

To: CDBG Recipients and Grant Administrators

From: CDBG Division

Effective date: January 12<sup>th</sup>, 2026

RE: Equal Participation Policy

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### **Proposed Policy**

The U.S. Department of Housing and Urban Development (HUD) *Equal Participation in HUD Program and Activities policy*, as outlined in 24 CFR 5.109, establishes criteria for eligible nonprofit organizations that receive federal financial assistance and contract with local governments to carry out a program or service funded through the Office of Community and Rural Affairs (OCRA) HUD programs. These eligible nonprofit organizations must ensure equal participation for all beneficiaries of OCRA-funded programs and services.

#### **A. Applicability**

This policy applies to all HUD programs and activities administered by the Office of Community and Rural Affairs, unless otherwise specified in program regulations under 24 CFR 570.

#### **B. Eligible Non-profit Organization**

An eligible nonprofit organization is a legally recognized entity that partners with an applicant to carry out approved project activities and can demonstrate its nonprofit status through documentation. To qualify, the organization must:

- Hold an active 501( c) (3) designation from the IRS, confirming federal tax-exempt status from the U.S. Internal Revenue Service (IRS).
- Provide proof of nonprofit status from the Indiana Department of Revenue, and the Indiana Secretary of State.
- Be in good standing with all required state and federal registrations.

#### **C. Equal Participation Requirement**

Any eligible nonprofit organization, including those with religious character or affiliations, that receives federal financial assistance for a HUD program or activity administered by the Office of Community and Rural Affairs that provides services or carrying out activities on behalf of a local government unit must not discriminate against beneficiaries or prospective beneficiaries based on religion, religious belief, refusal to hold a religious belief, or refusal to participate in religious practices.

Eligible nonprofit organizations shall not in their outreach activities in connection with such services or programs, discriminate against a beneficiary or prospective beneficiary on the basis of religion, a religious belief, a refusal to comply with a religious belief, or a refusal to engage in or attend a religious practice.

The direct federal financial assistance received must not be used to support explicitly religious activities, in accordance with 24 CFR 5.109(c). All participating organizations must comply with program requirements, the Religious Freedom Restoration Act, and other applicable laws.

#### **D. Explicitly Religious Activities**

If an eligible non-profit organization engages in explicitly religious activities including activities that involve overt religious content such as, worship, religious instruction, or proselytizing, as defined in 24 CFR 5.109. These explicitly religious activities must be offered separately, in time or location, from the programs, services or activities supported by direct federal financial assistance provided by the Office of Community and Rural Affairs administered HUD programs.

#### **E. Voluntary Participation**

Participation in any religious activity shall be optional for program beneficiaries of federally funded programs or services. Beneficiaries shall not be discriminated against because they refuse to participate or attend religious activity. Beneficiaries' participation in eligible nonprofit federally funded programs or services shall not be conditional upon participation in any religious activity.

Voluntary participation must be indicated in the organizations' policies that will oversee the provision of the program or service too low to moderate income individuals. Eligible nonprofit organizations must include their program or services policies as a part of any application proposal submitted to the Office of Community and Rural Affairs within the specified deadline according to program application instructions.

#### **F. Beneficiary Notification and Protections**

The U.S. Department of Housing and Urban Development requires that any organization providing services or programs directly financed by federal assistance administered by the Office of Community and Rural Affairs is required to notify beneficiaries and potential beneficiaries in writing of their rights and protections.

This notice shall be provided to prospective beneficiaries prior to their enrollment into the program or receiving services from the eligible nonprofit federally funded program or service. The written notice must be provided into potential beneficiaries in pre-distributed materials such as program information or entry instructions. The notice hereby required for distribution is included herein [Appendix A](#) of this policy.

Beneficiaries and prospective beneficiaries must be notified of their right to report violations of these protections, including denials of services or benefits, by contacting or filing a written

complaint with the Center for Faith-Based and Neighborhood Partnerships or the Office of Community and Rural Affairs.

**Center at the U.S. Department of Housing and Urban Development (HUD)**

Phone: 202-708-2404

Email: [Talk to us@hud.gov](mailto:Talk_to_us@hud.gov)

**Office of Community and Rural Affairs**

Phone: (317) 233-3762

Toll Free: 800-824-2476

Email: [info@ocra.in.gov](mailto:info@ocra.in.gov)

Eligible nonprofit organizations are required to deliver this notice both verbally and in writing to all potential applicants. The notice must also be included within the participation eligibility documents. As part of the proposal submission, the complete application package must be provided to OCRA, along with any written policies that describe staff procedures for applicant notification and participant eligibility.

**Effective Date**

This policy is effective as of January 12th, 2026, and will remain in effect until amended, superseded, or rescinded.

## Appendix A: Department of Housing and Urban Development: Written Notice of Beneficiary Rights

Because this program is supported in whole in part by financial assistance from the Federal Government, **we are required to inform you that:**

- (1) We may not discriminate against you on the basis of religion, a religious belief, a refusal to hold a religious belief, or a refusal to attend or participate in a religious practice;
- (2) We may not require you to attend or participate in any explicitly religious activities (including activities that involve overt religious content such as worship, religious instruction, or proselytization) that are offered by our organization, and any participation by you in such activities must be purely voluntary;
- (3) We must separate in time or location any privately funded explicitly religious activities from activities (including activities that involve overt religious content such as worship, religious instruction, or proselytization) from activities supported with direct Federal financial assistance;
- (4) You may report an organization's violations of these protections, including any denial of services or benefits by an organization, by contacting or filing a written complaint with HUD's Center for Faith-Based and Neighborhood Partnership, 451 7th Street SW, Washington, DC 20410, or by email to [partnerships@hud.gov](mailto:partnerships@hud.gov); and
- (5) If you would like to seek information about whether there are any other federally funded organizations that provide these kinds of services in your area, please use the contact information set forth above.

This written notice must be given to you before you enroll in the program or receive services from the program, unless the nature of the service provided or exigent circumstances make it impracticable to provide such notice before we provide the actual service. In such an instance, this notice must be given to you at the earliest available opportunity.

### Verification of Receipt

**Print Name:**

**Signature:**

**Date:**