



OFFICE OF HOUSING

Office of Housing Counseling

Agency Waterfalls & CFPB Mortgage Servicing Rule

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

August 31, 2021

Questions?

- Participants are in listen only mode
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- Q&A
 - Submit any content related questions via the Q&A box
 - Send to Host, Presenter, and Panelists

The screenshot displays two overlapping windows from a software application. The background window is titled 'Chat' and has a dropdown arrow in the top left. The foreground window is titled 'Question and Answer' and contains a welcome message: 'Welcome to Q&A' followed by 'Questions you ask will show up here. Only host and panelists will be able to see all questions.' Below this is a text input field with the placeholder 'Type your question here...'. At the bottom of this window is a checkbox labeled 'Send anonymously' and two buttons, 'Cancel' and 'Send'. A second window is partially visible at the bottom, showing a 'To:' dropdown menu with 'ICF Host' selected, followed by '(Direct Message)' and a three-dot menu icon. Below this is a text input field with the placeholder 'Type message here...'.

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- OHC funded training partners
- Other partners that host trainings of interest to housing counselors

Please email housing.counseling@hud.gov to notify HUD about upcoming training and events for housing counselors.

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Jerrold H. Mayer

Director

HUD Office of Housing Counseling (OHC)
Office of Outreach & Capacity Building (OCB)

Purpose of Today's Session

- Provide a general overview of CFPB's amendment to Regulation X
- Discuss the federal agency and investor waterfall options available to homeowners
- Identify opportunities for housing counselors to educate homeowners impacted by COVID-19 on the options available to them

Speakers

- **Sid Alvarado** and **Joseph Sant**, ICF, TA Provider
- **Beth Spring**, Mortgage Servicing Program Manager, Consumer Financial Protection Bureau (CFPB)
- **Eileen Zaenger**, Senior Policy Analyst, Office of Housing and Regulatory Policy, Federal Housing Finance Agency (FHFA)
- **Matt Martin**, Director, HUD National Servicing Center, Office of Single-Family Asset Management, Federal Housing Administration (FHA)
- **Richard Kane**, Deputy Director, Loan Servicing, U.S. Department of Agriculture (USDA)
- **Katie Graham**, Central Office Servicer Liaison, Loan Guaranty Service, U.S. Department of Veteran Affairs (VA)
- **Will Corbett**, Senior Policy Advisor, U.S. Department of the Treasury

Agenda

During today's webinar, the goal is to:

- Understand the agencies on the panel and the different roles
 - Updates from CFPB on process protections for homeowners
 - Agencies will discuss tailored waterfall options
 - Treasury will discuss Homeowner Assistance Fund
- Recognize that if a federal agency owns or backs the loan, this affects the COVID-19 relief options available to the homeowner
 - [Fannie Mae Loan Look-up Tool](#)
 - [Freddie Mac Loan Look-up Tool](#)

Foreclosure Prevention Counseling Resources on HUD Exchange

Providing Foreclosure Prevention Counseling - HUD Exchange

- The importance of foreclosure prevention counseling
- Types of foreclosure
- Foreclosure Prevention Options
- Homeowner Protections and Rights
- Foreclosure Resources for Housing Counseling Practitioners

Providing Foreclosure Prevention Counseling

Homeowners facing foreclosure need to know what options are available to them. The path to foreclosure is determined by state law. However, homeowners are also protected under federal consumer protection laws and may have options for avoiding foreclosure depending upon the mortgage lender. For information related to working with homeowners struggling to make mortgage payments because of COVID-19, visit the [COVID-19 Emergency Information for Housing Counselors](#) page.

Foreclosure prevention counseling can help homeowners:

- ▶ Understand the [foreclosure process in their state](#)
- ▶ Identify available options for avoiding foreclosure
- ▶ Provide advice and resources to help decide alternatives



Looking for advice on buying a home, defaults, foreclosures, credit issues, renting, eviction prevention, and more?

[Find a Housing Counselor](#)

The Importance of
Foreclosure Prevention
Counseling

Types of
Foreclosure

Foreclosure
Prevention
Options

Homeowner
Protection
and Rights

Foreclosure Resources
for Housing Counseling
Practitioners

The Importance of Foreclosure Prevention Housing Counseling for Homeowners

Taking immediate action can equip homeowners with more options to avoid foreclosure, also known as "loss mitigation." Communicating with [mortgage servicers](#) and working with a HUD-Approved [Housing Counseling Agency](#) when difficulties arise can help homeowners preserve savings and develop a plan to support their housing goals.

[Learn How a HUD Certified Counselor Can Help](#)



Types of Foreclosure

The foreclosure process varies state by state. Generally, foreclosure may proceed in one of two ways: judicial foreclosure or non-judicial foreclosure.

