in order to ensure that the referring program activities are not unduly delayed.

~~Priority for the aforementioned applicants does not preclude non-priority persons from applying to the Title Clearance Program during the first **three hundred sixty-five (365) days** of application intake. Non-priority applicants may apply and submit documentation required for eligibility review during the priority period. Eligibility review for non-priority applicants who submit all required documentation during the priority period will be reviewed for eligibility when all complete priority applications have been reviewed or after the end of the priority period, whichever comes first.~~

5 APPLICANT ELIGIBILITY

Applicants to the Title Clearance Program will be reviewed for eligibility in compliance with program eligibility requirements. Applicants are required to submit all documents and information needed to complete the eligibility review. Failure to disclose accurate and complete information may affect eligibility. Applicants may be required to repay PRDOH, if they are found to have submitted inaccurate or incomplete information to appear to meet eligibility requirements. Each application will be reviewed for the following eligibility and benefit determination criteria:

- The applicant must qualify as a low- or moderate-income (LMI) person;
- The subject property must be the applicant's primary residence;

- The applicant must have an ownership claim over the subject property;
- The applicant does not have a formal property title for the subject property;
- Subject property must not be located in a floodplain, floodway, or landslide risk area. Exceptions to this eligibility criterion will be made in the event title clearance is necessary for the Applicant to receive benefits from other Programs within the CDBG-DR Housing Portfolio or cases where the Applicant was granted "right to use" or "right of enjoyment" over the plot of land occupied by any local laws or regulations. ~~Direct applications who were not referred by other program in CDBG-DR Housing Portfolio will also be exempt from this restriction.~~

5.1 Income Verification and Household Size

All applicants must meet low- or moderate-income limits, which are adjusted for family size. Total annual household gross income, for all household members, must not exceed **eighty percent (80%)** of the Area Median Family Income ~~income limits~~ **(AMFI)**, as defined by adjusted income limits for Puerto Rico. See HUD Modified Income Limits for CDBG-DR Puerto Rico.⁵ These income limits apply to all municipalities in Puerto Rico.

5.1.1 Household Size

A household is defined as all persons occupying the same unit, regardless of familial status or relationship to one another. Household members include all persons, including minors and adults, whose current primary residence ~~is the property for which a clear title is trying to be obtained, the hurricane-impacted property or whose primary residence was the hurricane-damaged property at the time of the disaster.~~

5.1.2 Calculating Household Income

Household income shall be calculated based on the adjusted gross income as defined for purposes of reporting under Internal Revenue Service **(IRS)** Form 1040 series for individual Federal annual income tax purposes⁶. Income for all household members will be considered when calculating annual household income. When determining the number of household members and annual household income, the following should be taken into consideration:

- Minor children are considered household members. Earned income of minor children is not considered as part of the total annual household income. Unearned income attributable to minor children, ~~such as child support or other benefits paid on behalf of a minor child~~ are considered in the calculation of household income.
- Minor children who are subject to shared custody agreements may be counted as household members if the minor child lives in the residence at least **fifty percent (50%)** of the time.

⁵ <https://www.hudexchange.info/resource/5334/cdbg-income-limits/>.

⁶ <https://www.irs.gov/e-file-providers/definition-of-adjusted-gross-income>

- Temporarily absent family members are considered household members and their income is considered in calculation of household income, regardless of how much the temporarily absent family member contributes to the household.
- Paid, non-related, live-in aides, whether paid by the family or through a social service program, are not considered household members. Income of live-in aides is not considered in the calculation of household income. Related persons do not qualify as live-in aides.
- Permanently absent family members, such as a spouse who resides permanently in a nursing home, may be considered a household member, at the discretion of the head of household/program applicant. If the head of household opts to include a permanently absent family member in the household, the income of the permanently absent household member will be counted in the calculation of the annual household income. If the head of household chooses not to include the permanently absent family member as part of the household, the income of the permanently absent family member will not be considered in the calculation of the annual household income.

5.1.3 Income Verification Required Documentation

Applicants must provide income documentation for all household members age eighteen (18) and older at the time of Program application. Income types and associated documentation required for income verification may include, but are not limited to:

- Wages: Three (3) recent paystubs within the past three (3) months, W-2 Forms;
- Retirement/Social Security:
 - Three (3) Monthly Bank Statements (Social Security Benefits & Pension only);
 - Current Social Security Benefits letter (including benefits paid to minors);
 - Current Pension/Retirement Benefit letter (if applicable), or prior year 1099 form; and
 - Current Annuity Payment letter (if applicable), or prior year 1099 form;
- Self-Employment Income:
 - Most recent tax return (1040 or 1040A), and/or
 - Current year profit and loss statement
- Rental Income: Current lease agreements;
- Unemployment Benefits: Current benefit letter with gross benefit amount;
- ~~Court Ordered Alimony/Spousal Maintenance: Copy of court order documentation;~~
- Taxable Interest and Dividends (including amounts received by, or on behalf of minors); and
- No Income: Adult household members who receive no income will be required to submit a Certification of No Income. These household members typically include those that are unemployed.

Documentation for other less common types of income will be assessed by the Program based on type of income reported.

5.2 Primary Residence

Primary residence is defined as the property that is occupied by the applicant for most of the calendar year (defined as **183 days or more** of a calendar year). Second homes, vacation residences, and seasonal rental properties are not eligible for assistance.

To the extent possible, the Program will validate primary residency through electronic verification utilizing locally or federally maintained registries, such as FEMA Individual Assistance (**FEMA IA**) or Small Business Administration (**SBA**) disaster home loan databases.

Documentation used to verify primary residence includes, but is not limited to:

- ~~2017 or later~~ Most recent Federal income tax return listing the property address;
- ~~2017 or later~~ Most recent Puerto Rico income tax return listing the property address;
- FEMA IA award letter for the property address;
- SBA Disaster Home Loan award letter for property address;
- Current Driver's license or state-issued ID card showing the property address;
- Utility bills addressed to the applicant at property address showing that services are currently being provided (must indicate household utility usage); ~~either that:~~
 - ~~Services were provided in the month preceding or month of the disaster (must indicate household utility usage during pre-hurricanes time period);~~
 - or
 - ~~That services are currently being provided (must indicate household utility usage)~~
- Credit card bill or bank statement sent to the applicant at the property address within **one (1) month** of application submission date; ~~either:~~
 - ~~The property address in the month preceding or the month of the disaster;~~
 - or
 - ~~The property address within **one (1) month** of application submission date;~~
- Insurance documentation indicating primary residence, such as a homeowner's endorsement;
- Employer's statements, including pay stubs and similar employment documents which ~~either:~~ contain the property address within **one (1) month** of application submission date;
 - ~~The property address in the month preceding or the month of the disaster;~~
 - or
 - ~~The property address within **one (1) month** of application submission date;~~
- Voter registration card that lists the property address and is current as of application submission date; ~~either:~~
 - ~~Must have been current at the time of the disaster; or~~
 - ~~Is current as of application submission date;~~

- Homestead exemption verified through property tax records (if applicable)⁷; and
- Other documentation that will be reviewed and considered on a case-by-case basis.

Documents provided to demonstrate primary residency should include applicant name, appropriate date demonstrating residence as required, and damaged property address. None of the forms of documentation listed above, by itself, necessarily proves primary residence. The Program will review and assess all available documentation together and determine primary residence based on the applicant's demonstration of consistency across the variety of documentation provided. ~~In the event that if~~ inconsistencies in documentation are found, the application may not move forward in the eligibility process until the inconsistencies are resolved by the applicant. All applicants to the Program bear the burden of providing consistent evidence to prove primary residency ~~at the time of the disaster or~~ at the time of application.

Special circumstances related to primary residency:

- Applicants/homeowners who are in the United States military and currently deployed outside of Puerto Rico may qualify for the Program. ~~were in the United States military and deployed outside of Puerto Rico at the time of the hurricane(s), or are currently deployed, may qualify for the Program.~~
- Applicants/homeowners who are currently in a nursing home, assisted living, or other medical facility may qualify for the Program. ~~were temporarily in a nursing home, assisted living, or other medical facility at the time of the hurricane(s), or are currently in such a facility, may qualify for the Program.~~
- Applicants/homeowners who are currently incarcerated and residing at a law enforcement facility may qualify for the Program. ~~were incarcerated and residing at a law enforcement facility at the time of the hurricane(s), or are currently in such a facility, may qualify for the Program.~~
- If the homeowner/occupant dies, heirs may qualify for the Program if they submit evidence which demonstrate the property is their primary residence. ~~at the time of the hurricane later dies, heirs may qualify as applicants for the Program if they submit evidence to prove that the deceased homeowner and the applicant/heir were using the home as their primary residence at the time of the hurricane.~~

5.3 Ownership Claim

As part of the eligibility process, applicant must submit evidence supporting ownership claim. Because the purpose of the Title Clearance Program is to provide applicants with a clear title to the subject property, the Title Clearance Program accepts non-traditional ownership documentation, coupled with an Ownership Certification Form. The certification shall include the length of time the applicant has lived in the ~~disaster-~~

⁷See Act No. 195-2011, as amended, known as the Puerto Rico Homestead Exemption Act, 31 L.P.R.A. sec. 1858 et seq.

damaged property, circumstances that grant ownership of the property to applicant, explanation of circumstances that prevent standard verification, and which certifies one of the following circumstances applies:

- There are no other parties who have the right to claim ownership;
- Any additional parties with right to claim ownership have agreed to participate jointly as a co-Applicant in the program; or
- Any additional parties with right to claim ownership could not be located, after reasonable attempts.

