



# How the Homeowner Assistance Fund (HAF) Can Serve Your Clients

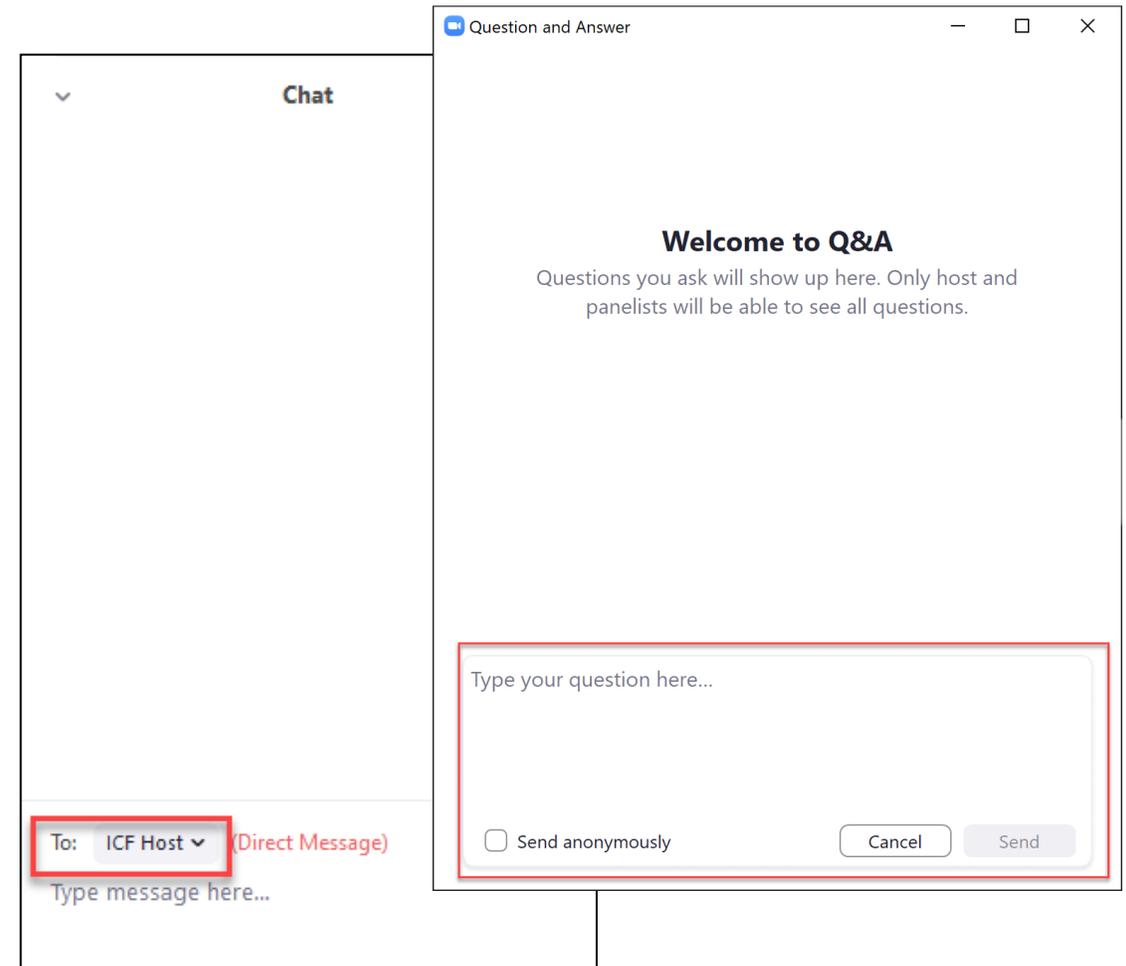
Office of Housing Counseling

U.S. Department of Housing and Urban Development

March 1, 2022

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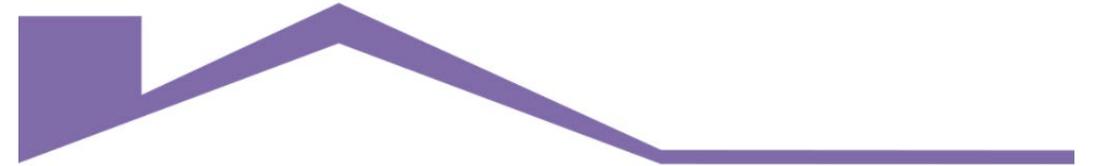
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## Housing Counseling Weekly Training Digest

The Housing Counseling Training Digest is updated weekly to reflect trainings hosted by:

- HUD Office of Housing Counseling (OHC)
- OHC funded training partners
- Other partners that host trainings of interest to housing counselors

Please email [housing.counseling@hud.gov](mailto:housing.counseling@hud.gov) to notify HUD about upcoming training and events for housing counselors.