[Judicial Foreclosure](#)



Polling

- There will be polling provided in Mentimeter throughout this presentation. When prompted by the icon to the right, please respond to questions at www.menti.com using your computer or smart phone.



1

Grab your phone

www.menti.com

2

Go to www.menti.com



3

Enter the code and vote!

**Time for
Mentimeter!**



CFPB: Summary of the 2021 Mortgage Servicing COVID-19 Rule

Beth Spring, CFPB

August 2021



Consumer Financial
Protection Bureau

Disclaimer

This presentation is being made by a Consumer Financial Protection Bureau representative on behalf of the Bureau. It does not constitute legal interpretation, guidance, or advice of the Consumer Financial Protection Bureau. Any opinions or views stated by the presenter are the presenter's own and may not represent the Bureau's views.

Homeowner Protections: Amendments to Regulation X

- On June 28, 2021, the Bureau issued the mortgage servicing final rule. The Rule has four main components:
 - The rule establishes temporary procedural safeguards to help ensure that borrowers have a meaningful opportunity to be reviewed for loss mitigation before the servicer can make the first notice or filing required for foreclosure on certain mortgages.
 - The rule temporarily permits mortgage servicers to offer certain streamlined loan modifications.
 - The rule temporarily requires expanded early intervention messages.
 - The rule also amends reasonable diligence timing.
- **The rule is effective on August 31, 2021.**



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Homeowner Protections: Amendments to Regulation X

- **Give borrowers a meaningful opportunity to pursue loss mitigation options:** From August 31, 2021, through December 31, 2021, unless an exception applies, before referring certain 120-day delinquent borrowers to foreclosure the servicer must make sure at least one of the following temporary procedural safeguards has been met.
 - The borrower was evaluated based on a complete loss mitigation application and existing foreclosure protection conditions are met;
 - The property is abandoned; or
 - The borrower is unresponsive to specified servicer outreach (a borrower would not be considered unresponsive if the servicer is talking to their housing counselor).
- **Exceptions to the procedural safeguard:**
 - The foreclosure referral occurs (as permitted by applicable law) on or after January 1, 2022.
 - The borrower was more than 120 days delinquent prior to March 1, 2020.
 - The applicable statute of limitations will expire before January 1, 2022.



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Homeowner Protections: Amendments to Regulation X

- **Allow mortgage servicers to help borrowers faster:** Under the new temporary rule, servicers can offer streamlined loan modifications to borrowers with COVID-19-related hardships without making borrowers submit all the paperwork for every possible option.
 - These streamlined loan modifications cannot increase borrowers' payments and have other protections built into them. With this flexibility, servicers can get borrowers into affordable mortgage payment plans faster, with less paperwork for both the servicer and the borrower.

Homeowner Protections: Amendments to Regulation X

- **The amendments give borrowers more information:** Servicers are required to discuss specific additional COVID-19-related information during the live contacts with delinquent borrowers that are already required under existing rules in two circumstances: (1) if the borrower is delinquent but not in forbearance; and (2) if the borrower is near the end of a COVID-19 related hardship forbearance.
 - Among other requirements, the servicer must tell the borrower at least one way that they can find contact information for homeownership counseling services, such as referencing the borrower's periodic statement.
 - This requirement only applies until October 1, 2022.
- **They ensure borrowers are contacted at least 30 days before the end of their forbearance period:** If a borrower is in a COVID-19-related hardship short-term payment forbearance program that was offered based on an evaluation of an incomplete application, the rule specifies that a servicer must contact the borrower no later than 30 days before the end of the forbearance period if the borrower remains delinquent.

Housing Portal: Resources for Homeowners

- With the temporary rule changes in place, homeowners exiting forbearance will have the time and support to make the decision that best fits their individual needs. The Bureau also has several resources for homeowners such as the housing portal which includes information on where to turn for expert help.

The screenshot shows a webpage titled "Help for homeowners and renters during the coronavirus national emergency". It features three window icons at the top right, each showing a different group of people. Below the title, there's a section "Find help for your situation" with three main options: "Get mortgage help if you're struggling" (with a smartphone icon), "Take action if you're in forbearance" (with a calendar and mortgage icon), and "Get help if you're a renter" (with an "OVERDUE RENT" envelope icon). Each option has a brief description and a link to more information. On the right side, there are logos for the CFPB, HUD, VA, and USDA, followed by a paragraph stating that these agencies are working together to help homeowners and renters during the coronavirus pandemic. At the bottom right, it says "FEDERAL CORONAVIRUS RESOURCES" and "White House Coronavirus Task Force".