Acceptable ownership documents may include, but are not limited to, one of the following and must include the name of the Applicant/co-Applicant. The Ownership Certification should be accompanied by alternative forms of supporting ownership documentation, when applicable, such as:

- Proof of inheritance and relative documents including, but not limited to: will, Declaratory Resolution of Heirs; Death Certificate of the homeowner and Birth Certificate (to prove the applicant is an offspring of a deceased homeowner);
- Court Order or Judgment granting an ownership interest in the property;
- Contract for Private Sale: If the applicant purchased the property in a private owner sale, then the contract must be confirmed as satisfied with additional supporting documentation;
- Proof that the applicant occupies the land with "right of use or enjoyment" and/or "right of construction" in accordance with applicable laws and regulations;
- Evidence of Usufruct Contract;
- Evidence of 99-year lease;
- Marriage certificate;
- FEMA correspondence to applicant demonstrating the applicant applied for and received FEMA IA for damaged property address;
- Mortgage payment book;
- Real property insurance policy; and/or
- Property tax receipts or tax bill; and/or
- Any other documents that should be considered, as required on a case-by-case basis.

Because evidence of property ownership depends solely on demonstration of ownership is unique to the circumstances experienced by each individual applicant, there is not a one single document that could demonstrates ownership. Applicants are encouraged to provide all documents that provide support of the ownership claim for the subject property. In some instances, more than one document may be used to demonstrate ownership claim in the subject of the property.

5.4 Property Location

Properties located in the 100-year floodplain or in a Regulatory Floodway, per FEMA Flood Maps, are not eligible for assistance under the Title Clearance Program unless title clearance is required in order for the applicant to receive benefits from other programs within the CDBG-DR Housing Portfolio. ~~Direct applications to the Program will not have this restriction.~~

A 100-year floodplain is an area delineated by FEMA and determined to have a **one percent (1%)** or greater chance in any given year of being subjected to inundation by flood waters. The Title Clearance Program will use the most current, approved version of FEMA's Flood Insurance Rate Map⁸ (**FIRM**), as well as the most current, approved version of FEMA's Advisory Maps⁹ to identify whether a property is located within a Regulatory Floodway or 100-year floodplain.

5.5 Eligibility / Ineligibility Determination

All applications will be thoroughly reviewed during the intake and eligibility process to ensure applicants are eligible for the Program prior to receiving title clearance assistance. Eligibility determinations will be made based on documentation submitted by the applicant and verification of information by third-party sources, including federal databases. ~~The eligibility determination will proceed when the applicant satisfactorily meets the established criteria for income and household size, primary residence, ownership claim, citizenship, and property location. These decisions~~ Determinations will be made based on applicable statutes, codes of federal regulations, state and local codes and ordinances, local guidelines, and these Program Guidelines.

If at any point during the process, it is found ~~that the~~ applicant is ineligible for the ~~Program assistance~~, the applicant will be notified by the Program via a Title Clearance Ineligibility Determination Notice ~~fiction~~. ~~This~~ The ineligibility notification will outline the determination made as well as next steps, and instructions on how to contest ~~said the~~ determination, if applicable. See the Program Based Reconsideration and/or Administrative Review section ~~of in this document~~ guidelines.

Applicants who are deemed eligible will be sent a Preliminary ~~Title Clearance~~ Eligibility Determination Notice ~~fiction~~ informing them of the preliminary eligibility determination and ~~provide~~ a description of required next steps. Once applicants are deemed eligible and the case analysis has concluded,¹⁰ the Program will have a **one-hundred and eighty (180) days** period to resolve title issues, which may be extended for **two (2) periods of ninety (90) days each**. The Title Clearance Program may extend the period in cases

⁸ <https://msc.fema.gov/portal/home>

⁹ <http://cedd.pr.gov/fema/index.php/461-2/>

¹⁰ See Case Analysis and Interview Section of these Program Guidelines.

where the Program is awaiting a decision or determination from a third party (i.e., not from PRDOH or the applicant), such as a decision from the court or a regulatory agency; and on any other cases as deemed appropriate by PRDOH. If the case analysis has not concluded within the **twelve (12) months** following the Preliminary Eligibility Determination Notice, the applicant must provide the necessary and required documentation to recertify their income.

6 DUPLICATION OF BENEFITS (DOB)

The Robert T. Stafford Disaster Relief and Emergency Assistance Act (**Stafford Act**), as amended, 42 U.S.C. § 5121 *et seq.*, prohibits any person, business concern, or other entity from receiving Federal funds for any part of such loss as to which he or she has received financial assistance under any other program, from private insurance, charitable assistance, or any other source. The Title Clearance Program must consider disaster recovery aid received by program applicants from any other federal, state, local or other source and determine if any assistance is duplicative. Any assistance determined to be duplicative must be deducted from the Program's calculation of the Applicant's total need prior to awarding assistance.

Prior assistance received from federal government, local government or private sources concerning any process to acquire the clear title of the property must be disclosed by the applicant in the application for the Title Clearance Program. In the event an applicant receives additional funds for obtaining a clear title over the property, the applicant will have **five (5) calendar days** from the date funds are received to notify the Program or its designees. The disaster recovery need that has not been fully met may qualify for the assistance of the Title Clearance Program.

The duplication of benefits guidance included in Federal Register Vol. 84, No. 119 (June 20, 2019), 84 FR 28836, updates the duplication of benefits guidance issued in Federal Register Vol. 76, No. 221 (November 16, 2011), 76 FR 71060 for CDBG-DR grants received in response to disasters declared between January 1, 2015, and December 31, 2021. As such, the duplication of benefits policy outlined in these guidelines follows the guidance issued in 84 FR 28836.

For more information about DOB, refer to the Duplication of Benefits Policy, available in English and Spanish at <https://cdbg-dr.pr.gov/en/download/duplication-of-benefits-policy/> (English) and <https://cdbg-dr.pr.gov/download/politica-sobre-la-duplicacion-de-beneficios/> (Spanish).

7 PROVIDING A CLEAR TITLE

The PRDOH will make use of specialized resources to administer the provision of clear and marketable titles to Program applicants. The already existing resources of PRDOH will be reinforced with additional staff contracted by PRDOH. Internal PRDOH staff will be

responsible for performing applicant interviews and field investigations, analysis of each case to determine the required tasks to provide a clear and marketable title, and the overall case management, ensuring that applicants are always treated fairly and in accordance with federal, state, and local laws and regulations as applicable to each specific case.

The PRDOH staff for the Program will be located at PRDOH Regional Offices and the PRDOH Headquarters. Each Regional Office will handle intake, eligibility determinations, and assess cases for properties located within their jurisdictions. PRDOH Regional Offices and their covered Municipalities are as follows:

- | | | | | |
|------------------|--------------------|-------------------|------------------|-------------------|
| ■ Ponce Region | ■ Aguadilla Region | ■ Caguas Region | ■ Guayama Region | ■ Mayagüez Region |
| ■ Arecibo Region | ■ Bayamón Region | ■ Carolina Region | ■ Humacao Region | ■ San Juan Region |



Figure 1: PRDOH Regions for Title Clearance Program

- **Aguadilla Region.** Will manage applications from the following Municipalities:

- Aguada	- Las Marías	- Rincón
- Aguadilla	- Moca	- San Sebastián
- Isabela	- Quebradillas	

- **Arecibo Region.** Will manage applications from the following Municipalities:

- Arecibo	- Florida	- Morovis
- Barceloneta	- Hatillo	- Utuado
- Camuy	- Lares	- Vega Baja
- Ciales	- Manatí	

- **Bayamón Region.** Will manage applications from the following Municipalities:

- Bayamón	- Corozal	- Naranjito
- Cataño	- Dorado	- Toa Alta
- Comerío	- Guaynabo	- Toa Baja

- Vega Alta

- **Caguas Region.** Will manage applications from the following Municipalities:
 - Aguas Buenas
 - Cayey
 - Gurabo
 - Caguas
 - Cidra
 - San Lorenzo
- **Carolina Region.** Will manage applications from the following Municipalities:
 - Canóvanas
 - Fajardo
 - Río Grande
 - Carolina
 - Loíza
 - Trujillo Alto
 - Culebra
 - Luquillo
 - Vieques
- **Guayama Region.** Will manage applications from the following Municipalities:
 - Aibonito
 - Guayama
 - Santa Isabel
 - Arroyo
 - Patillas
 - Barranquitas
 - Salinas
- **Humacao Region.** Will manage applications from the following Municipalities:
 - Ceiba
 - Las Piedras
 - Yabucoa
 - Humacao
 - Maunabo
 - Juncos
 - Naguabo
- **Mayagüez Region.** Will manage applications from the following Municipalities:
 - Añasco
 - Hormigueros
 - Mayagüez
 - Cabo Rojo
 - Lajas
 - Sabana Grande
 - Gúanica
 - Maricao
 - San Germán
- **Ponce Region.** Will manage applications from the following Municipalities:
 - Adjuntas
 - Juana Díaz
 - Villalba
 - Coamo
 - Orocovis
 - Yauco
 - Guayanilla
 - Peñuelas
 - Jayuya
 - Ponce
- **San Juan Region.** Will manage applications from the following Municipalities:
 - San Juan

7.1 Title-Related Services

The Title Clearance Program will engage vendors to support and provide, on a case-by-case basis, title-related services required to obtain clear and marketable titles. These vendors, depending on the specific needs of each application, will provide the Program with the following, not all inclusive, list of services:

- **Title Investigation Services:** Refers to the collection of all the information available in the books of the Property Registry, through an investigation that has the purpose

of obtaining information of the registry history of the property. The investigation may be performed personally at the Property Registry which corresponds to the property's demarcation or through an investigation in the **Karibe** System¹¹. The result of the investigation must be detailed in a Title Study, which will reflect the registration of transactions related to the property, such as: sales, mortgages, liens, and judgments, among others. In addition, the Title Study will reflect the legal description of the property, and the information of the person (natural or legal) who was the last title holder, as well as the existence or absence of easements and other liens that may affect a clear title on the property.

