**Section 41.125 Noncompliance**

Grant funds that are spent or held in violation of law, or of a grant agreement, whether or not a violation of law, shall be repaid to CDB. If the grantee fails to comply with law or the terms of the agreement, CDB shall, after notice to grantee, terminate the grant in whole or in part, or suspend the grant and withhold further payments and prohibit the grantee from incurring additional obligations of grant funds pending the grantee's implementation of a corrective action plan that provides a strategy to correct noncompliance or a decision to terminate.