Help for homeowners and renters during the coronavirus national emergency

Find help for your situation

Get mortgage help if you're struggling
We've got some information to help.
[Request forbearance or mortgage relief](#)

Take action if you're in forbearance
Learn what to do whether you just entered forbearance, need more time or are ready to exit.
[Take action now](#)

Get help if you're a renter
Take action to protect yourself against eviction.
[Learn what this means for you](#)

The Consumer Financial Protection Bureau (CFPB), [Federal Housing Finance Agency \(FHFA\)](#), [U.S. Department of Housing and Urban Development \(HUD\)](#), [U.S. Department of Veterans Affairs \(VA\)](#), and [U.S. Department of Agriculture \(USDA\)](#) are working together to help homeowners and renters during the coronavirus pandemic.

FEDERAL CORONAVIRUS RESOURCES
White House Coronavirus Task Force



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<https://www.consumerfinance.gov/coronavirus/mortgage-and-housing-assistance/help-for-homeowners/>

Encourage Borrowers to Submit a Complaint

If a borrower is having trouble with their mortgage servicer, they can submit a complaint. Complaints give us insights into problems people are experiencing in the marketplace and help us regulate consumer financial products and services under existing federal consumer financial laws, enforce those laws judiciously, and educate and empower consumers to make informed financial decisions.

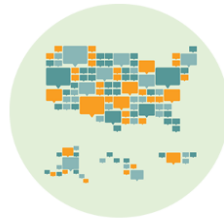
98%

of consumers
receive timely
responses

Submitting a complaint helps you

We help consumers connect with financial companies to understand issues, fix errors, and get direct responses about problems. When you submit a complaint we work to get you a response—most companies respond to complaints within 15 days.

[Learn how the complaint process works](#)



Submitting a complaint helps others

By coming to us, you aren't just helping yourself. Your complaints play a role in everything we do, helping us to identify problems and prioritize our work.

[Discover how we use complaint data](#)



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HELP WITH YOUR MORTGAGE



OPTIONS FOR ENTERPRISE BORROWERS WITH COVID-19 HARDSHIPS – EILEEN ZAENGER



August 31, 2021

FANNIE MAE AND FREDDIE MAC POLICY

If a borrower is experiencing a financial hardship related to the COVID-19 pandemic or other hardships and is struggling to make their mortgage payments, they may be eligible for mortgage assistance and should contact their servicer.

What is a hardship?

Examples of hardships include unemployment, reduction in income, increase in housing-related expenses, divorce or separation, long-term or permanent disability or serious illness, death of a homeowner or primary or secondary wage-earner, distant employment transfer, or a natural disaster.

Financial hardship resulting from COVID-19 may include unemployment, reduction in regular work hours, or illness of a borrower/co-borrower or dependent family member that has impacted a homeowner's ability to make their monthly mortgage loan payment.



FANNIE MAE AND FREDDIE MAC POLICY

Who is my servicer?

Your servicer is the company to which you send your monthly mortgage payment.