- **Land Survey Services:** Refers to the collection of field data; and the reduction, calculation, and plotting of such data; to produce property plans and legal descriptions that clearly set forth the boundaries of properties in sufficient detail for such boundaries to remain in perpetuity. Land Survey Services may also include the subdivision of land into two (2) or more parcels, as well as the grouping of two (2) or more parcels into a single one. All Land Survey Services performed for the Program must be certified by a Licensed Surveyor in Puerto Rico.
- **Engineering Services:** Refers to the performance of assessments and calculations necessary to establish current structural, soil, drainage, construction, and site conditions and to provide recommendations and certifications of such conditions. May also include the production of engineering designs with drawings, specifications, dimensions, and materials lists, as well as specialized engineering studies. All engineering services for the Program must be certified by a Licensed Professional Engineer or Architect in Puerto Rico.
- **Legal Services:** Refers to legal and procedural requirements necessary to remove problems, liens, and defects for a clear and marketable title. Includes notarial services and the execution of public documents, including public deeds and notarial acts to complete: (i) Petitions to Registry ("Instancias"), (ii) Notarial Acts ("Actas Notariales"), (iii) Declarations of Heirship ("Declaratorias de Herederos"), (iv) Sworn Statements, (v) Deeds ("Escrituras Públicas"), and (vi) Proof of Ownership Procedure ("Expedientes de Dominio"). All legal services required for the Program must be performed by a licensed Attorney-at-Law and Notary Public in Puerto Rico ~~and will be limited to non-contentious matters.~~
- **Appraisal Services:** Refers to the process of developing an opinion of current value of the structures and/or lands subject to a clear and marketable title under the Program. The opinions of value will require the study of all value influences and may take the following approaches: the current cost of reproducing or replacing the home, minus an estimate for depreciation plus the value of land; the value indicated in recent sales of comparable properties in the market; and the value

¹¹[KARIBE \(pr.gov\)](http://karibe.pr.gov)

that the property's net earning power will support. All appraisal services for the Program must be certified by a licensed Real Estate Appraiser in Puerto Rico.

Additional services to ~~these~~ listed above may be provided by Program-engaged vendors to obtain clear and marketable titles. Program staff, upon a detailed review of the specific circumstances of each application, will request Title-Related Services from Program-engaged vendors.

7.2 Case Analysis and Interview

After an application is deemed eligible for the Program, Program staff will interview the applicant to review information provided and to gather any additional information that may help to determine how a clear and marketable title for the property can be obtained. ~~The~~ PRDOH will analyze the specifics of each application to determine if the property is part of the PRDOH's community portfolio (i.e., communities created through Act 26-1941¹²), another public instrumentality's land portfolio, or a privately-owned property by evaluating:

- The community to which the applicant belongs to;
- The property location;
- The amount of time the property has been occupied by the applicant or his/her ancestors;
- Any evidence of usufruct of another's property; and
- The use given to the land or structure.

To determine if the property is part of the PRDOH's community portfolio, the Program will review existing records at PRDOH of its land. For properties belonging to others, including public instrumentalities and private entities, PRDOH may rely on Title Search services from its Title-Related Services vendors.

~~Program staff will also go to the field to corroborate information provided by the Applicant concerning the property. Program staff may interview neighbors of the property during the site visit.~~

The results of the case analysis will dictate the way that PRDOH will proceed to obtain a clear and marketable title for the applicant and will indicate the start of assistance to the eligible applicant.

8 POTENTIAL TYPES OF TITLE CLEARANCE CASES

The PRDOH Project Management and Development ~~Division~~ Office handles all title clearance cases related to public-owned land in Puerto Rico. However, the CDBG-DR

¹² ~~The~~ PRDOH has been providing clear titles to individuals and families residing within communities established by means of Title V of Act 26-1941. These are communities established in public lands currently owned by PRDOH where families of scarce resources have been provided with "right of construction" and "right of enjoyment" in perpetuity through a Usufruct Contract.

Title Clearance Program, ~~managed by PRDOH as grantee~~ expands this work by both increasing the capacity to clear title for public-owned lands, as well as extending this service to private-owned property serving as the primary residence of Program-eligible households. The following Acts relate to the clearance of title for public-owned property. Because the Title Clearance Program, in part, expands upon the existing efforts and capacity of the PRDOH Project Management and Development ~~Division~~ Office and its authorizations under these Acts, any reference to PRDOH refers to both, the PRDOH Project Management and Development ~~Division~~ Office, as well as grantee of CDBG-DR funds and administering entity of the Title Clearance Program.

8.1 Title under Act No. 132 of July 1, 1975, as amended, Dwellings Located on Another's Land Act

The Program may provide a clear and marketable title to applicants under the provisions of Act 132-1975. This Act allows PRDOH to provide title in both publicly- and privately-owned land, so long as the property, for which a title is requested, is transferred to PRDOH before transferring the title to the applicant. In the case of public-owned land, Act 132-1975 authorizes public instrumentalities to transfer the land to PRDOH at no cost. PRDOH will work with public instrumentalities ~~for them in transferring to transfer~~ title of the lands where the applicant's residential structure is nested. Nonetheless, PRDOH will retain title of lands for which, after proper consultation with pertinent public instrumentalities, it is determined ~~that there exists~~ the existence of a superior public interest other than to provide title to the applicant.

~~In order~~ For applications to be processed under the provisions of Act 132-1975 the following conditions must be met:

- ~~The~~ Applicant must currently occupy the land and reside within a structure nested in the land. The land must have been occupied by the applicant on or before December 31, 2002; or the applicant must have acquired the structure nested within the land by transfer, inheritance, donation, exchange, assignment, or purchase from owners which occupied the land on or before December 31, 2002.
- ~~The~~ Applicant must have permanent domain over the structure nested in the land; and
- ~~The~~ Applicant must not own any other home.

If all ~~the~~ conditions for the application to be processed under Act 132 are met and if the land occupied is transferred to PRDOH without cost, title over the property will be transferred to the applicant through a Title Certification ~~or Public Deed~~. The Title Certification must contain (i) the name of the applicant acquiring the land, (ii) the time since the land has been occupied, (iii) the date ownership is transferred, (iv) the size of the plot of land transferred with its property legal description, (v) evidence of registration of title in the Property Register, and (vi) any other data deemed necessary by PRDOH and applicable law.

Title under Act 132-1975 can be provided at a nominal cost of **one (1) dollar** if the annual gross adjusted income of the applicant's household is not greater than \$21,100. If the annual gross adjusted income of the applicant's household is greater than \$21,100, then title under Act 132-1975 can be provided for a purchase price equal to the multiplication of the appraised value of the land by the corresponding percentage of **Table 2** below.¹³

Table 2: Percentages for Determination of Purchase Price under Act 132-1975

Annual Gross Income	Adjusted Percent	Annual Gross Income	Adjusted Percent
\$21,101 to \$21,200	2%	\$22,301 to \$22,400	39%
\$21,201 to \$21,300	4%	\$22,401 to \$22,500	43%
\$21,301 to \$21,400	6%	\$22,501 to \$22,600	48%
\$21,401 to \$21,500	8%	\$22,601 to \$22,700	53%
\$21,501 to \$21,600	11%	\$22,701 to \$22,800	58%
\$21,601 to \$21,700	14%	\$22,801 to \$22,900	63%
\$21,701 to \$21,800	17%	\$22,901 to \$23,000	68%
\$21,801 to \$21,900	20%	\$23,001 to \$23,100	74%
\$21,901 to \$22,000	23%	\$23,101 to \$23,200	80%
\$22,001 to \$22,100	27%	\$23,201 to \$23,300	86%
\$22,101 to \$22,200	31%	\$23,301 to \$23,400	92%
\$22,201 to \$22,300	35%	\$23,401 to \$23,500	98%

For applications where the household has an annual gross adjusted income greater than \$23,500, title can be provided for a purchase price equal to the appraised value of the land.

Annual gross income only considers the salaries of the head of household and its spouse, if any. Assistance payments received by the household from scholarships, veteran benefits, or any other income received from judicial, extrajudicial, or administrative awards, as well as assistance provided by the Federal Government such as food stamps, social security, or retirement, are not considered towards the calculation of annual gross income. To obtain the annual gross adjusted income for purposes of the Act, the following credits will be deducted:

- \$2,300 for payroll deductions;
- \$1,200 for each dependent whose age does not exceed twenty-one (21) years old and is unemployed;
- \$2,300 for any member of the household with mental or physical disabilities;
- \$1,700 for any member of the household older than sixty-five (65) years old without income; and

¹³ On July 19, 2019, Act 132-1975 was amended by Act 64-2019 to modify the Annual Gross Adjusted Income for the provision of title at a nominal price of \$1 from \$14,400 to \$21,100 and for calculating purchase price for households with Annual Gross Adjusted Income greater than \$21,100.

- \$1,200 for each dependent older than twenty-one (21) years old but younger than twenty-five (25) years old undergoing university studies without receiving any income.

If a title under Act 132 is provided at the nominal cost of **one (1) dollar**, the Title Certification will have a lien. If a title is provided under Act 132-1975 at a nominal cost of one (1) dollar, the Title Certification will have restrictive covenants. PRDOH will put in place a lien against property to guarantee the restrictive covenants. Applicants provided title under this provision of the Act 132 in accordance with amendments made by Act 114-2019 (hereinafter **Act 114**), must use the property as their primary residence. Additionally, they cannot sell, lease, transfer, mortgage, or dispose of the property without the consent of PRDOH for a period of **five (5) years**. Any applicant that sells, leases, transfers, or disposes of the property within the established period will be obligated to pay PRDOH a percentage of the value of the property at the time of the above referenced transactions as shown in **Table 3** below.

Table 3: Percentage of the Appraised Value of Land to be paid to PRDOH for Disposition of Property Title under the Provisions of Act 132-1975 before the Established 5-Year Term

Time of Disposition	Percent	Time of Disposition	Percent
First Year	90%	Fourth Year	60%
Second Year	80%	Fifth Year	50%
Third Year	70%		

The PRDOH may provide exemptions to the aforementioned liens for reasons of divorce, inheritance, severe or terminal illness, mortgage loans contemplated on the Act 132-1975, or any other situation deemed appropriate by PRDOH.

