



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

OFFICE OF  
INSPECTOR GENERAL

March 30, 2026

OIG-CA-26-027

**MEMORANDUM FOR JEFFREY W. STOUT**  
**ACTING CHIEF PROGRAM OFFICER, OFFICE OF CAPITAL**  
**ACCESS**

**FROM:** Pauletta P. Battle /s/  
Assistant Inspector General for Audit

**SUBJECT:** Emergency Rental Assistance Program (ERA1) – Notice of  
Recoupment, Harris County, Texas

During our desk reviews of the City of Houston, Texas and Harris County, Texas (Harris County) (collectively, the grantees), we determined that Harris County issued financial assistance totaling \$67,261 in violation of the Emergency Rental Assistance (ERA1)<sup>1</sup> Use of Funds statute<sup>2</sup> because the funds were disbursed to ineligible households. Harris County returned \$2,249 of the identified funds in February 2024. On February 5, 2026, we provided the Final Notice of Recoupment to Harris County for the remaining \$65,012. In response, Harris County provided support that it returned \$3,040 to Treasury in September 2025 and notified our office that it planned to return the remaining \$61,972. On February 25, 2026, Harris County reimbursed the Federal government for \$61,972. Accordingly, we make no recommendation to Treasury management in this memorandum.

We provided Harris County a draft of the Notice of Recoupment and asked for a formal response. We include Harris County management's written response and our evaluation of that response in this memorandum. See Appendix 1 for Harris County's response in its entirety.

Background/Legal Authority

Under the ERA1 statute at 15 U.S.C. § 9058a(c), Use of Funds, an eligible grantee shall only use ERA1 award funds to provide financial assistance and housing stability services to eligible households. The financial assistance includes: the

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<sup>1</sup> The statute authorizing ERA1 is codified at 15 U.S.C § 9058a.

<sup>2</sup> 15 U.S.C. § 9058a(c).

payment of rent; rent arrears; utilities and home energy costs; utilities and home energy costs arrears; and other expenses related to housing incurred due, directly or indirectly, to the COVID-19 outbreak, as defined by the Secretary of the Department of the Treasury (Treasury). Such assistance shall be provided for a period not to exceed 12 months except that grantees may provide assistance for an additional 3 months to ensure housing stability (subject to availability of funds). The ERA1 statute at 15 U.S.C. § 9058a(c)(2)(B)(i) allows for up to 3 months (with exceptions) for prospective rent payments within the 12 or 15 months total assistance limitation.

The ERA1 statute at 15 U.S.C. § 9058a(k)(3)(A) defines eligible household as a household of one or more individuals who are obligated to pay rent on a residential dwelling and with respect to which the eligible grantee involved determines:

- (1) that one or more individuals within the household has (a) qualified for unemployment benefits or (b) experienced a reduction in household income, incurred significant costs, or experienced other financial hardship due, directly or indirectly, to the COVID-19 outbreak, which the applicant shall attest in writing;
- (2) one or more individuals within the household can demonstrate a risk of experiencing homelessness or housing instability, which may include a past due utility or rent notice or eviction notice; unsafe or unhealthy living conditions; or any other evidence of such risk, as determined by the eligible grantee involved; and
- (3) the household has a household income that is not more than 80 percent of the area median income for the household. The grantee must also ensure that, to the extent feasible, any rental assistance provided to an eligible household is not duplicative of any other federally funded rental assistance provided to such household.

Pursuant to the ERA1 statute at 15 U.S.C. § 9058a(e)(2), the last day of the period of performance for grantees that received ERA1 reallocated funds was December 29, 2022.

The ERA1 statute at 15 U.S.C. § 9058a(i), Inspector General Oversight; Recoupment, directs that the Treasury Office of Inspector General (OIG) conduct monitoring and oversight of the receipt, disbursement, and use of funds made available under the ERA1 program. As part of this authority, if OIG determines that a grantee failed to comply with the use of funds requirements in the ERA1 statute (15 U.S.C. § 9058a(c)), the amount equal to the amount of funds used in violation of 15 U.S.C. § 9058a(c) shall be booked as a debt of such entity owed to the Federal government. Amounts recovered shall be deposited into the general fund of the Treasury.