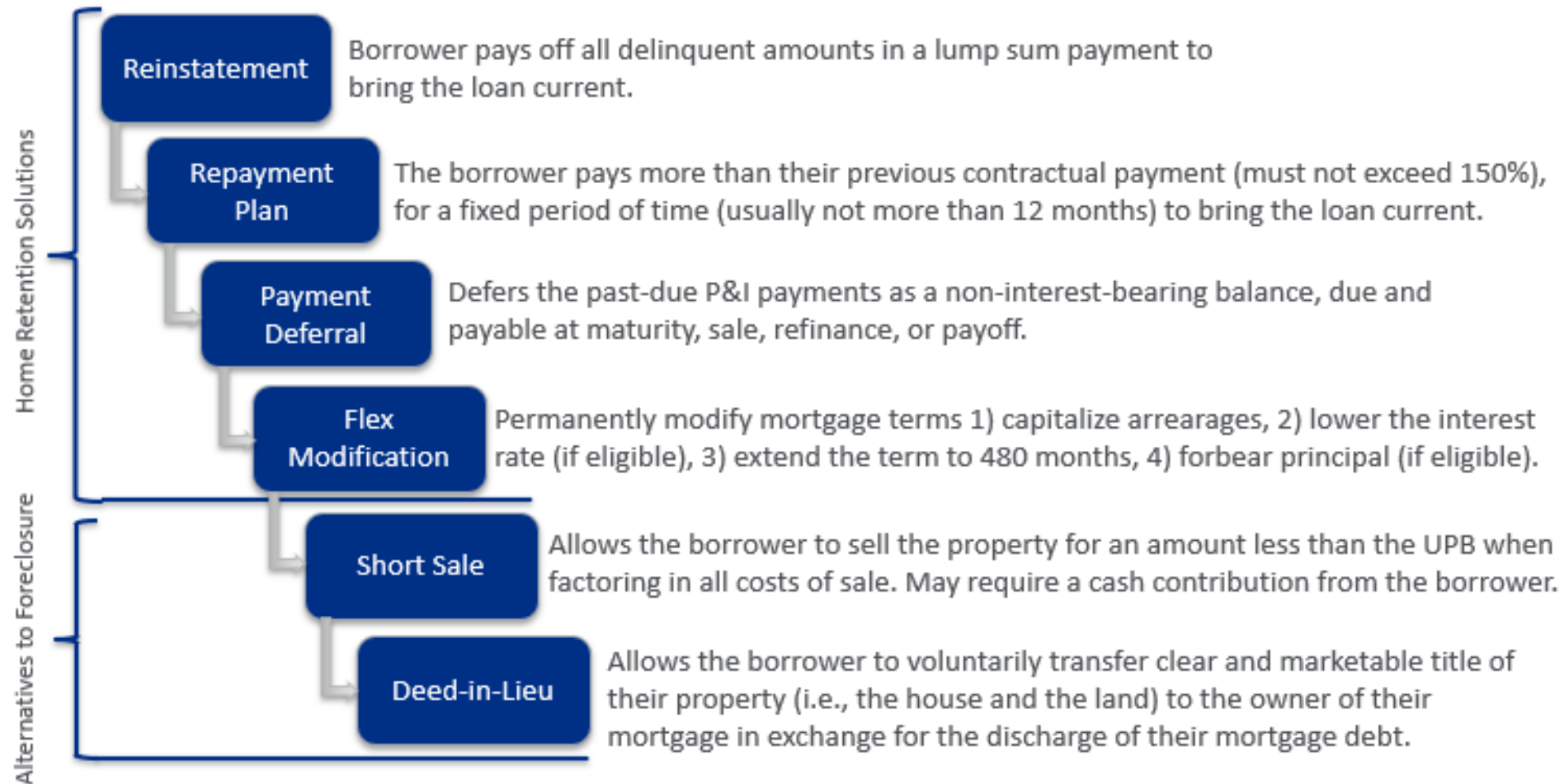
Options to stay in your home

The options described in the following slides may be available depending on circumstances and the borrower may need to complete a Mortgage Assistance Application for some of these options.



LOSS MITIGATION WATERFALL

The waterfall creates borrower solutions to resolve delinquency or proceed to foreclosure alternatives. The waterfall requires that borrowers be evaluated in the following sequence:



OPTIONS TO STAY IN YOUR HOME

	Overview	Benefit
Forbearance plan	<ul style="list-style-type: none"> • Make reduced payments or no payments for a specific period (for example, six months). During this time, foreclosure proceedings will be delayed or suspended, but your mortgage will become increasingly delinquent. 	<ul style="list-style-type: none"> • Allows you time to resolve your hardship. • You will not be charged late fees during your forbearance plan as long as you are performing according to the terms of the plan • You have the option to pay all past due amounts immediately or through a short-term repayment plan, if you can. Alternatively, you will be evaluated for other home retention options.
Reinstatement	<ul style="list-style-type: none"> • Pay all past due amounts in a single payment. • Available if you have the funds to pay now. 	<ul style="list-style-type: none"> • Allows you to bring your mortgage current immediately, if you can.
Repayment plan	<ul style="list-style-type: none"> • Pay past due amounts over an extended period in addition to your regular monthly payments. • May be available if you have sufficient income to cover more than your regular monthly payment. 	<ul style="list-style-type: none"> • Allows you time to bring your mortgage current over a period of time by making additional monthly payments to cover past-due amounts.
Payment Deferral	<ul style="list-style-type: none"> • Delay repayment of past-due principal and interest payments and other past-due amounts, which will become due at the earlier of the mortgage maturity date, payoff date, or sale or transfer of the property. 	<ul style="list-style-type: none"> • May be available if you can resume your monthly mortgage payment. Your monthly payment may increase if needed to cover escrowed amounts that are not deferred. • Allows you to bring your mortgage current immediately by delaying (deferring) repayment of past-due amounts without changing other terms of your mortgage loan. Interest is not charged on the past-due amounts deferred.



OPTIONS TO STAY IN YOUR HOME

	Overview	Benefit
Modification	<ul style="list-style-type: none">• Permanently change some of the terms of your mortgage, such as the interest rate or mortgage term, to modify your monthly payment amount.• May require you to make three months of trial-period plan payments to ensure you can afford the new payment.• May be available if you cannot resume making your existing mortgage payment.	<ul style="list-style-type: none">• Allows you to bring your mortgage current by permanently modifying your mortgage terms making your payment more sustainable and typically results in a lower monthly payment.

Your credit score may be impacted by many factors. Under the CARES Act, a federal law that helps consumers impacted by COVID-19, special credit reporting may apply for consumers impacted by COVID-19. A consumer whose account was not previously delinquent is reported as current on their loan if they have received an accommodation, such as forbearance, and make any payments the accommodation requires (if any). You should talk with your servicer if you have questions about how your payment activity will be reported and how you can find out more about potential impact to your credit score.