8.2 Title under Act No. 35 of June 14, 1969, as amended, Sale of Parcels to Usufructuaries or Occupants Act

If the property for which a title is requested from the Program is part of communities established under Title V of Act 26-1941, the title may be provided through the provisions of Act 35 of June 14, 1969, as amended, 28 LPRA § 681 *et seq.*, known as the Sale of Parcels to Usufructuaries or Occupants Act (hereinafter **Act 35-1969**).

8.2.1 Usufructuaries

Back in 1941, Act 26-1941 declared as a fundamental right of every human being that makes a living from agricultural work to be able to have their homes within the lands that provide for their sustenance. The government over the years, and through the provisions of Title V of Act 26-1941, has established numerous communities for what the Act calls "Aggregates". In its Article 78, Act 26-1941, as amended, 28 LPRA § 555¹⁴, states that, for the purposes of this act, the term *agregado* shall be understood to mean any family

¹⁴ <http://www.bvirtual.ogp.pr.gov/ogp/BVirtual/LeyesOrganicas/pdf/26-1941.pdf>

head and those single persons who qualify, residing in the rural zone, whose home is established in a house and on land belonging to another person or in their own house erected on land belonging to another person, whose family is of low income, and who does not possess land as owner. For purposes of this Act 26-1941, and in order to calculate adjusted gross income, the term "low-income family" will be that established by the Secretary of PRDOH through administrative order. Not more than a parcel shall be granted to any family head ~~nor~~ to these single persons who qualify ~~therefor~~, nor shall such family head or single persons convey said parcel without the consent of the Housing Development and Improvements Administration.¹⁵, ~~under such regulations as the Housing Development and Improvements Administration may approve.~~

The Act 26-1941 authorizes the government to provide free assignment of land to Aggregates in usufruct. ~~Through amendments to Act 26-1941 extends~~ the benefits of the free assignment of land ~~was extended to~~ (i) persons living in urban areas so long as their way of living is by agricultural work, (ii) persons living in rural areas even if their way of living is not by agricultural work, (iii) persons that moved from rural to urban areas so long as they wish to return to rural areas, (iv) persons residing in urban areas whose homes were acquired by the government through purchase or expropriation to carry out public projects, and (v) veterans of the United States Armed Forces, so long as they don't own properties and their income does not permit them to acquire property.¹⁶ ~~At the moment~~ Now, PRDOH is responsible for administering the communities established through the Act 26-1941.

The following eligibility requirements must be met ~~in order~~ for a person to be provided with free assignment of land through a Usufruct Contract ~~the following eligibility requirements must be met:~~

- ~~The~~ Applicant must be an "Aggregate" as defined by Act 26-1941;
- ~~The~~ Applicant must have resided in Puerto Rico for a period of at least **six (6) months**;
- ~~The~~ Applicant must not have sufficient capital or income to acquire property for residential use;
- ~~The~~ Applicant's household income must not exceed the maximum Annual Gross Adjusted Income established by PRDOH through Administrative Order;
- The Applicant must not have been an usufructuary under any of the programs of PRDOH; and
- ~~The~~ Applicant must not own any other land.¹⁷

¹⁵ Pursuant to [Administrative Bulletin No. OE-2006-03 of January 23, 2006](#), all existing functions, programs, activities, and units in the Administration for the Development and Improvement of Housing were transferred and consolidated to PRDOH.

¹⁶ 28 L.P.R.A. § 556.

¹⁷ See Act. 26-1941 and Regulation No. 7534 of June 30, 2008, known as *Regulation for Parcels or Lot Distribution and Management for Housing under Title V of the Puerto Rico Land's Act (Amended)*.

The maximum Annual Gross Adjusted Income to qualify for a Usufruct Contract is established by Act 26-1941, as amended, in the amount of \$21,100. Annual gross income only considers the salaries of the head of household and its spouse, if any. Assistance payments received by the household from scholarships, veteran benefits, or any other income received from judicial, extrajudicial, or administrative awards, as well as assistance provided by the Federal Government such as food stamps, social security, or retirement are not considered towards the calculation of annual gross income. To obtain the annual gross adjusted income for purposes of the Usufruct Contract, the following credits will be deducted:

- \$2,300 for payroll deductions;
- \$1,200 for each dependent whose age does not exceed twenty-one (21) years old and is unemployed;
- \$2,300 for any member of the household with mental or physical disabilities;
- \$1,700 for any member of the household older than sixty-five (65) years old without income; and/or
- \$1,200 for each dependent older than twenty-one (21) years old but younger than twenty-five (25) years old undergoing university studies without receiving any income.

If all conditions are met as required by law and regulations, the PRDOH will extend Usufruct Contracts to Applicants over a plot of land in the established communities. Usufructuaries cannot sell, transfer, rent, assign, lease, or in any way dispose of or encumber, in whole or in part, the right to usufruct or any existing buildings, accessories or improvements, or any right or privilege from the usufruct contract. Usufructuaries must build their homes in the plots of land assigned within a period of **one hundred twenty (120) days** after execution of the Usufruct Contract. This period may be extended by PRDOH on a case-by-case basis as allowed by applicable law and regulations. Those public employees that, without having a Usufruct Contract, possess a parcel of land at which their home is located, may request one so long as they comply with the requirements of the law.

8.2.2 Title to Usufructuaries

Act 35-1969 authorizes PRDOH to provide title to usufructuaries that are in compliance with the terms and conditions of their Usufruct Contracts. Usufructuaries are provided ownership over the lands they occupy at the nominal cost of **one (1) dollar**. For Usufructuaries to be provided ownership over the land they occupy the following must be met:

- Have their residence built on, or transferred to, the plot of land under the Usufruct Contract or demonstrate capability to obtain financing to build their residence within the plot of land, which must also be their primary residence;
- Request ownership over the plot of land to PRDOH; and

- Pay, as a purchase price, an amount equal to one dollar (\$1).¹⁸

For the purposes of Act 35-1969, ~~these~~ occupants of a plot of land ~~that use~~ using it for the purpose of primary residence and meet ~~that comply with~~ all requirements of law and regulations to qualify as an usufructuary, or occupants who ~~that as~~ acquired, by purchase or transfer, a parcel or part thereof, from an usufructuary with which the occupant has ties of consanguinity or affinity up to the fourth degree, will not be considered to be in violation of Article 76 of Act 26-1941, 28 L.P.R.A. § 553, ~~Gratuitous cession of land in usufruct.~~

~~In cases of Usufructuaries at urban areas, ownership may be granted only over the plot of land occupied by the residence. The remainder of land will be offered for sale at fair market value and a purchase option will be provided to the Usufructuary. Ownership can only be provided over a single plot of land under Act 35-1969. Usufructuaries with right over two (2) or more plots of land must choose the one over which they will request ownership.~~¹⁹ Any person that obtains ownership over a plot of land under Act 35 and sells or disposes of the land in any form, is ineligible to receive rights over any other plot of land in virtue of Act 26-1941.²⁰

Title to usufructuaries under Act 35-1969 can be provided through Notarial Deeds or Title Certifications from PRDOH.²¹ If Notarial Deeds are used for the provision of title, they are exempt from the payment of any notarial and Property Registry Fees.²²

If a title under Act 35-1969 is provided at the nominal cost of **one dollar (\$1)** the Title Certification will have a lien. Applicants provided title under this provision ~~of the Act 35, as amended by Act 114,~~ cannot sell, lease, transfer, mortgage, or dispose of the property without the consent of PRDOH for a period of **five (5) years**. Any Applicant that sells, leases, mortgage, transfers, or disposes of the property within the established period will be obligated to pay PRDOH a percentage of the value of the property at the time of the above referenced transactions, as shown in **Table 4** below.

Table 4: Percentage of the Appraised Value of Land to be paid to PRDOH for Disposition of Property Title under the Provisions of Act 35-1969 before the Established 5-Year Term

Time of Disposition	Percent	Time of Disposition	Percent
First Year	90%	Fourth Year	60%
Second Year	80%	Fifth Year	50%
Third Year	70%		

¹⁸ 28 L.P.R.A. § 682.

¹⁹ 28 L.P.R.A. § 686.

²⁰ 28 L.P.R.A. § 687.

²¹ 28 L.P.R.A. § 689a.

²² 28 L.P.R.A. § 691.

The PRDOH may provide exemptions to the ~~aforementioned~~ lien for reasons of divorce, inheritance, severe or terminal illness, mortgage loans contemplated on the Act 35-1969, or any other situation deemed appropriate by PRDOH.

8.3 Title under Act No. 286 of August 21, 1999, as amended, Act to Provide for the Transfer or Leasing of Encumbered or Affected Lots or Parcels and the Granting of Property Titles.

The Program may provide a clear and marketable title under the provisions of Act No. 286 of August 21, 1999, as amended, 28 L.P.R.A. § 681 *et seq.*, special provisions section, known as the "Act to Provide for the Transfer or Leasing of Encumbered or Affected Lots or Parcels and the Granting of property Titles" (hereinafter **Act 286-1999**). This Act was approved to provide property titles to those households that are encumbered or affected in such a way that it impedes, restricts, or makes impossible the disposition of the property or adequate use by the beneficiaries of social interest programs. It also authorizes PRDOH to dispose of plots of land/properties that, due to encumbrances/liens or other circumstances imposed by law or regulation, are restricted from being disposed of or being properly used in favor of social interest programs' beneficiaries.