**Content current as of November 16, 2020**

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### Upcoming Training Calendar

View upcoming trainings for Housing Counseling and other HUD funded programs.



### Webinar Archive

View past webinars hosted by the Office of Housing Counseling and access related materials.



### Online Training

Access self-paced online training modules, such as Introduction to Housing Counseling.

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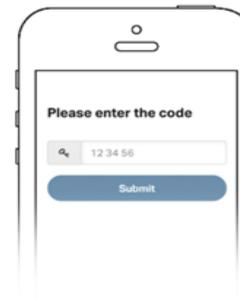
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David Berenbaum

Deputy Assistant Secretary

Office of Housing Counseling (OHC)

# Facilitators & Presenters

- **Facilitators:**

- Karen Hoskins and Shawna LaRue Moraille, ICF, HUD TA Providers

- **Speakers:**

- William Corbett and Patrick Orr, U.S. Department of Treasury
- Julienne Joseph, the Deputy Assistant Secretary for FHA Single Family Housing, Federal Housing Administration (FHA)
- Paul O'Leary, Freedom Mortgage
- Greg Zagorski and Rosemarie Sabatino National Council of State Housing Agencies (NCSHA)
- Jaime Rice, Kentucky Housing Corporation (KHC)
- Stephanie Stiene, Brighton Center
- Mark McArdle, Consumer Finance Protection Bureau (CFPB)

# Agenda

- Overview of the HAF Program
- How HAF Can Benefit FHA Borrowers
- Panel
- Resources
- Q and A



# Overview of the HAF Program

# U.S. DEPARTMENT OF THE TREASURY

AN OVERVIEW OF

## Homeowner Assistance Fund

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February 2022



# 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](http://www.Treasury.gov/HAF)*

# Homeowner Assistance Fund

## Overview

The American Rescue Plan Act makes \$9.96B in Homeowner Assistance Funds (HAF) available to states, the District of Columbia, U.S. territories, Tribes or Tribal entities, and the Department of Hawaiian Home Lands to aid households struggling to pay mortgages and utilities.

Part of a broad response to coronavirus-related housing risks across all of government.

### 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.
- Requires at least 60% of funds go to homeowners with income at or below 100% AMI or US MI to cover qualified expenses; prioritization of remaining funds for socially disadvantaged individuals.

# 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 the homeowner's 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.

# Helping Homeowners: Qualified Expenses

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

*In general*, HAF funds may be used for the following:

## **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**

- Repairs to maintain a home's habitability or assistance to enable households to obtain clear title to their properties.

# HAF Plan Review Process

- Initial funding, nearly \$1 billion total, allowed participants to set up their programs and begin providing immediate assistance to homeowners in need.
- Treasury designed the HAF program approval process, based on feedback from advocates and experts and experience with past programs.
  - States submitted plans, received feedback from Treasury, and then revised plans based on feedback, experience with pilots, and input from community.
  - As a result, these revised plans will better ensure these funds are distributed equitably and reach underserved communities.

# Thank you.



**For More Information:**

Please visit Treasury's HAF website at [www.Treasury.gov/HAF](http://www.Treasury.gov/HAF)

**For Media Inquiries:**

Please contact the U.S. Treasury Press Office at [press@treasury.gov](mailto:press@treasury.gov).



# How HAF Can Benefit FHA Borrowers



# Panel Discussion

**Time for  
Mentimeter!**



# Panelists

- Greg Zagorski and Rosemarie Sabatino National Council of State Housing Agencies (NCSHA)
- Jaime Rice, Kentucky Housing Corporation (KHC)
- Stephanie Stiene, Brighton Center



# HAF: A National Overview

Presented by Greg Zagorski and Rosemarie Sabatino

# The National Council of State Housing Agencies

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- Nonprofit, nonpartisan organization created by the nation's state Housing Finance Agencies (HFAs).
- Represents the HFAs for all 50 states, DC, Puerto Rico, the U.S. Virgin Islands, and New York City.
  - Out of the 56 agencies administering HAF, 42 are HFAs
- The principal advocate in Washington for both tax exempt SF and MF housing bonds and the LIHTC and the principal state advocate for HOME.
- Mission Statement:  
*“To advance through advocacy and education the nation's state Housing Finance Agencies' efforts to provide affordable housing to those who need it.”*