OPTIONS TO LEAVE YOUR HOME

While it may be difficult to think about leaving your home, it may be the best option if other solutions to keep you in your home are no longer possible. Your servicer should be able to answer any questions you may have about the options described below.

	Overview	Benefit
Short Sale	<ul style="list-style-type: none"> • Sell your house and pay off your mortgage for less than the full amount you owe on your mortgage. • There may be tax consequences — you should consult a tax advisor. 	<ul style="list-style-type: none"> • Depart your home without experiencing foreclosure. • You may also be eligible for relocation funds to help you with your move.
Mortgage release/Deed-in-lieu of foreclosure	<ul style="list-style-type: none"> • Transfer ownership of your home to the company that owns your mortgage in exchange for a release from your mortgage debt. • There may be tax consequences — you should consult a tax advisor. 	<ul style="list-style-type: none"> • Depart your home without experiencing foreclosure. • You may also be eligible for relocation funds to help you with your move.

RECENT SERVICING UPDATES

Foreclosure and Eviction protections

- Early adoption of the CFPB rule will pause new referrals to foreclosure through December 31st, 2021. FHFA will not permit first notice or filing of foreclosure that would be prohibited by the CFPB rule before the rule takes effect. Actions can still proceed on vacant and abandoned properties and those properties that had a foreclosure referral prior to March 2020.
- Enterprise single-family REO eviction moratorium extended to September 30th, 2021.

Loss Mitigation

- Borrowers with an Enterprise loan may be eligible for forbearance of up to 18 months if they were on a COVID-19 forbearance plan as of February 28, 2021. Further, COVID-19 Payment Deferral with an Enterprise loan can now cover up to 18 months of missed payments.
- Expanded the use of interest rate reduction to reduce monthly mortgage payments for Enterprise borrowers with a COVID-19 hardship.



WANT TO LEARN MORE?

Resources for mortgage assistance at Fannie Mae and Freddie Mac:

- Fannie Mae's [KnowYourOptions.com](https://www.knowyouroptions.com)
- Fannie Mae's fanniemae.com/heretohelp
- Freddie Mac's #HelpStartsHere
- Freddie Mac's My Home® myhome.freddiemac.com/

FHFA COVID-19 resources:

Servicer scripts and resources for counselors to improve messaging including multiple language translations are available at fhfa.gov/mortgagetranslations

Additional resources at CFPB and HUD:

For additional information about COVID-19 assistance and about avoiding foreclosure, visit cfpb.gov/housing.

Resources to help borrowers understand their options are available through housing counseling agencies approved by the U.S. Department of Housing and Urban Development (HUD):

www.hud.gov/i_want_to/talk_to_a_housing_counselor

Borrowers who want to submit a complaint about a problem with their mortgage servicer may do so at:

www.consumerfinance.gov/complaint/





Changes to Loss Mitigation Policy

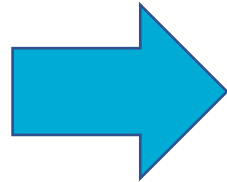
Matt Martin

Director, HUD National Servicing Center, Office of Single-Family
Asset Management, FHA

Changes to the Policy Proposal

COVID Waterfall (2021-05)

1. COVID-19 Standalone Partial Claim
 - a. For borrowers that can resume their current payments.
 - b. Include all arrearages.
2. COVID-19 Owner Occupant Standalone Modification
3. COVID-19 Combo Partial Claim & Loan Modification
4. COVID-19 HAMP Combo PC Loan Modification with Limited Documentation



Revised COVID Recovery Waterfall

All borrowers that cannot resume their payment will be reviewed for a 25% Principal & Interest reduction.

Pre-Waterfall

1. COVID Advanced Loan Modification

Waterfall

1. COVID-19 Recovery Standalone Partial Claim
 - a) For borrowers that can resume their current payments
 - b) Max 25% PC for arrearages to bring current.
2. COVID-19 Recovery Modification Policy
 - a) 30-year Rate and Term Modification + COVID PC
 1. Target 25% P&I w/out DTI Calculation.
 2. @ PMMS Flat, Rounded to the Nearest 1/8th
 3. PC for Arrearages, Max: 25% PC
 - b) 30-year Modification + PC for deferment
 1. Target 25% P&I w/out DTI Calculation.
 2. @PMMS Flat, Rounded to the Nearest 1/8th
 3. PC for Arrearages and Principal Deferment, Max: 25% PC
 - c) If 25% P&I is not achieved, offer lowest payment.