## Facts and Analysis

As part of our desk reviews of the grantees,<sup>3</sup> we identified 21,123 potential duplicative ERA1 payments in grantee-submitted data through December 2021. We then selected a non-statistical sample of 50 beneficiaries from those payments for further review. We identified duplicative assistance, assistance exceeding 15 months, payments for ineligible expenses, or other payment errors relating to 21 of the 50 beneficiaries, totaling \$110,928 of overpayments in violation of the requirements included in the ERA1 statute at 15 U.S.C. § 9058a(c), Use of Funds. We worked with the grantees to confirm the payment exceptions and issued a report discussing that work in detail.<sup>4</sup>

We communicated our results and observations to the grantees relating to the \$110,928 in overpayments we identified. In response, grantee management informed us that they are pursuing recoupment of overpayments from the payees and initiating an internal review of supporting eligibility documentation. The grantees also recharacterized<sup>5</sup> \$12,686 of the \$110,928. As a result, \$98,242 remains as ineligible ERA1 payments from our review.

Of the \$98,242, we determined that Harris County issued financial assistance totaling \$67,261 in violation of the ERA1 statute at 15 U.S.C. § 9058a(c), Use of Funds. We issued a separate recoupment notice to the City of Houston for the remaining ineligible ERA1 payments in the amount of \$30,981.<sup>6</sup> Harris County's cases 1 through 7 are summarized below.

### 1. Harris County Case 1

Case number (no.): (b) (6)

Amount: \$30,000

Assistance invoice nos.: (b) (6)

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<sup>3</sup> Houston and Harris County jointly ran their Emergency Rental Assistance Program; however, the grantees maintained separate funding and reporting functions.

<sup>4</sup> Treasury OIG, *Emergency Rental Assistance: Desk Review of Emergency Rental Assistance Payments Made by Houston, TX and Harris County, TX*, OIG-CA-24-029 (September 26, 2024).

<sup>5</sup> According to Department of the Treasury, "Emergency Rental Assistance Frequently Asked Questions" (May 10, 2023), <https://home.treasury.gov/system/files/136/FAQs-05102023.pdf> (accessed October 26, 2023), question 45, there may be cases in which a grantee discovers that a household has received ERA assistance from multiple grantees intended to cover the same period of rent, utilities, rental arrears, or utility arrears. In such cases, assuming certain conditions are met, the grantee may decline to recover its payment and instead recharacterize it as assistance covering a different period of eligible rental or utility expenses.

<sup>6</sup> Treasury OIG, *Notice of Recoupment – City of Houston, TX*, OIG-CA-26-025 (March 12, 2026).

(b) (6)

Use of funds violation: Ineligible and partial duplicate payments

The supporting documentation for case no. (b) (6) is insufficient to determine eligibility. The applicant's eligibility documentation did not establish adequate proof of identification (ID) in accordance with the Houston-Harris ERA Program guidelines and Treasury guidance. The case file included a permanent resident card with an expiration date of September 27, 2003. The tenant signed the application on April 12, 2021, almost 18 years after the identification expired.

We believe accepting an expired identification that is almost two decades old does not meet the intent of the program's proof of identification requirement to determine eligibility and does not comply with Treasury Frequently Asked Questions guidance. According to the Houston-Harris ERA program guidelines, acceptable documents to confirm the identity of the tenant are: driver's license or other state-issued ID, U.S. passport, school ID, nonprofit membership ID, US Visa, work permit, permanent resident card, Office of Refugee Resettlement ID, work ID, library card, handgun license, US military card, or a Texas Election ID certificate. Also, Treasury's Frequently Asked Question 1 states grantees must have in place reasonable validation or fraud -prevention procedures to prevent abuse.