# Program Status

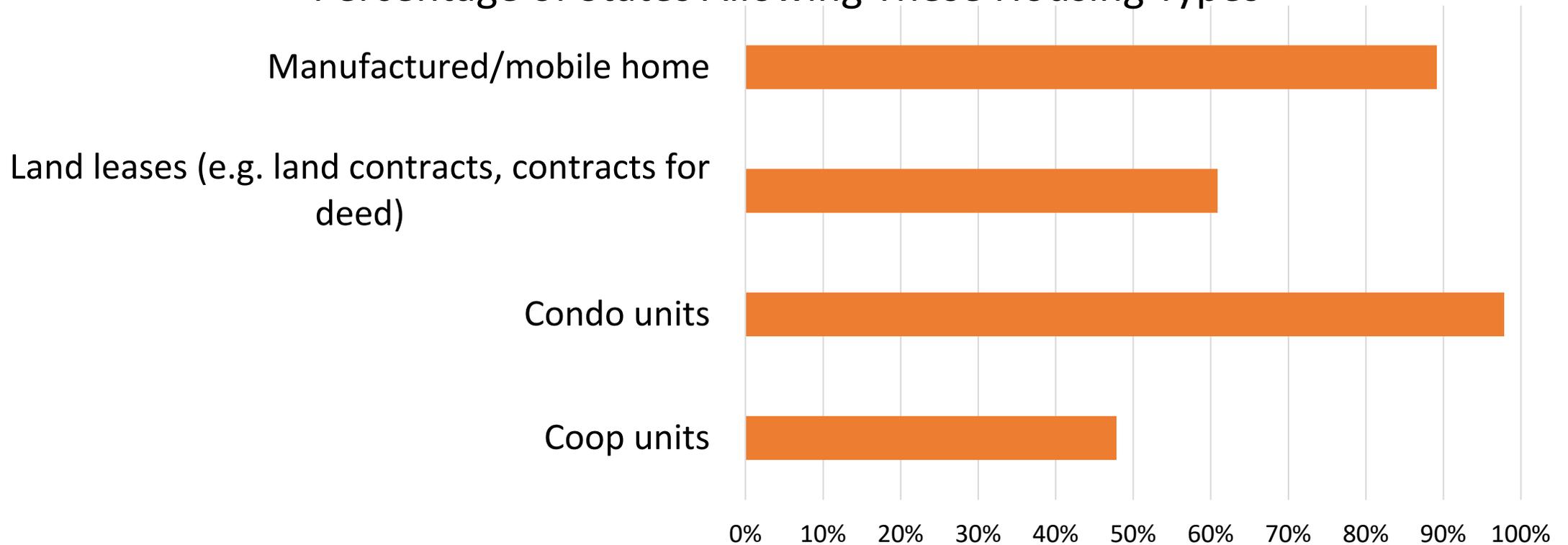
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- States were tasked with using HAF to meet the needs of their state/territory
- As of February 23, 2022:
  - Most state/territory HAF Plans approved by Treasury
  - 23 programs launched state/territory-wide
  - 10 pilots underway
- Key steps undertaken by HAF Agencies to prepare:
  - Creating a portal for homeowners to register to receive information once HAF program launched (most states)
  - Reaching out to housing counselors, legal advisors, and other resources homeowners might connect to for advice/assistance
  - Signing up servicers and establishing a secure way of communicating PII of homeowners
  - Reaching out to utilities, local tax jurisdictions, etc.

# HAF Programs: Single-Family Homes

In addition to 1–4-unit SF properties, different HAF programs will serve various types of single-family housing:

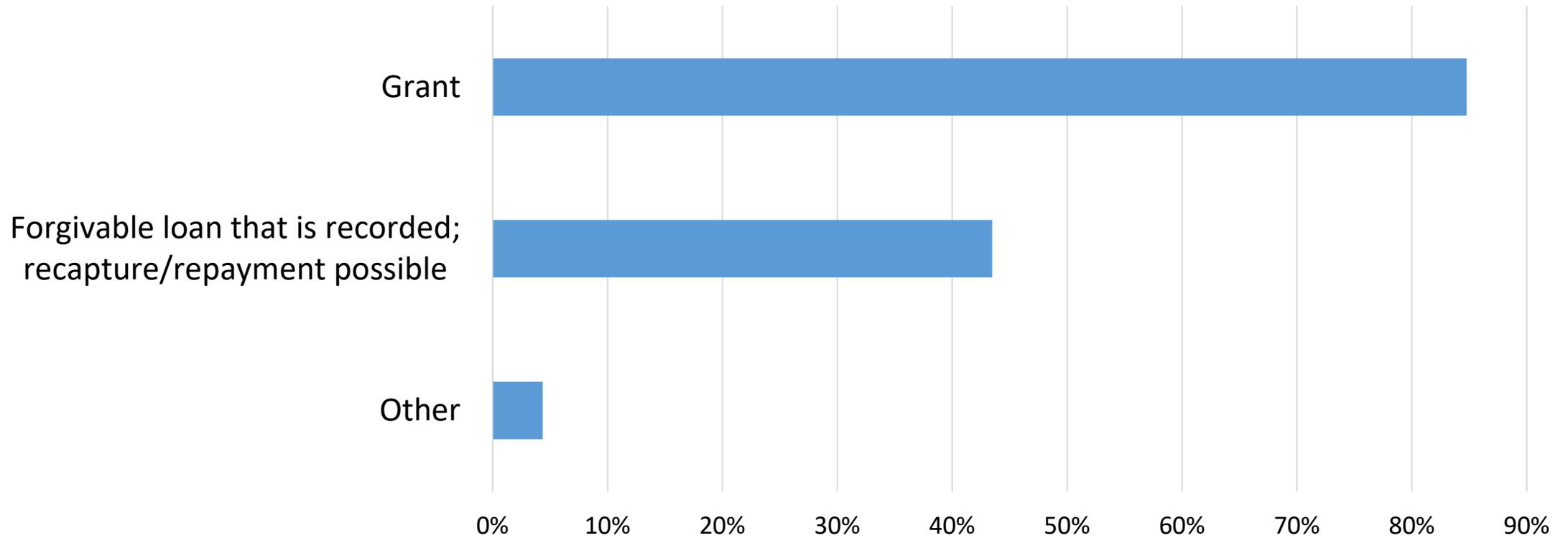
### Percentage of States Allowing These Housing Types



# HAF Assistance

The type of HAF assistance varies by state:

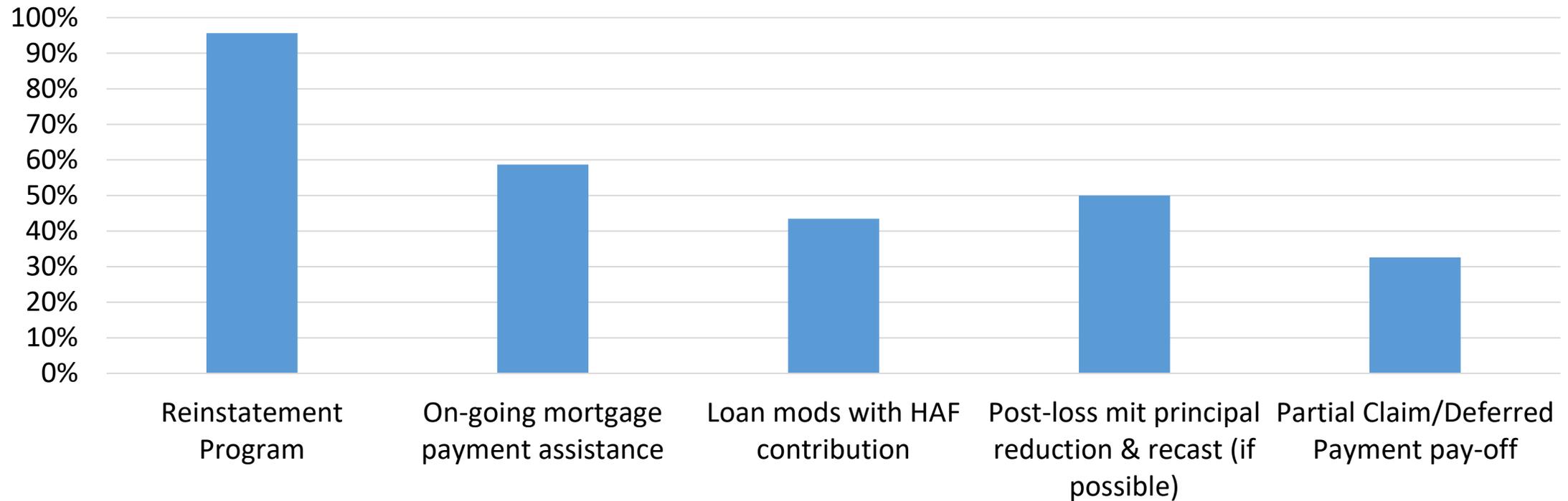
## Percentage of States Offering HAF As:



# HAF Assistance

The type of mortgage assistance varies by state:

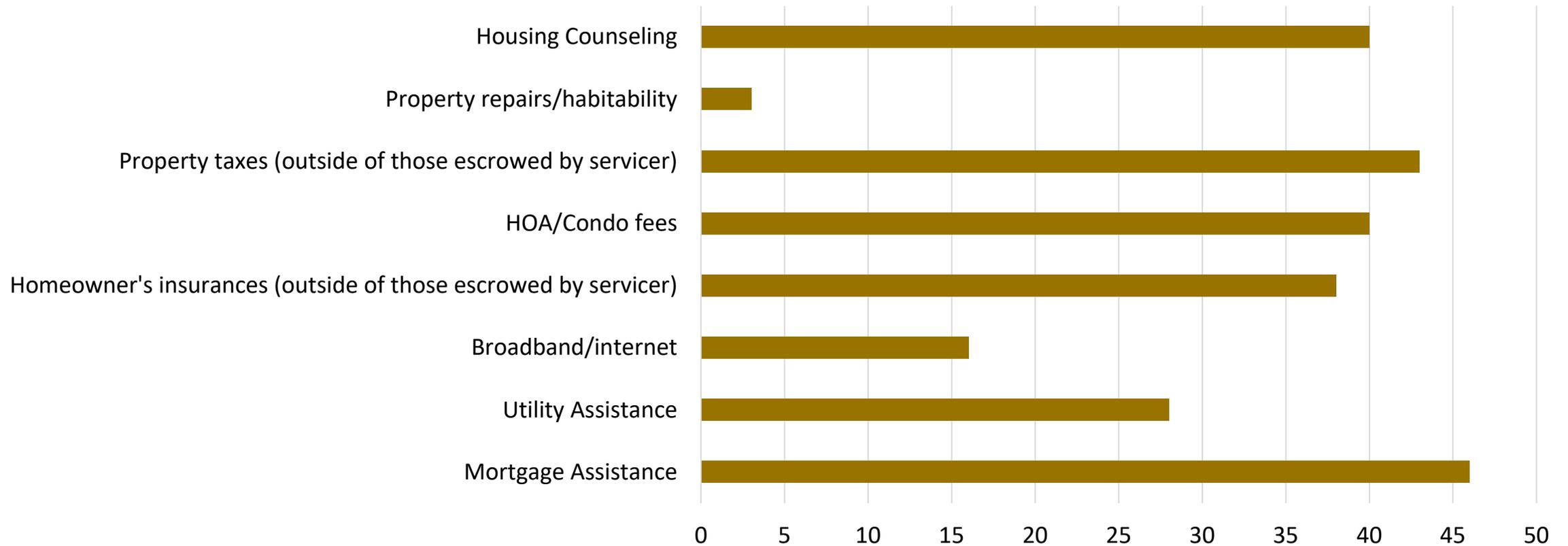
## Percent of States Offering Certain Mortgage Assistance Programs