COVID-19 Non-Occupant Loan Modification, COVID-19 Pre-Foreclosure Sale, and COVID-19 Deed-in-Lieu are at the bottom of both waterfalls

Online Loss Mitigation Resources

- HUD COVID-19 Resources: <https://www.hud.gov/coronavirus>
- Single Family Housing Handbook: https://www.hud.gov/program_offices/housing/sfh/handbook_4000-1
- Single Family Handbook Supplemental Documents: https://www.hud.gov/program_offices/housing/sfh/handbook_references
- HUD Approved Counseling Agencies: <https://apps.hud.gov/offices/hsg/sfh/hcc/hcs.cfm>
 - FHA Info Announcements Archives: https://www.hud.gov/program_offices/housing/sfh/FHA_info_messages
 - Single Family Default Reporting Codes: <https://www.hud.gov/sites/dfiles/SFH/documents/SFDMS%20Codes%2007.23.2021.pdf>

FHA Resource Center

	Option	Point of Contact	Hours Available	Comments
1	FHA Knowledge Base – FAQs	www.hud.gov/answers	24/7/365	Knowledge Base web page includes option to email questions.
2	Email	answers@hud.gov	24/7/365	
3	Telephone	1-800-CALL-FHA (1-800-225-5342) Persons with hearing or speech impairments may reach this number by calling the Federal Relay Service at 1-800-877-8339.	8:00 AM to 8:00 PM Eastern M-F	Voicemail is available after hours or during extended wait periods.

FHA INFO emails: Frequent email notifications of new policies and training opportunities for anyone who signs up. Subscribe at: https://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/FHA_INFO_subscribe



Single Family Housing Guaranteed Loan Program

COVID-19 Special Relief Measures

Richard Kane, USDA Rural Development

COVID-19 Options

Requirements:

- Owner Occupied
- Less than 120 days past due prior to the hardship
- Requested assistance due to a COVID-19 Hardship prior to September 30th, 2021

If eligible, borrower may be evaluated for the following options in a streamlined fashion. In addition, no trial period is required.

COVID-19 Options

Borrowers who can afford the pre forbearance payment:

- Payment Deferral (term must be extended)
- Capitalization of arrearage and rate reduction / term extension
- Mortgage Recovery Advance

Borrowers who need additional payment relief

- Combination of incremental rate reduction, term extension and Mortgage Recovery Advance may be utilized to provide the borrower with up to a 20% reduction to their pre-forbearance P&I Payment.

COVID-19 Options

Borrowers who can afford the pre forbearance payment:

- Payment Deferral (term must be extended)
- Capitalization of arrearage and rate reduction / term extension
- Mortgage Recovery Advance

Borrowers who need additional payment relief

- Combination of incremental rate reduction, term extension and Mortgage Recovery Advance may be utilized to provide the borrower with up to a 20% reduction to their pre-forbearance P&I Payment.

Richard Kane

Single Family Housing Guaranteed Loan Division

Rural Development | U.S. Department of Agriculture

1400 Independence Ave., SW | Washington, DC 20250

Phone: 202-720-0320 Email: richard.kane@usda.gov

sfhglpservicing@usda.gov

www.rd.usda.gov

U.S. Department of Veterans Affairs

Loan Guaranty Service

Central Office Servicer Liaison
Katie Graham



**U.S. Department
of Veterans Affairs**

Agenda

- COVID-19 Veterans Assistance Partial Claim Payment (VAPCP)
- VA Home Retention Waterfall
- VAPCP Published Rule, VA Circular and Exhibits
- Exhibit A: Flow Chart

COVID-19 Veterans Assistance Partial Claim Payment

- **COVID-19 VAPCP is a new and temporary program**
 - Borrowers must have a VA guaranteed loan
 - Must meet payment delinquency requirements
 - Borrower received a COVID-19 forbearance and missed at least one scheduled mortgage payment
 - Borrowers must occupy the property as primary residence
 - Borrowers have indicated they can resume making regular, monthly payments
 - Executed agreement to repay the VAPCP and allow VA to create a second mortgage lien on the property