In addition, both the City of Houston and Harris County provided financial assistance to the same address for overlapping time periods. Houston initially provided financial assistance for an applicant at this address for \$2,000 per month for 10 months from September 2020 to June 2021, under case no. (b) (6). Harris County later paid a different applicant \$2,000 in financial assistance for 15 months from April 2020 to June 2021, under case no. (b) (6).

Thus, we determined the applicant was not eligible for assistance and that Harris County provided 15 months of ERA1 financial assistance in the amount of \$30,000 in violation of the Use of Funds statute.

2. Harris County Case 2

Case nos.: (b) (6) and (b) (6)

Amount: \$19,182

Assistance invoices for case nos. (b) (6)

Assistance invoices for case nos. (b) (6)

**(b) (6)**

Use of funds violation: Duplicate assistance

Houston and Harris County collectively provided the household 39 months of financial assistance under three cases. Houston provided a total of 13 months of assistance for one case (\$345 for June 2020 and \$819 per month for 12 months, July 2020 to June 2021, under case no. **(b) (6)**). Harris County provided a total of 26 months of assistance for two cases (\$819 per month for 15 months, May 2020 to July 2021, under case no. **(b) (6)** and \$345 for June 2020 and \$819 per month for 10 months, July 2020 to April 2021, under case no. **(b) (6)**).

Of the 39 months of financial assistance provided for the three cases, 24 months were duplicative. Harris County issued 11 months of duplicative financial assistance under case no. **(b) (6)** totaling \$8,535 (\$345 for 1 month and \$819 per month for 10 months) from June 2020 to April 2021; and 13 months of duplicative financial assistance under case no. **(b) (6)** totaling \$10,647 (\$819 per month for 13 months) from June 2020 to June 2021. We do not consider the financial assistance provided for May 2020 and July 2021 from case no. **(b) (6)** as duplicate financial assistance because under case no. **(b) (6)**, Houston did not provide financial assistance to the household for these months.

Harris County is responsible for the payment due to the program's practice that the second payer will pursue reallocation or recapture. Thus, we determined that Harris County provided duplicative ERA1 financial assistance for 24 months, totaling \$19,182 (23 months at \$819 per month and 1 month at \$345) in violation of the Use of Funds statute.

3. Harris County Case 3

Case no.: **(b) (6)**

Amount: \$5,890

Assistance invoices nos.: **(b) (6)**

Use of funds violation: Duplicate assistance

Houston and Harris County collectively provided the household 20 months of financial assistance under two cases. Houston initially provided 12 months of financial assistance of \$950 per month for 10 months, September 2020 to June 2021; and \$1,000 per month for 2 months, July 2021 to August 2021, under case no. **(b) (6)**. Harris County provided financial assistance to another applicant in the same household of \$95 per month for 2 months, September 2020 to

October 2020; and \$950 per month for 6 months, November 2020 to April 2021, under case no. (b) (6).

Harris County is responsible for the payment due to the program's practice that the second payer will pursue reallocation or recapture. Thus, we determined that Harris County provided duplicate ERA1 financial assistance for 8 months, totaling \$5,890 (2 months at \$95 per month and 6 months at \$950 per month) in violation of the Use of Funds statute.

In September 2025, Harris County returned \$3,040 to Treasury related to the duplicate ERA1 financial assistance for September to October 2020 and February to March 2021.

4. Harris County Case 4

Case no.: (b) (6)

Amount: \$5,000

Assistance invoice nos.: (b) (6)

Use of funds violation: Payments over 15-month ERA1 limitation

Houston and Harris County collectively provided the household 23 months of financial assistance under three cases. Houston provided a total of 10 months of financial assistance to the household under two cases. Case no. (b) (6) included \$1,000 per month for 3 months, May 2021 to July 2021, to one applicant. Case no. (b) (6) included \$1,000 per month for 7 months, March 2022 to June 2022 and September 2022 to November 2022, to another applicant who resided in the same household. Harris County then provided additional financial assistance of \$1,000 per month for 13 months, April 2020 to April 2021, under case no. (b) (6).