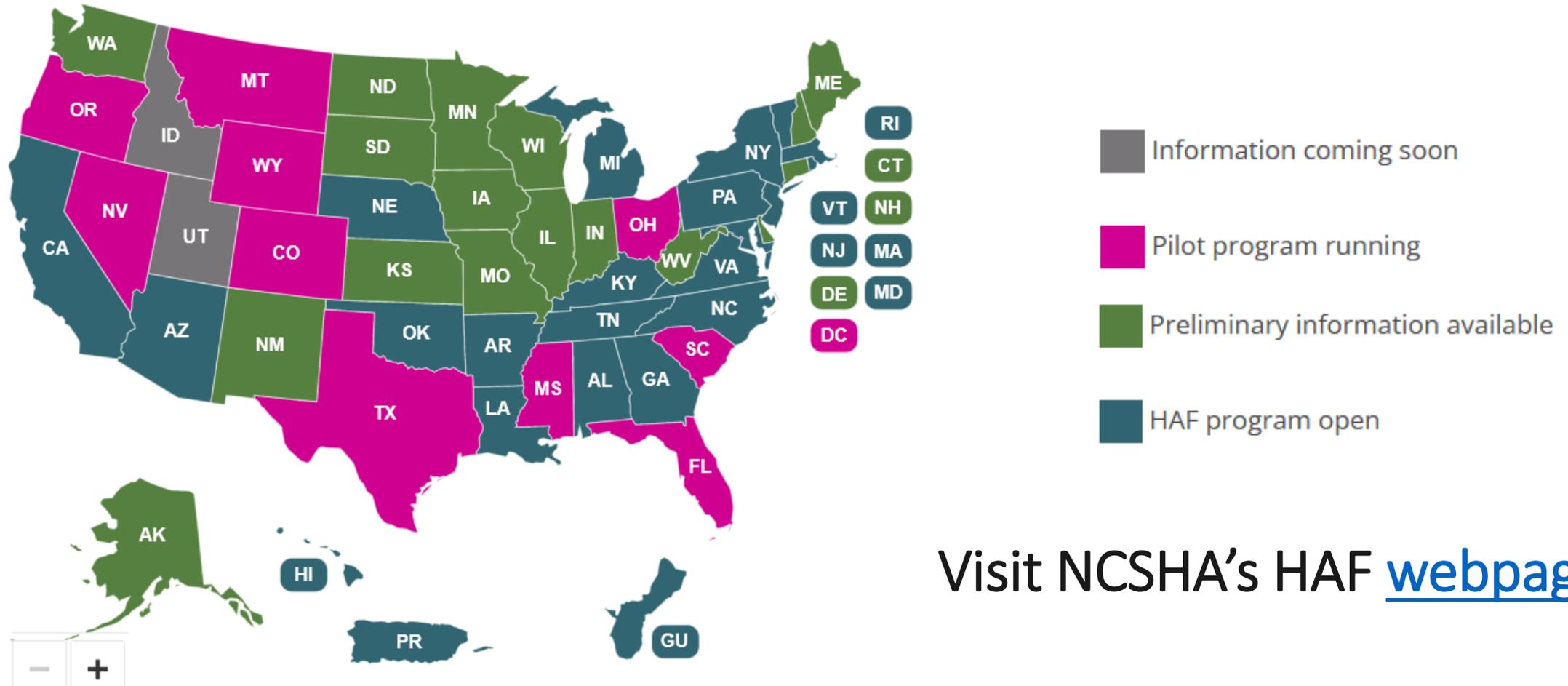
# HAF Assistance

The expenses eligible for assistance varies by state:

## The Number of States Offering These Types of Assistance:



# HAF Programs Across the Country - English



Visit NCSHA's HAF [webpage](#).

# HAF Programs Across the Country - Spanish

## Fondo de Asistencia para Propietarios de Vivienda por Estado

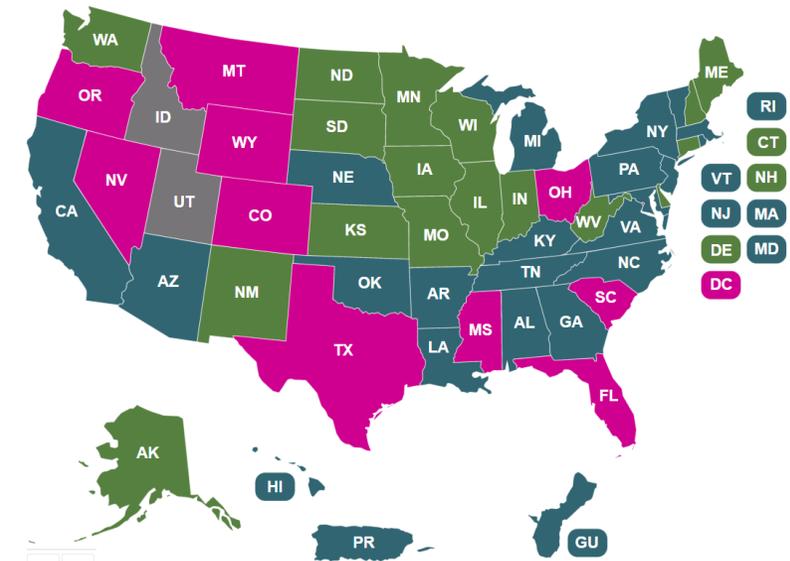
El Fondo de Asistencia para Propietarios de Vivienda (HAF, por sus siglas en inglés) es un programa federal para ayudar a los propietarios de vivienda que se han retrasado en sus hipotecas y otros gastos relacionados con la vivienda durante la pandemia de COVID-19. Para encontrar ayuda en su área, haga clic en el estado o territorio en el que vive en el mapa a continuación.

La asistencia de HAF será distribuida por los estados en nombre del gobierno federal. Cada estado ha presentado un plan de operaciones de HAF al Departamento del Tesoro de los Estados Unidos que describe cómo funcionará el programa en ese estado. Cuando se aprueba su plan, el estado puede lanzar su programa. Algunos estados han establecido programas piloto de asistencia hipotecaria para que puedan empezar a ayudar a los propietarios de viviendas desde antes.

Descargar Documento

- Información a publicar próximamente
- Ejecución del programa piloto

- Información preliminar disponible
- Programa abierto en todo el estado



<https://www.ncsha.org/homeowner-assistance-fund/espanol/>



# Kentucky's Homeowner Assistance Fund

Presented By:

**Jaime W. Rice, Managing Director of Single-Family Programs**

# Kentucky's Homeowner Assistance Fund

\$85.4 Million

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Kentucky homeowners are eligible to receive up to **\$35,000** in assistance as a non-recourse grant.