~~In order~~ For applicants to be processed under the provisions of Act 286-1999 the following conditions must be met:

- Applicant ~~must~~ ~~should~~ be in possession or occupancy of the land over which they request title at the time of approval of the Act (i.e., August 21, 1999);
- If applicant was previously issued title over land there must exist some reason of divorce, death, breakup, emigration, or any other similar situation explaining why the applicant is not the current owner of the property. ~~for which ownership over the property is not currently with the Applicant;~~
- If applicant possesses other property, PRDOH may sell it to the Applicant at fair market value.²³

If all conditions for ~~the~~ an application to be processed under Act 286-1999 are met, title will be provided to the applicant by means of Notarial Deeds or Title Certifications.²⁴

If an Applicant complies with the ~~aforementioned~~ conditions of Act 286-1999, as well as the conditions for the assignment of land as usufructuaries under Act 26-1941, then title will be provided for a nominal cost of one dollar (\$1).

On the other hand, if an Applicant complies with the ~~aforementioned~~ conditions of Act 286-1999, but does not meet the requirements of Act 26-1941, nor has ownership over other properties, then title will be issued at a purchase price equal to the appraised value of the land. If the Applicant cannot or does not wish to obtain title at the purchase price

²³ 28 L.P.R.A. § 681 note.

²⁴ *Id.*

of the appraised value of the land, then PRDOH may lease the land to the Applicant following the provisions of Act 26-1941.

8.4 Title under Act No. 202 of August 5, 2018, as amended, Act to Grant Property Title to the Beneficiaries of the Permanent Housing Program for the Victims of Hurricane Hugo

The Program may provide a clear and marketable title under the provisions of Act No. 202 of August 5, 2018, as amended, 17 LPRA § 1551 *et seq.*; known as the "Act to Grant Property Title to the Beneficiaries of the Permanent Housing Program for the Victims of Hurricane Hugo" ~~Law to Authorize the Department of Housing to Provide Title Over Properties Created by Virtue of the Permanent Housing Program for the Victims of Hurricane Hugo~~ (hereinafter, **Act 202-2018**). This Act was approved to authorize the provision of property title to families that have lived in the structures created by means of the Permanent Housing Program for the Victims of Hurricane Hugo. The Permanent Housing Program was created to provide safe and permanent housing to those impacted by the atmospheric disaster. Over thirty (30) years have passed and the quantity of families without title to the homes provided through the Program is still large. Many of the current occupants of the homes are the children or relatives of the original owners that benefited from the Program. Additionally, the abandonment and deterioration of the structures has resulted in many occupants not being the ones authorized under the Program. Given the circumstances, this Act establishes as public policy the provision of titles to those occupants that have, for many years, lived in the structures created through the Program and have not yet received title over them.

~~The following conditions must be met in order for applications to be processed under the provisions of Act 202-2018 the following conditions must be met:~~

- If the applicant is an original beneficiary or heir of the original beneficiary of the Permanent Housing Program, the applicant must:
 - Currently reside within the structure and land provided through the Program;
 - Request to PRDOH ownership of the structure and land provided through the Program; and
 - Pay, as a purchase price, an amount equal to **one dollar (\$1)**.²⁵
- If the Applicant is not an original beneficiary nor heir or part of the original beneficiary's family nucleus, the applicant must:
 - Request to PRDOH ownership of the structure and land occupied;
 - Prove that the structure has been occupied in quality of owner and of primary residence for a period of at least **five (5) years**;
 - Pay, as a purchase price, the value of the land. If the land has a fixed price established by law or regulation, then that will be considered as the value

²⁵ 17 L.P.R.A. § 1552.

of the land. Otherwise, the purchase price will be determined by means of an appraisal of the value of the land.²⁶

If all conditions for the Application to be processed under Act 202-2018 are met, title will be provided to the Applicant by means of Notarial Deeds or Title Certifications.²⁷ Those provided title under the provisions of Act 202-2018 who sell or dispose of the transferred property, cannot request ownership over another plot of land under the provisions of the Act.²⁸

Applicants provided title under the provisions of Act 202-2018 cannot sell, lease, transfer, mortgage, or dispose of the property without the consent of PRDOH for a period of **five (5) years**. Any applicant that sells, leases, mortgage, transfers, or disposes of the property within the established period will be obligated to pay to PRDOH a percentage of the value of the property at the time of the sell as shown in **Table 5** below.

Table 5: Percentage of the Appraised Value of Land to be paid to PRDOH for Disposition of Property Title under the Provisions of Act 202-2018 before the Established 5-Year Term

Time of Disposition	Percent	Time of Disposition	Percent
First Year	90%	Fourth Year	60%
Second Year	80%	Fifth Year	50%
Third Year	70%		

The established five-year lien established in the above paragraph will not be applied to applicants that who are original beneficiaries, or heirs of the original beneficiaries, of the Program, which obtained their title, and have complied with the requirements of the transfer for a period no less than **five (5) years**. Also, the five-year lien will not be applied to applicants that obtained the property through purchase from an original beneficiary or an heir that who complied with the requirements of the transfer before the approval of Act 202-2018.²⁹

8.5 Title under Act No. 160 of August 10, 1988, as amended, Law for the Emergency Housing Program

The Program may provide a clear and marketable property title under the provisions of Act No. 160 of August 10, 1988, as amended, known as Law for the Provision of Title Over Properties Created by Virtue of the Emergency Housing Program (hereinafter **Act 160-1988**). Between October 6 and 7 of 1985 Puerto Rico was affected by a strong trough. This trough caused flooding, overflows, landslides, and numerous other damages all through Puerto Rico. In response to the disaster, Puerto Rico implemented an Emergency Housing Program to provide displaced families with options for permanent housing. This

²⁶ *Id.*
²⁷ 17 L.P.R.A. § 1555.
²⁸ 17 L.P.R.A. § 1554b.
²⁹ 17 L.P.R.A. § 1558.

Act was approved to authorize the provision of **property** titles to families that have lived in the structures created by means of the Emergency Housing Program.

The following conditions must be met ~~in order~~ for applications to be processed under the provisions of Act 160-1988 ~~the following conditions must be met:~~

- If the applicant is an original beneficiary or heir of the original beneficiary of the Emergency Housing Program:
 - Must currently reside within the structure and land provided through the Emergency Housing Program;
 - Request to PRDOH ownership of the structure and land provided through the Program; and
 - Pay, as a purchase price, an amount equal to one dollar (\$1).³⁰

- If the applicant is not an original beneficiary nor heir or part of the original beneficiary's family nucleus:
 - Request to PRDOH ownership of the structure and land occupied;
 - Prove that the structure has been occupied in quality of owner and of primary residence for a period of at least **five (5) years**;
 - Pay, as a purchase price, the value of the land. If the land has a fixed price established by law or regulation, then that will be considered as the value of the land. Otherwise, the purchase price will be determined by means of an appraisal of the value of the land.³¹

If an application, under Act 160-1988, meet all conditions ~~for an application~~ to be processed ~~under Act 160-1988 are met~~, title will be provided to the applicant by means of Notarial Deeds or Title Certifications.³² ~~These Applicants who are provided a property title under the provisions of this Act the provisions of Act 160-1988 who sell or dispose of the transferred property, cannot request ownership over another plot of land under the provisions of the Act.~~³³

Applicants provided title under the provisions of Act 160-1988 cannot sell, lease, transfer, or dispose of the property without the consent of PRDOH for a period of **five (5) years**, provided that ~~any period of occupancy of time that the property was occupied~~ will be considered towards the **five (5) year** period. ~~This applies if the applicant is the original beneficiary or a heir of the original beneficiary of the Program.~~³⁴ Any applicant who sells, leases, transfers, or disposes of the property within the established period will be obligated

³⁰ Art. 2, Act. 160-1988, as amended.

³¹ *Id.*

³² Art. 6, Act 160-1988, as amended.

³³ Art. 5, Act 160-1988, as amended.

³⁴ Art. 9, Act 160-1988, as amended.

to pay to PRDOH a percentage of the value of the property at the time of sell as shown in **Table 6** below.³⁵

Table 6: Percentage of the Appraised Value of Land to be paid to PRDOH for Disposition of Property Title under the Provisions of Act 160-1988 before the Established 5-Year Term

Time of Disposition	Percent	Time of Disposition	Percent
First Year	90%	Fourth Year	60%
Second Year	80%	Fifth Year	50%
Third Year	70%		

8.6 Title under Act No. 106 of August 3 of 1995, as amended, Law to Transfer from the CRUV to the ADEMEVI the Minimum Urbanization Projects (UM) for the Evaluation and Granting of Property Titles

The Program may provide a clear and marketable property title under the provisions of Act No. 106 of August 3, 1995, as amended, 17 LPRA § 28 *et seq.*, known as the “Law to Transfer from the CRUV to the ADEMEVI the Minimum Urbanization Projects (UM) for the Evaluation and Granting of Property Titles ~~Law to Transfer Minimal Urbanization Projects to the Housing Development and Improvements Administration~~” (hereinafter **Act 106-1995**). This Act was created with the purpose of transferring from the Urban and Housing Renovation Corporation to the Housing Development and Improvements Administration of PRDOH those housing projects created by law or regulations known as Minimal Urbanization Projects.³⁶ The purpose of the transfer was for PRDOH to provide title to these citizens that benefited from the Minimum Urbanization Projects.³⁷ The Act establishes that title will be provided in compliance with the legal and programmatic requirements and criteria that created each Minimum Urbanization Project.³⁸ These applications will be handled on a case-by-case basis.

8.7 Title for Other Privately-Owned Property

The following are some expected scenarios that PRDOH may encounter for these types of applications and a general statement as to how they might be resolved:

- **Heirs/Spouses without Will:** These are applicants that may live within a property that was owned by a diseased ancestor/spouse who, at the time of death, did not leave any will to specify heirship of its property. PRDOH, through its case analysis, may identify the ancestry tree of the original owner and its heirs/spouse. After the corresponding analysis, PRDOH may opt to produce Declarations of Heirship through its Title-Related vendors. Once Declarations of Heirship are generated, they will be registered in the Property Register. Additional steps to

³⁵ *Id.*

³⁶ 17 L.P.R.A. § 28.