**COVID-19 VAPCP program is only available from
July 27, 2021, through October 28, 2022.**

VA Waterfall – VA Circular 26-21-13

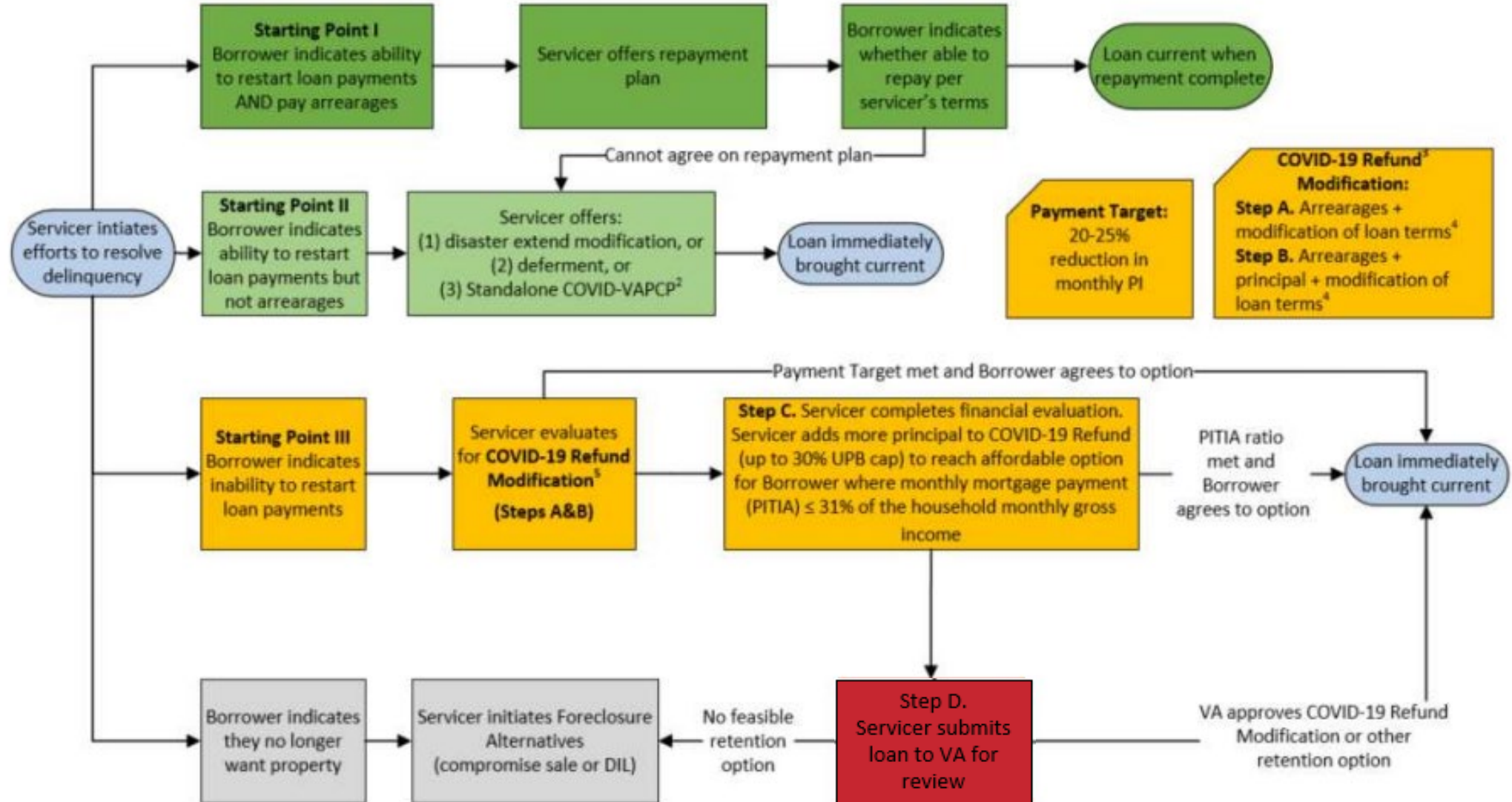
- **Starting Point I:**
 - Repayment Plan
- **Starting Point II:**
 - Loan Modifications
 - Loan Deferment
 - COVID-19 Veterans Assistance Partial Claim Payment (VAPCP)
- **Starting Point III:**
 - COVID-19 Refund Modification

Partial Claim and Refund Modification Documents

- **COVID-19 VAPCP:** Federal Register published the final rule:
<https://www.federalregister.gov/documents/2021/05/28/2021-11373/loan-guaranty-covid-19-veterans-assistance-partial-claim-payment-program>
- **VA Circular 26-21-13:** This Circular outlines the Refund Modification options
 - Home Retention Waterfall (Starting Points)
- **Exhibit A:** Figure outlining the Servicer Review/Starting Points
- **Exhibit B:** Figure comparing the Refund Modification Options

VA Circulars and related Exhibits can be found online:
https://www.benefits.va.gov/HOMELOANS/resources_circulars.asp

VA Circular 26-21-13: Exhibit A



U.S. DEPARTMENT OF THE TREASURY

AN OVERVIEW OF

Homeowner Assistance Fund

Will Corbett



Disclaimer

This presentation is designed to give an overview of the Homeowner Assistance Fund program for educational purposes. It should not be construed as legal advice or a statement of binding policy guidance from the Treasury.

For official Treasury guidance, go to: [www.Treasury.gov/HAF](https://www.treasury.gov/HAF)

Homeowner Assistance Fund Overview

The American Rescue Plan makes \$9.96B in Homeowner Assistance Funds (HAF) available to states, territories, and tribes to aid households struggling to pay mortgages and utilities.