## Qualifying Expenses:

1. Mortgage reinstatement
2. Monthly mortgage payment assistance, up to 6 months
3. Past due Non-escrowed Property Taxes (up to 3 years)
4. Past due Non-escrowed Insurance (Homeowner's and/or flood)
5. Past due Homeowner's Association Fees
6. Past due Utilities (Gas, Water/ Sewer, Electric)

# Homeowner Assistance Fund

## Process

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- Homeowners apply through the [www.ProtectMyKYHome.org](http://www.ProtectMyKYHome.org).
  - Online application portal and document upload.
- Homeowners are assigned to a partner housing counseling agency.
- The housing counselors will work with the homeowners to complete the application process.
- We underwrite, close, and process payments.



# Kentucky's Homeowner Assistance Fund

## Partnering with Housing Counselors

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Housing counselors are better trained to address financial barriers faced by our homeowners.

1. They help homeowners with the HAF application process.
2. They help homeowners with the loss mitigation process.
3. They help with budget/financial education.
4. They help with transitional counseling when retention is not an option.

Housing Counselors are the key partner!



# Kentucky's Homeowner Assistance Fund

## Pilot Phases

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### 11/8/2021: Test Pilot

- 30 KHC mortgagors rolling out of FHA COVID forbearance plans.
- Only 7 applications for HAF.

### 11/22/2021: Test Pilot II

- 127 KHC mortgagors rolling out of COVID forbearance plans that month.

### 12/22/2021: Full Pilot

- Remaining 800+ KHC mortgagors in COVID forbearance plans.
- Housing Counselors started receiving referrals.
  - COVID Loss Mit training for Counselors on 12/10/2021

### Full Program Launched 2/7/2022

- Governor's office issued press release announcing our program launch
- KHC notified over 11,000 listserv registrants that our program was live.
- Approximately 2,000 applications initiated.



# Kentucky's Homeowner Assistance Fund

## Know Your Options

**Know Your Options**  
FHA Loanholders

TEAM  
KENTUCKY

KENTUCKY HOMEOWNERSHIP  
PROTECTION CENTER

# Kentucky's Homeowner Assistance Fund

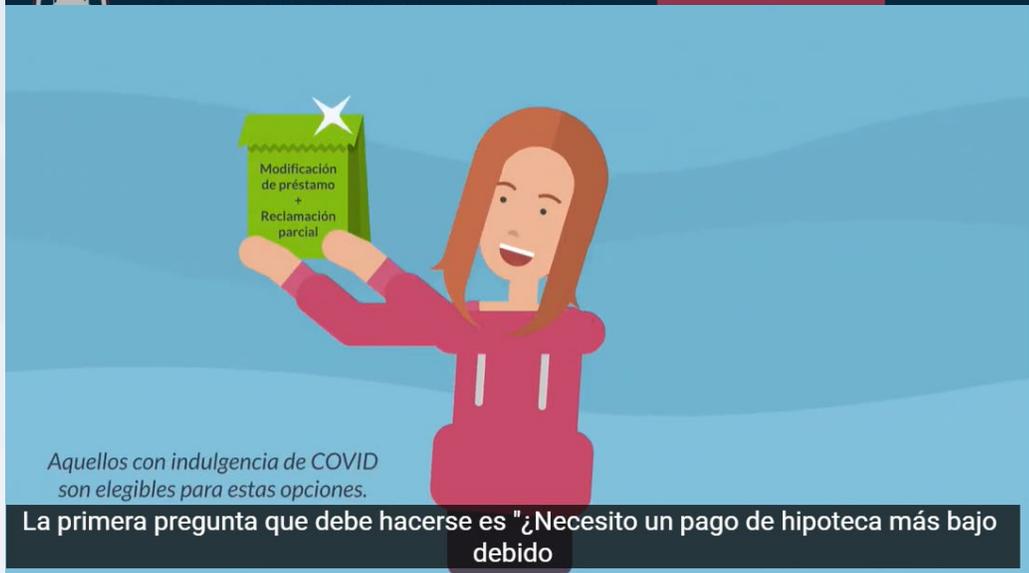
## Conozca sus opciones



**Conozca sus opciones**  
Tenedores de préstamos de la FHA

TEAM KENTUCKY

KENTUCKY HOMEOWNERSHIP



Modificación de préstamo + Reclamación parcial

Aquellos con indulgencia de COVID son elegibles para estas opciones.

La primera pregunta que debe hacerse es "¿Necesito un pago de hipoteca más bajo debido

**Tolerancia de COVID:** Pagar temporalmente su hipoteca a una tasa más baja o suspender los pagos temporalmente debido a una pérdida de ingresos, enfermedad u otro desastre relacionado con COVID.