³⁷ *Id.*

³⁸ *Id.*

obtain a clear title will depend on the circumstances of the heirs/spouse related to the application.

- **Residences Located Within Relative-Owned Property:** These are applicants, that either by tolerance or family relationship, where allowed to build, or occupy an existing structure, for residence within a plot of land owned by a relative. PRDOH, through its case analysis and field investigations, will work with both parties to establish if title to the plot of land and the residence within it can be transferred to applicant. These cases may require the subdivision of land and additional coordination with regulatory Agencies that establish new easements for the new parcels of land generated.
- **Residences Located within Land Not Registered in Property of Registry:** These are cases for which the Program, through its case analysis and field investigations, finds that the plot of land where applicant's residence is located is not owned by any private or public entity. These cases may require the presentation of an ex-parte Proof of Ownership ("Expediente de Dominio") claim with the courts.

8.8 Compliance with the Planning Board and the Office of Permits Management

Titles issued by the Program under the provisions of Act 132-1975, Act 35-1969, and Act 286-1999 may not be required to comply with the requirements of the Laws governing the Puerto Rico Planning Board (PB) and the Puerto Rico Office of Permit Management (OGPe, for its Spanish acronym) and their regulations. Specifically, those cases that comply with the provisions of Resolution No. JPE-12 as adopted by the PB on September 25, 1973, are exempt from review and approval of the PB and OGPe. Cases that do not comply with the provisions must be submitted to OGPe for approval. Titles issued by the Program under the provisions of any other Act or for privately-owned property will be required to comply with the requirements of the PB and OGPe, including the provisions of Regulation No. 9233 of December 2, 2020,³⁹ 9081 of June 7, 2019, known in Spanish as "Reglamento Conjunto para la Evaluación y Expedición de Permisos Relacionados al Desarrollo, Uso de Terrenos y Operación de Negocios".

8.9 Clear Title Filing

Once and if approval is obtained to provide a property title to an applicant, a clear title is obtained for the Applicant, the Program will proceed to register the property under the applicant's name with the Applicant as the owner at the Puerto Rico Property Registry. The Program will obtain the minute of filing at the Puerto Rico Property Registry showing the name of the Registry, the name of the person on whose behalf the document is being presented, the property address, and date of filing registry, rights paid, other documents filed and any other pertinent information with regards to the transaction. The filing minute of filing must have the Seal of the Property Registry showing that the transaction was filed,

³⁹ See Resolution No. JPI-39-09-2022 from the Puerto Rico Planning Board. <https://jp.pr.gov/wp-content/uploads/2022/02/Resolucion-JPI-39-09-2022-Aclara-Particulares-sobre-Vigencia-Reglamento-Conjunto-2020.pdf>

either personally or using the Property Registry Karibe System, as permitted by law and regulations.

Once the document that transfers the property rights is filed ~~property is duly registered within~~ before the Puerto Rico Property Registry, all title issues will have been resolved by the Program. The Program shall provide the Applicant with a Program Final Notice with their individual case file documentation. If the Application was a referral from another CDBG-DR Program in the CDBG-DR Housing Portfolio, then the Title Clearance Program staff must notify the referring Program of the “cleared titled” condition of the applicant’s property. ~~Only then, may the Applicant proceed with other CDBG-DR Housing Program Assistance, if eligible.~~

9 UNOBTAINABLE TITLE

As part of the title clearance process, a title can be determined to be unobtainable. A title is deemed unobtainable when all reasonable efforts offered by the Program cannot result in a clear title within the 180-day term established to resolve title issues.⁴⁰ Reasonable efforts include, but are not limited to: interviews, visits, legal orientation, searches, and requests in agencies and/or courts, surveys, title searches, among others. Different reasonable efforts will be made depending on the issues that may arise. The reasons to determine a title is unobtainable, and which reasonable efforts are necessary to resolve the issues will be evaluated on a case-by-case basis.

Reasons for a title be deemed as unobtainable include, but are not limited to, the following:

1. Registry owner or indispensable party are unable to consent and there is no legal tutor appointed nor a valid Power of Attorney.
2. Subject property has active mortgage or reverse mortgage.
3. Lack of indispensable parties or unknown heirs.
4. Lot is owned by federal government or any of their agencies.
5. Lot exceeds measurements of 4.86 acres (“5 cuerdas”) and a plot plan is required.
6. Subject property has preventive recording or entry in the Property Registry disallowing its sale, transfer, or disposal.
7. Subject property has pending liens or court processes.
8. The Declaration of Heirship has been challenged.
9. Case represents contentious proceedings or lack of consensus between all interested parties.
10. Program has been unable to determine if subject property is located in public or private land.
11. Debt to the Department of Treasury that prevents Registry presentation.

⁴⁰ The Eligibility / Ineligibility Determination Section of these Program Guidelines establish a 180-day term, or two additional 90-day extensions, to resolve title issues that prevent the Program from obtaining a clear title for the applicant.

12. Structure is located in public land, pertaining to the PRDOH, municipality, agency and/or government instrumentality, and it does not comply with the requirements established in the applicable laws and/or regulations to transfer ownership.

In a case where the title is determined to be unobtainable, the participants' eligibility in others CDBG-DR programs and the proprietary interest determination will not be affected. Therefore, benefits through others CDBG-DR programs will not be affected.

10 NO PROGRAM INCOME

~~As stated in the Title Clearance Process section of these Guidelines,~~ Clear and marketable titles may be provided by requiring applicants to pay, as a purchase price for the land, a nominal cost ranging from one dollar (\$1) to the appraised value of land. Such is the case when title is issued under the provisions of Act 132-1975 and Act 35-1969 for lands owned by PRDOH or any other public instrumentality.

Proceeds from such transactions are not considered Program Income, as these proceeds do not fall under the definition of Program Income stated in 24 C.F.R. 570.500(a). PRDOH will not be acquiring, constructing, or improving any property with CDBG-DR funds for the Program to provide clear and marketable titles to applicants. Therefore, the Title Clearance Program will not generate any proceeds that can be considered Program Income.

11 APPLICATION CLOSEOUT

Once the property title has been delivered to the homeowner and filed with the Puerto Rico Property Register ~~or the property title has been deemed as unobtainable by the Program,~~ the Program application shall be closed. This process will begin by ensuring that all the documentation and process performed has been accepted by the applicant and that everything has been performed in compliance with Program requirements.

The applicant, or any other party involved, will be contacted if any additional information is necessary to close out the case. Once the ~~TC~~ Program achieves all levels of quality control review, the applicant will receive a Title Clearance Certificate along with a Program Final Notice and their individual case will be placed in a "Closeout Complete" status. If the application was referred by another Housing Program, the Title Clearance Program will issue a notification to the referring Housing Program for appropriate action to be taken.

If at any time during the title clearance process it becomes clear that the property title cannot be resolved, the Program will proceed to notify the applicant and the application will be placed in a "~~Clear Title Not Obtainable~~ Unobtainable Title" status. The Program will then proceed to close out the case. If the application was referred by another Housing Program, the Title Clearance Program will issue a notification to the referring Housing Program for appropriate action to be taken.

12 VOLUNTARY WITHDRAWAL

An applicant may request to withdraw from the Program. The voluntary withdrawal process will be followed in the event an applicant requests to withdraw from the Program.

To withdraw, the applicant will notify their desire to withdraw from the Program, who will then provide a Voluntary Withdrawal Notice to the applicant. ~~The~~ Applicant may cancel the request in the following **fifteen (15) days** after submitting the request. Upon completion of the **fifteen (15) days** withdrawal request without a request to cancel the withdrawal, the application status will be updated to "Withdrawn."

The withdrawal will be final, and the applicant may not be reinstated in the Title Clearance Program at any point in the future upon completion of the withdrawal process.

Participants will not be precluded from applying to other CDBG-DR assistance programs administered by PRDOH upon voluntary withdrawal from this Program.

13 NON-RESPONSIVE APPLICANTS

The program will make reasonable attempts to contact applicants to schedule meetings, collect documentation, or obtain other information necessary. If the program has made **three (3) consecutive unsuccessful attempts** to contact an applicant with no follow up contact from the applicant to provide the required documents or information, the Program will send a Non-Responsive Notification. The Non-Responsive Notification provides contact information for the Program, advises the applicant of the next steps in the application process, and notifies the applicant that they must contact the program within **five (5) working days** of the date of the letter. If the applicant fails to contact the program within the **five (5) working days** allowed, a Non-responsive Confirmation Notice will be sent, and the application will be closed.

14 PROGRAM-BASED RECONSIDERATION AND/OR ADMINISTRATIVE REVIEW

Applicants of the Program may contest any determinations or denials based on Program policy. However, an applicant may not challenge a federal statutory requirement. Applicants have the right to request a Program-based Reconsideration with the Program or request an Administrative Review directly with PRDOH, as stated below. If the applicant fails to contest a determination within the time allotted, the inaction will be deemed as an acceptance of the determination.

14.1 Program-Based Reconsideration Request

Applicants who wish to contest a Program determination may file a Program-based Reconsideration Request directly with the Program by submitting a written request via electronic or postal mail within **twenty (20) calendar days** from the date a copy of the notice was filed in the record of the agency. Provided that, if the date on which the copy of the notice is filed in the records of the agency differs from the mailing date (postal or

electronic) of said notice, the **twenty (20) calendar day-term** shall be calculated from the mailing date (postal or electronic). Notices distributed via electronic communication shall be considered valid. In the event a notification is sent via postal and electronic mail, the notification date will be the one sent beforehand. Program notices will include the electronic and postal information where these will be received, as these may vary.

Applicants who file a Program-based Reconsideration Request are encouraged to provide individual facts or circumstances, as well as supporting document to justify their petition. In the Reconsideration Request process, the Program will only review facts and information already included in an applicant's file, unless applicant submits new documentation. The Program has the discretion to accept or reject new documentation based upon its relevance to the Program-based Reconsideration Request.