Harris County recharacterized the entire 13 months of financial assistance for case no. (b) (6) to ERA2.<sup>7</sup> However, only 8 months of financial assistance are eligible for recharacterization due to the 18-month ERA limitation.<sup>8</sup> Thus, we determined that Harris County provided excess ERA1 financial assistance for 5 months at \$1,000 per month, totaling \$5,000 in violation of the Use of Funds statute.

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<sup>7</sup> The statute authorizing ERA2 is codified at 15 U.S.C. § 9058c.

<sup>8</sup> P.L. 117-2 (March 11, 2021), the American Rescue Plan Act of 2021 increased the monthly limit of total ERA that a beneficiary may receive from 15 months under ERA1 to no longer than 18 months of combined ERA1 and ERA2 funding.

5. Harris County Case 5

Case no.: (b) (6)

Amount: \$3,940

Assistance invoice nos.: (b) (6)

Use of funds violation: Duplicate assistance

Houston and Harris County collectively provided the household 8 months of financial assistance under two cases. Houston first provided financial assistance of \$985 per month for 4 months, January 2021 to April 2021, under case no. (b) (6). Harris County then provided financial assistance under case no. (b) (6) for a different applicant in the same household for the same benefit months. Harris County is responsible for the payment due to the program's practice that the second payer will pursue reallocation or recapture.

Harris County stated that it recharacterized these funds to ERA2 and recovered them. However, the funds were not eligible for recharacterization because Harris County made ineligible payments under ERA1. Thus, we determined that Harris County provided duplicate ERA1 financial assistance for 4 months at \$985 per month, totaling \$3,940 in violation of the Use of Funds statute.

6. Harris County Case 6

Case no.: (b) (6)

Amount: \$2,249

Assistance invoice nos.: (b) (6)

Use of Funds violation: Payments over the 15-month ERA1 limitation

Houston and Harris County collectively provided the household 18 months of financial assistance under two cases. Houston provided financial assistance of \$860 per month for 6 months, February 2021 to July 2021, under case no. (b) (6). Harris County then provided 12 months of financial assistance at \$150 per month for September 2021; \$505 per month for 9 months, October 2021 to June 2022; and \$872 per month for 2 months, July 2022 to August 2022, under case no. (b) (6). Harris County paid the household 3 months of financial assistance over the 15-month ERA1 limitation from June 2022 to August 2022.

Harris County is responsible for the payment due to the program's practice that the second payer will pursue reallocation or recapture. Thus, we determined that Harris County provided 3 months of excess ERA1 financial assistance, totaling \$2,249 (1 month at \$505 and 2 months at \$872 per month) in violation of the Use of Funds statute.

In February 2024, Harris County returned \$2,249 to Treasury.

7. Harris County Case 7

Case no.: (b) (6)

Amount: \$1,000

Assistance invoice no.: (b) (6)

Use of funds violation: Duplicate assistance

Houston and Harris County collectively provided the household 4 months of financial assistance under two cases. Houston provided financial assistance for one applicant of \$1,020 for 2 months, March 2021 to April 2021, under case no. (b) (6). Harris County provided financial assistance of \$1,000 per month, February 2021 to March 2021, to another applicant in the same household, under case no. (b) (6). Harris County provided \$1,000 in duplicative financial assistance for March 2021.

Harris County is responsible for the payment due to the program’s practice that the second payer will pursue reallocation or recapture. Thus, we determined that Harris County provided duplicate ERA1 financial assistance for 1 month at \$1,000 in violation of the Use of Funds statute.

The seven cases above are summarized as follows:

Case	Harris County Case No.	Ineligible ERA1 Financial Assistance Payments
1	(b) (6)	\$30,000
2	(b) (6) & (b) (6)	19,182
3	(b) (6)	5,890
4	(b) (6)	5,000
5	(b) (6)	3,940
6	(b) (6)	2,249
7	(b) (6)	1,000
<b>Total</b>		<b>\$67,261</b>

Based on the information provided, we determined that Harris County’s ERA1 program paid ERA1 funds totaling \$67,261 in violation of the ERA1 statute at 15 U.S.C. § 9058a(c), Use of Funds. In February 2024 and September 2025, Harris County returned \$2,249 and \$3,040, respectively, to Treasury. On February 25, 2026, Harris County returned the remaining \$61,972 to Treasury, in response to our review.