### Mitigación de pérdidas

- Paciencia
- Modificación de préstamo
- Escritura en lugar de ejecución hipotecaria
- Venta corta

### Fondo de asistencia al propietario de vivienda

- Hipotecas morosas
- Impuestos de propiedad
- Utilidades
- Cuotas de HOA
- Primas de seguros

# Homeowner Assistance Fund

## Know Your Options, Continued

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It is critical that homeowners know their options. Not only does KHC provide the direct video, but we also:

1. Homeowner Disclosure on the first screen of their applications.
2. The counselors likewise certify the following before submitting a file for underwriting:

**I, the housing counselor assigned to this case, have discussed with the homeowner(s) that the Homeowner Assistance Fund is a one-time benefit. The better options for long-term sustainability of the mortgage may be with the mortgage servicer's loss mitigation options. The homeowner has either exhausted those options, are not eligible for those options, has opted to bypass those options, or their servicer does not offer loss mitigation based on the type of mortgage. The homeowner(s) wish(es) to proceed with the Homeowner Assistance Fund application.**



# Homeowner Assistance Fund

## Know Your Options, Continued

### Know Your Options!

The Homeowner Assistance Fund may provide up to a maximum assistance of \$35,000 per household affected by COVID-19 to bring current your past due mortgage, property taxes, homeowner's/flood insurance, Homeowner's Association Dues, and utilities (electric, gas, water/sewer). This is paid as a one-time payment to the provider to bring the account(s) current.

For homeowner's still experiencing a qualifying hardship, up to 6 months of monthly mortgage payments may also be paid the mortgage servicer(s) on behalf of the homeowner.

Homeowners are not guaranteed to receive the maximum of \$35,000. Homeowners may only receive the amount needed to bring their eligible accounts current and an additional 6 months of mortgage payments only.

Homeowners may not receive assistance more than once.

Homeowners should work with their housing counselor and servicer(s) to explore options for long-term sustainability.

If your mortgage is not a federally-backed mortgage and your servicer does not offer loss mitigation options, then the Homeowner Assistance Fund may be your best option.

If your mortgage is a federally-backed mortgage, your servicer is required to offer loss mitigation to qualifying mortgagors. If you are already participating in the COVID Forbearance Program, the COVID Loss Mitigation options may be a better option than the Homeowner Assistance Fund for long-term sustainability. If you opt to seek the Homeowner Assistance Fund first to bring your mortgage current, the COVID Loss Mitigation options, such as a COVID Modification, may no longer be available for you.

**Do your research. Know your options before you proceed!**



**I have read and understand the statements above. I have discussed these options with my housing counselor and/or mortgage servicers. I wish to proceed with this application for the Homeowner Assistance Fund Program.**

Continue



# Brighton Center, Inc.

**Stephanie Stiene**

**Financial Wellness and Volunteer Engagement Director**

# Housing Counselors Key to Success

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- Offering Loss Mitigation services to support homeowners who have fallen behind in their payments.
- Learning about the Homeowner Assistance Fund offered in your state.
- Supporting homeowners with a referral or helping them apply.
- Discussing transition if retention is not an option.



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A COMMUNITY OF SUPPORT

# Building Capacity and Managing Expectations

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- Clear messaging – website, email, timelines
- Learn as much about the application process as possible
- Identify / Eliminate potential barriers
- Knowledge of wrap-around supports
- Volunteers
- Self-care



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# Resources and Q and A



# Office of Housing Counseling



- [Foreclosure Prevention](#)
- [COVID-19 Emergency Information for Housing Counselors](#)
  - [COVID-19 Relief Chart](#), including HAF
- Find us at: [www.hudexchange.info/counseling](http://www.hudexchange.info/counseling)
- [The Bridge Newsletter](#)
- Email us at: [Housing.counseling@hud.gov](mailto:Housing.counseling@hud.gov)

# CFPB Resources

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- Homeowner Assistance Fund Information: <https://content.consumerfinance.gov/coronavirus/mortgage-and-housing-assistance/help-for-homeowners/get-homeowner-assistance-funds/>
- Link to [consumerfinance.gov/housing](https://consumerfinance.gov/housing) on your organization's website
- Use our Digital Toolkit: [consumerfinance.gov/coronavirus/mortgage-and-housing-assistance/housing-insecurity-media-toolkit/](https://consumerfinance.gov/coronavirus/mortgage-and-housing-assistance/housing-insecurity-media-toolkit/)
- Submit a Complaint: <https://www.consumerfinance.gov/complaint/>



# Office of Housing Counseling

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

## Thank You For Attending!