The Program will review and address the Reconsideration Request within **fifteen (15) calendar days** of its receipt. Applicants will be notified of the reconsideration determination via a Reconsideration Request Approved or a Reconsideration Request Denied notification.

Filing a Program-based Reconsideration Request does not substitute, negate, or preclude any legal right that an applicant has to challenge a determination made by the Program. Therefore, applicants who believe the initial determination of the Program to be erroneous, may submit, at their discretion, either a Program-based Reconsideration Request or a petition for review of the decision made by the Program by filing an Administrative Review Request at PRDOH in accordance with Regulation Number 4953, of August 19, 1993, which regulates the Formal Adjudication Process for PRDOH and its Adjunct Agencies (**Regulation 4953**)⁴¹.

14.2 Administrative Review Request

If an applicant disagrees with a Program determination, or with the Reconsideration Request Denial determination, said party may file directly to PRDOH, as grantee, an Administrative Review Request in accordance with the Regulation 4953. The applicant must submit such request, in writing, within **twenty (20) calendar days** from the date a copy of the Program determination or a Reconsideration Request Denial determination notice was filed in the record of the agency. Provided, that if the date on which the copy of the notice is filed in the records of the agency differs from the mailing date (postal or electronic), the **twenty (20) calendar day-term** shall be calculated from the mailing date (postal or electronic). Notices distributed via electronic communication shall be considered valid. In the event a notification is sent via postal and electronic mail, the notification date will be the one sent beforehand. Submit the request via email to: LegalCDBG@vivienda.pr.gov; via postal mail to: CDBG-DR Legal Division, P.O. Box 21365,

⁴¹ For more details, you can access Regulation 4953 (in Spanish) at: <https://www.vivienda.pr.gov/wp-content/uploads/2015/09/4953-Reglamenta-los-procedimientos-de-adjudicacion-formal..pdf>

San Juan, PR 00928-1365; or in person at PRDOH's Headquarters at: CDBG-DR Legal Division, 606 Barbosa Avenue, Juan C. Cordero Davila Building, Río Piedras, P.R. 00918.

If the applicant disagrees with any **final** written determination on an Administrative Review Request notified by PRDOH after completing the Administrative Adjudicative Procedure, said party may file a Judicial Review petition before the Court of Appeals of Puerto Rico within **thirty (30) calendar days** after a copy of the notice has been filed. See Act No. 201-2003, as amended, known as the Judiciary Act of the Commonwealth of Puerto Rico of 2003, 4 L.P.R.A. § 24 *et seq.*, and Section 4.2 of Act No. 38-2017, as amended, known as the Uniform Administrative Procedures Act of the Government of Puerto Rico, 3 L.P.R.A. § 9672.

15 GENERAL PROVISIONS

15.1 Program Guidelines Scope

This document sets forth the policy governing the Program. These program guidelines are intended to aid and provide program activity guidance in Program implementation and closeout and should not be construed as exhaustive instructions. All Program activities must comply with the policies hereby stated. In addition, all program staff must adhere to established program procedures and all federal and state laws and regulations in effect, as applicable, in the execution of program activities.

However, PRDOH reserves the faculty to authorize, in its sole discretion, the granting of Program benefits to any Applicant, only when exceptional circumstances, not contemplated in these, justify it. Such faculty will be exercised on a case-by-case basis in compliance with local, state, and federal requirements. PRDOH is in no way obligated to grant the Program benefits in said cases.

15.2 Program Guidelines Amendments

PRDOH reserves the right to modify the policies established in these guidelines if the program guidelines, as written, do not reflect the intended policy or cause procedures to be impracticable, among any other circumstances. If an amended version of these guidelines is approved, the amended version fully supersedes all other previous versions and should be used as the basis for the evaluation of all situations encountered in the implementation and/or continuance of the Program from the date of its issuance, that is, the date that appears on the cover of these guidelines. Each version of the program guidelines will contain a detailed version control log that outlines any substantive amendment, inclusions and/or changes.

15.3 Disaster Impacted Areas

As described in the initial Action Plan, and its amendments, the Government of Puerto Rico will use CDBG-DR funds solely for necessary expenses related to disaster relief, long-term recovery, restoration of housing, infrastructure, and economic revitalization in the impacted and distressed areas in Puerto Rico as identified in disaster declaration

numbers DR-4336 and 4339. Through the Federal Register Vol. 83, No. 157 (August 14, 2018), 83 FR 40314, HUD identified that, for Puerto Rico, all components of the Island are considered "most impacted and distressed" areas. Therefore, these guidelines apply to all 78 municipalities of Puerto Rico.

15.4 Extension of Deadlines

The Program could extend deadlines on a case-by-case basis. The Program may decline to extend a deadline if such extension will jeopardize the Program's completion schedule or the schedule of an individual construction project. This strictly applies to program deadlines or established program terms. Under no circumstance(s) does the faculty to extend deadlines apply to the established terms of time in these guidelines or any applicable federal or state law or regulation, or to the terms of times established in these guidelines to request a Program-based Reconsideration, administrative review and/or judicial review.

15.5 Established Periods of Time

Unless otherwise specified, all established periods of time addressed in this, and all CDBG-DR Program Guidelines will be considered calendar days. On this matter, PRDOH, as grantee, will follow Rule 68.1 of the Rules of Civil Procedure of Puerto Rico, 32 LPRA Ap. V, R. 68.1.

15.6 Written Notifications

All determinations made by the Program will be notified in writing. If an applicant believes that any determination was made without being written, the applicant may request that such decision be made in writing and duly substantiated.

15.7 Conflict of Interest

As stated in the Federal Register Vol. 83, No. 28 (February 9, 2018), 83 FR 5844, Federal regulations require that State grantees, in the direct Grant administration and means of carrying out eligible activities, be responsible with program administrative requirements, including those established in 24 C.F.R. §570.489(h) related to conflicts of interest.

Several federal and state conflict of interest laws can govern CDBG-DR assisted activities. Therefore, PRDOH has enacted the Conflict of Interest and Standards of Conduct Policy (**COI Policy**) in conformity with the following applicable federal and state regulations:

1. HUD conflict of interest regulations, 24 C.F.R. §570.611 and 24 C.F.R. §85.36;
2. The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part 200 at § 200.112 and §200.318 (c)(1);
3. Puerto Rico Department of Housing Organic Act, Act No. 97 of June 10, 1972, as amended, 3 L.P.R.A. § 441 *et seq.*;
4. The Anti-Corruption Code for the New Puerto Rico, Act No. 2-2018, as amended, 3 L.P.R.A. § 1881 *et seq.*; and
5. The Puerto Rico Government Ethics Act of 2011, Act No. 1-2012, as amended, 3 L.P.R.A. § 1854 *et seq.*

The COI Policy outlines PRDOH's responsibility, in its role as grantee, to identify, evaluate, disclose, and manage apparent, potential, or actual conflicts of interest related to CDBG-DR funded projects, activities and/or operations. Said Policy is intended to serve as guidance for the identification of apparent, potential, or actual conflicts of interest in all CDBG-DR assisted activities and/or operations. In accordance with 24 C.F.R. § 570.489, the COI Policy also includes standards of conduct governing employees engaged in the award or administration of contracts.

As defined in the COI Policy, a conflict of interest is a situation in which any person who is a public servant, employee, agent, consultant, officer, or elected official or appointed official of the PRDOH, or of any designated public agencies, or of subrecipients that are receiving funds under the CDBG-DR Program may obtain a financial or personal interest or benefit that is or could be reasonably incompatible with the public interest, either for themselves, or with those whom they have business, or an organization which employs or is about to employ any of the parties indicated herein, or a member of their family unit during their tenure or for **two (2) years** after.

Such conflicts of interests will not be tolerated by PRDOH. Program officials, their employees, agents and/or designees are subject to state ethic laws and regulations, including, but not limited to Puerto Rico Government Ethics Act of 2011, Act No. 1-2012, as amended, in regard to their conduct in the administration, granting of awards and program activities.

According to the Act, no public servant shall intervene, either directly or indirectly, in any matter in which they have a conflict of interests that may result in their benefit. No public servant shall intervene, directly or indirectly, in any matter in which any member of their family unit, relative, partner or housemate has a conflict of interest that may result in benefit for any of the abovementioned. In the case that any of the abovementioned relationships have ended during the **two (2) years** preceding the appointment of the public servant, they shall not intervene, either directly or indirectly, in any matter related to them until **two (2) years** have elapsed after their appointment. This prohibition shall remain in effect insofar the beneficial ties with the public servant exist. Once the beneficial ties end, the public servant shall not intervene, either directly or indirectly, in such matter until **two (2) years** have elapsed.

The above conflict of interest statement does not necessarily preclude PRDOH Program officials, their employees, agents and/or designees from receiving assistance from the Program. On a case-by-case basis, PRDOH Program officials, their employees, agents and/or designees may still be eligible to apply and to receive assistance from the Program if the applicant meets all Program eligibility criteria as stated in these guidelines. PRDOH Program officials, their employees, agents and/or designees should disclose their relationship with PRDOH at the time of their application.

The COI Policy and all CDBG-DR Program policies are available in English and Spanish on the PRDOH website at <https://cdbg-dr.pr.gov/en/resources/policies/> and <https://www.cdbg-dr.pr.gov/recursos/politicas/>.

15.8 Citizen Participation

Throughout the duration of the grant, all citizen comments on PRDOH's published Action Plan, any substantial amendments to the Action Plan, performance reports and/or other issues related to the general administration of CDBG-DR funds, including all programs funded by this grant, are welcomed.

