

Failure to Comply with Federal Uniform Act (UA) Requirements – Expectations and Potential Outcomes

For a project, the federal funding agency expects the agency to receive the federal funds (the grantee or project sponsor) to comply with all applicable **UA requirements**. In addition to the **UA requirements**, some federal agencies have adopted guidance or policy to specify approval thresholds for actions like high-value appraisals, settlements, and the implementation of condemnation. These approvals are used to ensure that high-value expenditures are justified and documented. Other federal funding agencies may not require such pre-approvals if there has been a review and approval process for a grantee's operations or procedures manual. All transactions must comply with applicable requirements and are subject to review or audit by the federal funding agency. The federal funding agency's real estate staff or the Inspector General may conduct such a review or audit as part of the federal agency's stewardship and oversight responsibility. For example, the **Federal Transit Administration (FTA)** uses a **Project Management Oversight Contractor (PMOC)** for its projects.

Failure to comply with UA requirements and federal agency guidance or policy can result in various consequences, including, but not limited to one or more of the following:

- Require a change in procedure and/or process
- Remedial actions to correct deficiencies
- Loss of federal funding for deficiencies that could not be fixed
- Loss of all federal funding for the project if deficiencies are severe and irreparable

There have been situations where the grantee or project sponsor has been unable to remediate the real estate deficiencies. As a result, the federal funding agency determined the noncompliance warranted the permanent loss of funding, and the grantee lost millions of dollars in project funding. Whether there is a loss of funds or not, actions of noncompliance may require the grantee or project sponsor to rework or revisit real estate transactions, which causes delays in the project schedule and possible cost increases. Additionally, property owners and displaced persons intended to benefit from the program may be inconvenienced or impacted adversely.

The **UA regulations** at **Title 49 CFR Part 24** afford a great deal of flexibility to grantees and agencies to accomplish the **UA requirements**. The law and implementing regulations are considered a reasonable and fair approach to acquiring real property and relocating residential and nonresidential displacees. The UA regulations offer additional flexibility at **§24.7 Federal Agency Waiver of Regulations**. Using this authority, specific regulatory requirements may be waived with justification as there is no reduction in any assistance or protection provided to an owner or displaced person under **49 CFR Part 24**.