## Grantee Response

We provided Harris County an opportunity to respond to the Proposed Notice of Recoupment. On May 6, 2025, Harris County management provided a written response. See Appendix I for the response in its entirety.

Harris County management agreed that the rental assistance payments detailed in our Proposed Notice of Recoupment are ineligible expenses under the ERA1 grant. Harris County management stated they have initiated recapture of these payments and only recovered funds related to cases 5 (b) (6) and 6 (b) (6). Harris County returned the funds for case 6 (b) (6) to Treasury in February 2024.

Harris County management did not agree that payments were issued in violation of the ERA1 statute at 15 U.S.C. 9058a(c), Use of Funds, except for case 1 (b) (6) that did not have sufficient proof of identification to determine eligibility; and case 6 (b) (6) that exceeded the 15-month limitation of ERA1. Harris County management asserted that the payments for cases 2 (b) (6) and (b) (6) 3 (b) (6) 4 (b) (6) 5 (b) (6) and 7 (b) (6) had been made to eligible households within program procedures to prevent and/or identify duplication of Federally funded assistance to the extent feasible. Also, management noted they recharacterized all cases, except cases 1 (b) (6) and 6 (b) (6) to ERA2 in accordance with Treasury guidelines. As such, management asserted these are ERA2 cases and do not require immediate return of funds to Treasury.

Harris County management also stated:

The U.S. Treasury provided overlapping jurisdictions massive amounts of ERA funding, while encouraging grantees to disburse assistance as quickly as possible. [...] It took time, however, to develop, implement, and improve upon [proactive duplication, detection, and compliance monitoring] processes to analyze data and identify and prevent duplication and other compliance errors. [...] These payments were made in good faith and with no knowledge of the duplication of benefits or errors at the time of issuance.

## OIG Evaluation

We considered Harris County management's response in finalizing this notice. We commend the Houston-Harris ERA program for its efforts to minimize duplicate payments. We disagree with Harris County management's assertion that the payments were not in violation of the use of funds statute and had been properly recharacterized to ERA2, as discussed in detail below.

We determined cases 2, 3, 5, and 7 were duplicative of the City of Houston's Federally funded rental assistance in violation of the ERA1 statute. Specifically, 15 U.S.C. 9058a(k)(3)(B) which requires that, "an eligible grantee shall ensure that

any rental assistance provided to an eligible household pursuant to funds made available under this section is not duplicative of any other Federally funded rental assistance provided to such household.” Harris County has not established that it was not feasible to ensure these payments were not duplicative. Regarding case 4, the assistance provided to the household exceeded the ERA financial assistance limit.<sup>9</sup>

As noted in our prior desk review report (see footnote 4), we coordinated with Harris County and determined the duplicate payments included in this notice (cases 2 through 5, and 7) were not eligible for ERA2 recharacterization. Also, according to Treasury management:

By using both ERA1 and ERA2 award funds to cover assistance payments to the same household for the same rental period, Harris County is in violation of the ERA1 statutory requirement outlined at 15 U.S.C. 9058a(k)(3)(B). Thus, recharacterizing the duplicative ERA1 rental assistance paid to the household to its ERA2 award – regardless of the intent to recover the duplicative payment – is not allowable. To resolve this noncompliance, Harris County would need to identify different months within the allowable 18-month assistance limitation period and the ERA1 award period of performance for which ERA assistance or other federally funded rental assistance had not already covered for the household to recharacterize the ineligible payments as an eligible ERA2 expenditure. If the household already received a cumulative total of 18 months of ERA financial assistance from Harris County and/or other ERA grantees that was not covered by any other federally funded rental assistance, the ineligible payments would have to be returned out of Harris County’s own funds to the Federal government.