Citizen comments may be submitted through any of the following means:

- **Via phone:** 1-833-234-CDBG or 1-833-234-2324 (TTY: 787-522-5950)
Attention hours Monday through Friday from 8:00am-5:00pm
- **Via email at:** infoCDBG@vivienda.pr.gov
- **Online at:** <https://www.cdbg-dr.pr.gov/en/contact/> (English)
<https://www.cdbg-dr.pr.gov/contact/> (Spanish)
- **In writing at:** Puerto Rico CDBG-DR Program
P.O. Box 21365
San Juan, PR 00928-1365

The Citizen Participation Plan and all CDBG-DR Program policies, are available in English and Spanish on the PRDOH website at <https://www.cdbg-dr.pr.gov/en/citizen-participation/> and <https://www.cdbg-dr.pr.gov/participacion-ciudadana/>. For more information on how to contact PRDOH, please refer to www.cdbg-dr.pr.gov.

15.9 Citizen Complaints

As part of addressing Puerto Rico's long-term recovery needs, citizen complaints on any issues related to the general administration of CDBG-DR funds are welcome throughout the duration of the grant. It is PRDOH's responsibility, as grantee, to ensure that all complaints are dealt with promptly and consistently and at a minimum, to provide a timely, substantive written response to every **written** complaint within **fifteen (15) calendar days**, where practicable, as a CDBG grant recipient. See 24 C.F.R. § 570.486(a)(7).

Citizens who wish to submit formal complaints related to CDBG-DR funded activities may do so through any of the following means:

- **Via email at:** LegalCDBG@vivienda.pr.gov
- **Online at:** <https://cdbg-dr.pr.gov/en/complaints/> (English)
<https://cdbg-dr.pr.gov/quejas/> (Spanish)
- **In writing at:** Puerto Rico CDBG-DR Program
Attn: CDBG-DR Legal Division-Complaints
P.O. Box 21365
San Juan, PR 00928-1365

Although formal complaints are required to be submitted in writing, complaints may also be received verbally and by other means necessary, as applicable, when PRDOH determines that the citizen's particular circumstances do not allow the complainant to submit a written complaint. However, in these instances, PRDOH shall convert these complaints into written form. These alternate methods include, but are not limited to:

- **Via telephone:** * 1-833-234-CDBG or 1-833-234-2324 (TTY: 787-522-5950)
- **In-person at:** * PRDOH Headquarters Office or Program-Specific Intake Centers

*Attention hours: Monday – Friday from 8:00 a.m. to 5:00 p.m.⁴²

The Citizen Complaints Policy and all CDBG-DR Program policies are available in English and Spanish on the PRDOH website at <https://www.cdbg-dr.pr.gov/en/resources/policies/general-policies/> and <https://www.cdbg-dr.pr.gov/recursos/politicas/politicas-generales/>.

15.10 Anti-Fraud, Waste, Abuse or Mismanagement

PRDOH, as grantee, is committed to the responsible management of CDBG-DR funds by being a good advocate of the resources while maintaining a comprehensive policy for preventing, detecting, reporting, and rectifying fraud, waste, abuse, or mismanagement.

Pursuant to 83 FR 40314, PRDOH implements adequate measures to detect and prevent fraud, waste, abuse, or mismanagement in all programs administered with CDBG-DR funds as well as encourages any individual who is aware or suspects any kind of conduct or activity that may be considered an act of fraud, waste, abuse, or mismanagement, regarding the CDBG-DR Program, to report such acts to the CDBG-DR Internal Audit Office, directly to the Office of Inspector General (**OIG**) at HUD, or any local or federal law enforcement agency.

The Anti-Fraud, Waste, Abuse, or Mismanagement Policy (**AFWAM Policy**) is established to prevent, detect, and report any acts, or suspected acts, of fraud, waste, abuse, or mismanagement of CDBG-DR funds. This Policy applies to any allegations or irregularities, either known or suspected, that could be considered acts of fraud, waste, abuse, or mismanagement, involving any citizen, previous, current, or potential applicant, beneficiary, consultant, contractor, employee, partner, provider, subrecipient, supplier, and/or vendor under the CDBG-DR Program.

REPORT FRAUD, WASTE, ABUSE, OR MISMANAGEMENT TO PRDOH CDBG-DR	
CDBG-DR Hotline	787-274-2135 (English/Spanish/TTY)
Postal Mail	Puerto Rico Department of Housing CDBG-DR Internal Audit Office P.O. BOX 21355

⁴² Hours may vary due to COVID-19. PRDOH recommends calling ahead prior to arrival to corroborate.

	San Juan, PR 00928-1355
Email	hotlineCDBG@vivienda.pr.gov
Online	Filling out the AFWAM Submission Form available in English and Spanish at https://cdbg-dr.pr.gov/app/cdbgdrpublic/Fraud or https://cdbg-dr.pr.gov/app/cdbgdrpublic/Fraud
In person	Request a meeting with the Deputy Audit Director of the CDBG-DR Internal Audit Office located at PRDOH's Headquarters at 606 Barbosa Avenue, Building Juan C. Cordero Davila, Río Piedras, PR 00918.

REPORT FRAUD, WASTE, ABUSE, OR MISMANAGEMENT DIRECTLY TO HUD OIG	
HUD OIG Hotline	1-800-347-3735 (Toll-Free) 787-766-5868 (Spanish)
Postal Mail	HUD Office of Inspector General (OIG) Hotline 451 7th Street SW Washington, D.C. 20410
Email	HOTLINE@hudoig.gov
Online	https://www.hudoig.gov/hotline

The AFWAM Policy and all CDBG-DR Program policies are available in English and Spanish on the PRDOH website at <https://www.cdbg-dr.pr.gov/en/resources/policies/> and <https://www.cdbg-dr.pr.gov/recursos/politicas/>.

15.11 Related Laws and Regulations

These guidelines make reference as to how the provisions of certain laws apply to the Program. However, other related laws may exist which are not included in these Guidelines. This does not negate or preclude the Program from applying the provisions of those laws, nor an applicant from receiving services, when applicable. Moreover, PRDOH can enact, or may have enacted, regulations that address how the laws mentioned in these guidelines are managed. If there are any discrepancies between these guidelines and the laws and/or regulations mentioned in them, then the latter will prevail over the guidelines. If at any time the laws and/or the applicable regulations mentioned in these guidelines are amended, the new provisions will apply to the Program without the need to amend these guidelines.

15.12 Cross-Cutting Guidelines

Some federal and local requirements apply to all programs funded by CDBG-DR. These Cross-Cutting Guidelines cover topics such as: financial management; environmental review; labor standards; acquisition; relocation; civil rights; fair housing; among others. The requirements described in the above referenced Cross-Cutting Guidelines, apply to all programs described in PRDOH's CDBG-DR Initial Action Plan and its amendments.

The Cross-Cutting Guidelines and all CDBG-DR Program policies are available in English and Spanish on the PRDOH website at <https://cdbg-dr.pr.gov/en/resources/policies/> and <https://www.cdbg-dr.pr.gov/recursos/politicas/>.

16 PROGRAM OVERSIGHT

Nothing contained within these guidelines is intended to limit the role of PRDOH, HUD, and/or corresponding authorities from exercising oversight and monitoring activities of the Program.

17 SEVERABILITY CLAUSE

If any provision of these guidelines, or the application thereof to any person, partnership, or corporation, or circumstance, is deemed invalid, illegal, or incapable of being enforced to any extent by a competent court, the remainder of these guidelines, and the application of such provisions, will not be affected. All valid applications of these guidelines shall be severed from any applications deemed invalid, leaving the valid applications in full force.

END OF GUIDELINES.



Program-based Reconsideration Request Form Title Clearance Program

Title Clearance Program Applicants may contest any determinations or denials based on Program Policy. However, federal statutory requirements may not be challenged.

Applicants may file a Program-based Reconsideration with the Program or request an Administrative Review directly with PRDOH, as stated below. An Applicant must submit a written Program-based Reconsideration Request directly with the Title Clearance Program when it is believed there is an error with Program eligibility determination, or title is deemed unobtainable, among other determinations that justify the petition. Applicants must submit their Reconsideration Request Form directly with the Title Clearance Program, personally or via electronic or postal mail, within **twenty (20) calendar days** from the date a copy of the notice was filed in the record of the agency. Provided, that if the date on which the copy of the notice is filed in the records of the agency differs from the mailing date of said notice, the **twenty (20) calendar day-term** shall be calculated from the mailing date.

If an Applicant fails to file a Program-based Reconsideration Request within the time allotted, said inaction will be deemed as an acceptance of the Title Clearance Program determination.

Reconsiderations may be approved or denied, in whole or in part, after a thorough review of the circumstances and information already included in an Applicant's file, unless the Applicant submits new documentation. **Applicants who file a Program-based Reconsideration Request are encouraged to provide individual facts or circumstances of their case, as well as supporting documents to justify their petition.** The Title Clearance Program has the discretion to accept or reject new documentation based upon its relevance to the Reconsideration Request.

The Title Clearance Program will review and address the Program-based Reconsideration Request within **fifteen (15) calendar days** of its receipt. Applicants will be notified of the Program's determination via a Reconsideration Approved or a Reconsideration Denied Notification.

To submit a Program-based Reconsideration Request, please complete the form on the following page and send it electronically to your PRDOH Regional Director via email or postal mail using the addresses provided in program notifications, or in person at your Regional Office Please note that the Program-based Reconsideration Request submitted by mail must be postmarked within the **twenty (20) calendar days** from the date a copy of the notice was filed in the record of the agency.



Program-based Reconsideration Request Form Title Clearance Program

Application No:

Applicant Name:

Property Address:

- Check this box if your mailing address is different from the property address. If so, provide said address below:

Select one of the following options for which you are requesting reconsideration:

- Eligibility Determination
- Title Deemed Unobtainable
- Case closure
- Other

Provide a brief explanation of the basis for the reconsideration request:

If necessary, you may use a blank page to further explain your request. Please, include as an attachment to this form any supporting documentation for the reconsideration request.

Print Name

Signature

Date