

Leverage Letter Information

The purpose of the leverage letter is to document how other Agency's funds are leveraged to ensure that HUD funds are being used to their maximum benefit for the clients served in SHP and SPC Programs. Greater leverage results in more effective use of dollars. Additionally, greater leverage improves the overall Continuum Score when completing the CoC Application. A minimum leverage ratio of 1:1 is required for achieving any points in the Large Group Scoring process. The highest point values are awarded to programs with at least a 3:1 ratio of leveraged funds.

Note: Your leveraged funds represent the *first* number in the ratio and HUD's funds represent the *second* number in the ratio. So, for example, if your HUD funds are \$200,000, in order to get the maximum points for leverage, your leverage amount would need to be at least \$600,000.

Key Points

- Leverage letters are only required for **new programs**
- Be specific as to the nature of the service being provided
- The number of clients to be served should not exceed the number of persons actually served in the most recent grant year.
- If the term of the grant is more than 1 year, break down the amount of leverage into an annual amount.

Please use the template below when requesting leverage letters from other community providers.

Date

Applying Agency Contact Name

Position

Applying Agency Name

Address Line 1

Address Line 2

Re: Leverage

Dear Applying Agency Contact Name:

This certifies that ABC, Inc. will provide supportive services [be specific about the type of service] to at least X clients at the approximate rate of \$Y per client, per year. The total annual value of this service is approximately \$Z [X * Y], and will be available each year of grant term as awarded by HUD.

Sincerely,

Name, Title

ABC, Inc.