### Methodology

We conducted our review from May 2022 to February 2026. We inquired of the grantee and other relevant parties, reviewed related documentation, and performed other appropriate procedures. During our review of one case, we noted certain matters that we have referred to the OIG Office of Investigations. We believe the evidence obtained is sufficient and appropriate to provide a reasonable basis for our determination in this Notice.

In conducting our review, we followed the OIG’s system of quality management to ensure that the information in this report is accurate. We also followed the Council of the Inspectors General on Integrity and Efficiency *Quality Standards for*

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<sup>9</sup> P.L. 117-2 (March 11, 2021), the American Rescue Plan Act of 2021 increased the monthly limit of total ERA that a beneficiary may receive from 15 months under ERA1 to no longer than 18 months of combined ERA1 and ERA2 funding.

*Federal Offices of Inspector General* which require that our work adheres to its general standards for integrity to include objectivity, independence, professional judgment, and confidentiality as well as its general standard for receiving and reviewing allegations.

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Harris County, Texas

Sr. Manager, Budget and Performance

County Judge

Rental Assistant Program Manager

## Grantee Response



John Tomasetti, Housing Assistance Audit Director  
U.S. Department of the Treasury  
Office of the Inspector General  
875 15<sup>th</sup> Street NW  
Washington, DC 20005

May 6<sup>th</sup>, 2025

Dear Mr. Tomasetti,

Harris County acknowledges and agrees that the rental assistance payments detailed in the Notice of Recoupment from Treasury OIG dated 4/22/25 are ineligible expenses under the ERA1 grant. We have initiated recoupment for these payments. To date, only payments for Harris County Case #5 (b) (6) and Harris County Case #6 (b) (6) have been recovered.

However, we do not agree that these payments were issued in violation of the ERA1 statute at 15 U.S.C. 9058a(c), Use of Funds, except for County Case #1 (b) (6) that did not have sufficient proof of identification to determine eligibility. Otherwise, these payments were made to eligible households, as defined in the ERA statutes and verified in accordance with our program policies and procedures.

As it relates to duplication of federal funded rental assistance, the City of Houston and Harris County went above and beyond guidance provided by the U.S. Treasury and stood up a joint ERA1 program to assist with the prevention and identification of duplicative assistance. The U.S. Treasury provided overlapping jurisdictions massive amounts of ERA funding, while encouraging grantees to disburse assistance as quickly as possible. Households, impacted by COVID-19 and at risk of losing their housing, sometimes submitted multiple applications to our program in hopes of getting a payment processed quicker. The Houston-Harris County ERA program was stood up very quickly, and we refined our processes of proactive duplication detection and compliance monitoring as we carried out the program and continuously learned and applied new best practices. It took time, however, to develop, implement, and improve upon these processes to analyze data and identify and prevent duplication and other compliance errors. We are proud of the proactive approach we took to address the problems of internal duplication and compliance errors, even though these things inevitably occurred. These payments were made in good faith and with no knowledge of the duplication of benefits or errors at the time of issuance. Harris County maintains that we ensured that rental assistance provided to an eligible household under ERA1 was not duplicative of any other Federally funded rental assistance to the extent feasible, in accordance with the Use of Funds statute.

Harris County's responses for each case are provided below:

Harris County Office of County Administration  
1001 Preston St, Suite #500, Houston, TX 77002

[oca.harriscountytexas.gov](http://oca.harriscountytexas.gov)

## Grantee Response

**1. Harris County Case 1 (b) (6)**

- a. We agree that the supporting documentation for case number (b) (6) was insufficient to determine eligibility. We also agree that duplication of assistance occurred between Harris County and the City of Houston.
- b. We agree that the assistance provided in this case was in violation of the Use of Funds statute, as the supporting documentation was insufficient to determine eligibility. As such, we agree that this case was not eligible for recharacterization from ERA1 to ERA2.
- c. We have flagged this case for potential fraud and are reporting to our Fraud, Waste, and Abuse team for investigation.