Key objectives of HAF:

- Prevent mortgage delinquencies and defaults, foreclosures, loss of utilities or home energy services, and displacement of homeowners experiencing financial hardship after January 21, 2020
- Provide funds for mortgage payments, homeowner's insurance, utility payments, and other specified purposes.
- Prioritizes funds for homeowners who have experienced the greatest hardships, leveraging local and national income indicators to maximize the impact.

HAF Program Implementation

States, Territories, and tribes are “eligible entities” to administer HAF Funds

Allocations

- Minimum of \$50 million for each state, the District of Columbia, and Puerto Rico
- \$30 million territorial set-aside (Guam, American Samoa, the U.S. Virgin Islands, and the Commonwealth of Northern Mariana Islands)
- Allocations to Tribes and Tribal entities

Notice of Funds Request

- April 25, 2021 - Deadline for states and territories
- September 30, 2021 - Deadline for Tribes, Tribal entities, or the Department of Hawaiian Home Lands

Initial Payments

- Eligible entities received an initial payment from the HAF in an amount equal to 10% of their total allocations.
- Treasury encouraged HAF participants to use these initial payments to create or fund pilot programs serving targeted populations and focused on activities likely to deliver resources quickly (e.g., mortgage reinstatement programs).

HAF Plans

- Treasury is sending HAF participants the remainder of their funds as they submit their plans

Helping Homeowners: Qualified Expenses

Eligible expenses may vary depending upon the HAF participant's program design.

In general, the HAF program guidance allows:

Mortgage Assistance

- Payment assistance
- Reinstatement of mortgage or other housing-related costs
- Principal reduction
- Facilitating interest rate reductions

Other Payment assistance for -

- Delinquent property taxes to prevent tax foreclosure
- Utilities, Energy, and Broadband Internet
- Homeowner's insurance, flood insurance, and mortgage insurance
- Homeowner's association fees or liens, condominium association fees, or common charges
- Down payment assistance loans provided by nonprofit or government entities

Other Measures to Prevent Displacement

- For example, repairs to maintain a home's habitability or assistance to enable households to obtain clear title to their properties.

Other HAF Highlights

Targeting

- 60% of each Participant's HAF Funds to assist homeowners having income \leq 100% of area median income or 100% of U.S. median income, which is greater
- Any amount not made available to homeowners that meet this income-targeting requirement must be prioritized for assistance to socially disadvantaged individuals, with funds remaining after such prioritization being made available for other eligible homeowners.

HAF Eligibility

- Homeowners are eligible to receive amounts allocated to a HAF participant under the HAF if
 - They experienced a financial hardship after January 21, 2020 (including a hardship that began before January 21, 2020, but continued after that date) and
 - Have incomes equal to or less than 150% of the area median income or 100% of the median income for the United States, whichever is greater.
- A HAF participant may provide HAF funds only to a homeowner with respect to qualified expenses related to primary residence

HAF Counseling/Legal Services Resources

- Up to 5% of HAF participants funding may be used for counseling or educational efforts by housing counseling agencies approved by HUD or a tribal government, or legal services, targeted to households eligible to be served with funding from the HAF related to foreclosure prevention or displacement

Thank you.

**For More Information:**

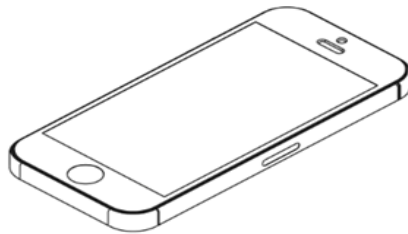
Please visit Treasury's HAF website at
www.Treasury.gov/HAF

For Media Inquiries:

Please contact the U.S. Treasury Press Office
at (202) 622-2960

Polling

- There will be polling provided in Mentimeter throughout this presentation. When prompted by the icon to the right, please respond to questions at www.menti.com using your computer or smart phone.



1

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Enter the code and vote!

**Time for
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Additional Resources and Contacts



- [HUD Exchange: Providing Foreclosure Prevention Counseling](#)
- [CFPB: Housing Portal Resources](#)
- [CFPB: Submit a Complaint](#)
- [FHA: Recovery Options for Homeowners](#)
- [VA: COVID-19 Refund Modification](#)
- [VA: Comparison of COVID-19 Partial Purchase Options](#)
- [VA: COVID-19 Home Retention Waterfall](#)
- [USDA: COVID-19 Federal Rural Resource Guide](#)
- [Homeowner Assistance Fund](#)
- [Office of Housing Counseling Website](#)
- [The Bridge Newsletter](#)
- Email HUD at: Housing.counseling@hud.gov



Questions and Answers





OFFICE OF HOUSING

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Thank You For Attending