**2. Harris County Case 2 (Case numbers (b) (6) and (b) (6))**

- a. We agree that duplication of assistance occurred between the City of Houston and Harris County. We agree that Harris County was the second payer, and therefore responsible for recoupment of these funds.
- b. These cases are currently in the process of recoupment with the Harris County Attorney's Office.
- c. We do not agree that the assistance provided in these cases was in violation of the Use of Funds statute. The assistance was provided to an eligible household and within the program procedures to prevent and/or identify duplication of federally funded assistance to the extent feasible, as previously noted. We contend that these cases were recharacterized to ERA2 within the guidelines provided by Treasury. As such, these are ERA2 cases and do not require immediate return of funds to Treasury.

**3. Harris County Case 3 (Case number (b) (6))**

- a. We agree that duplication of assistance occurred between the City of Houston and Harris County. We agree that Harris County was the second payer, and therefore responsible for recoupment of these funds.
- b. This case is currently in the process of recoupment with the Harris County Attorney's Office.
- c. We do not agree that the assistance provided in this case was in violation of the Use of Funds statute. The assistance was provided to an eligible household and within the program procedures to prevent and/or identify duplication of federally funded assistance to the extent feasible, as previously noted. We contend that this case was recharacterized to ERA2 within

## Grantee Response

the guidelines provided by Treasury. As such, this is an ERA2 case and does not require immediate return of funds to Treasury.

4. **Harris County Case 4 (Case number (b) (6)).**

- a. We agree that the rental assistance provided in this case exceeded the 18-month limitation of ERA1 and ERA2 combined. We agree that Harris County made the overpayments in this case and is therefore responsible for the recoupment of funds going over the 18-month limit.
- b. All 13 months in the Harris County cases were recharacterized to ERA2, to have 8 of the months provided by Harris County fall within the 18-month limitation. The remaining 5 months are in the process of recoupment with the Harris County Attorney's Office.
- c. We do not agree that the assistance provided in this case was in violation of the Use of Funds statute. The assistance was provided to an eligible household and within the program procedures to prevent and/or identify duplication of federally funded assistance to the extent feasible, as previously noted. We contend that this case was recharacterized to ERA2 within the guidelines provided by Treasury. As such, this is an ERA2 case and does not require immediate return of funds to Treasury.

5. **Harris County Case 5 (Case number (b) (6)).**

- a. We agree that duplication of assistance occurred between the City of Houston and Harris County. We agree that Harris County was the second payer, and therefore responsible for recoupment of these funds.
- b. We do not agree that the assistance provided in this case was in violation of the Use of Funds statute. The assistance was provided to an eligible household and within the program procedures to prevent and/or identify duplication of federally funded assistance to the extent feasible, as previously noted. We contend that this case was recharacterized to ERA2 within the guidelines provided by Treasury. Harris County was able to recover these funds, and as they are ERA2 funds, they will be used for an eligible expense within the ERA2 period of performance.

6. **Harris County Case 6 (Case number (b) (6)).**

- a. We agree that the rental assistance provided in this case exceeded the 15-month limitation of ERA1. We agree that Harris County made the overpayments in this case and is therefore responsible for the recoupment of funds going over the 15-month limit.
- b. Harris County was able to recover these funds and sent back to Treasury in 2024.

## Grantee Response

7. Harris County Case 7 (Case number (b) (6)).

- a. We agree that duplication of assistance occurred between the City of Houston and Harris County. We agree that Harris County was the second payer, and therefore responsible for recoupment of these funds.
- b. This payment is in the process of recoupment with the Harris County Attorney's Office.
- c. We do not agree that the assistance provided in this case was in violation of the Use of Funds statute. The assistance was provided to an eligible household and within the program procedures to prevent and/or identify duplication of federally funded assistance to the extent feasible, as previously noted. We contend that this case was recharacterized to ERA2 within the guidelines provided by Treasury. As such, this is an ERA2 case and does not require immediate return of funds to Treasury.

Thank you for the opportunity to respond to the draft notice of recoupment. Please let us know if you have questions or need any additional information regarding our response.

Regards,

**(b) (6)**

Jennifer Bell  
Project Manager  
Harris County