

## How the Homeowner Assistance Fund Can Serve Your Clients

Shawna LaRue Moraille: Hi, everyone. Welcome to "How the Homeowner Assistance Fund, or HAF, Can Serve Your Clients." This is brought to you by the Office of Housing Counseling, as well as other federal agencies like Treasury and Consumer Finance Protection Bureau or CFPB, and many others. So it's great to be with you today on March 1st, and we'll get started with some logistics items.

And I'm Shawna, by the way, from ICF. We have a team of people supporting this webinar. If you have any questions today, we are going to be in listen only mode, but you have two ways in which you can communicate with us.

The first one is the chat. If you have any technical issues or need materials, the link to that, Medora is here. So you can chat with Medora in that box. And that's in the low -- should be on the lower right-hand corner.

And then the Q&A box is where we'll be queuing up questions. There'll be two opportunities to ask questions in today's presentation. We do think that it'll take longer than an hour today. So go ahead and queue up any questions that you have as we talk through the material.

About a week after the training, you'll be able to get credit for this webinar, and you'll just find this webinar in the webinar archives. Just take a look at that, and you'll be able to select that webinar and go into the materials, the recording, et cetera, and select the get credit button. And it walks you through the next steps there, including how to print a certificate.

And you know that this is brought to you by HUD's Housing Counseling Office that has this amazing weekly Training Digest. So please take a look at that for future housing counseling deliveries, as well as other HUD partners such as training partners, et cetera.

So before we get started and I hand it over to our host for today, we're going to take you to Mentimeter. So Medora is going to go ahead and pop the Mentimeter link into the chat box. And there you're going to want to go to a separate website at that link, or you can use your smartphone. Either way works. Okay. And we have a couple times that we're going to do Mentimeter.

So go ahead and hit the heart button for me. Let me know that you're here, and then we can walk through a couple of questions so our panelists can get to know you and find out all about what you know about the Homeowner Assistance Fund, what your needs are as housing counseling agencies, which largely a lot of you are, as well as any resources and tools that you might need after the presentation.

We have a few questions for you folk, that we'd like to get started with today. So go ahead and let us know that you're here. Lots of people have used web -- Mentimeter for webinars that Housing Counseling has done in the past. So go ahead and hit that heart for me and make sure that you're here.

Okay. We've got a nice number here. We'll move over to our first question. So we really want to know what type of agency you represent. Are you a housing counseling agency? And that could be of any different type, from state housing finance agencies to HUD intermediaries, to local housing counseling agencies, to branch agencies, to affiliates and subgrantees of HUD intermediaries.

Or maybe you're a Homeowner Assistance Fund administering agency out there. So glad to have you here as part of this presentation. Lots to learn about how HAF is being administered by the state of Kentucky later in the presentation.

A couple of you from the lending community so far, and then, yeah. There might be a few of you that are others that are joining with us today. Might be some advocacy organizations. Might be some others that would like to just learn more about what the HAF program is and how it can support housing counseling clients across the country.

So we'll just give it another second in terms of what type of agency. Make sure that we get everyone participating. We had a lot of interest in this webinar today. We know that there are over 500 of you. So want to make sure that you get recorded here.

And again, Medora can put the link in the chat box, for those of you that just started. We're doing a Menti quiz here as we get started to help us get to know you and what type of agency you represent.

Overwhelmingly, it's housing counseling agencies, but we do have others on today's webinar that are HAF administering agencies. Some are state housing finance agencies. Others are different departments or might be a contracting agency, any different types of HAF agencies out there across the country.

So this will just help us in terms of the material here and also just, again, getting to know you. So go ahead and let us know who's here today. And we'll just give it another maybe 30 seconds, and then we'll move on to the first question about what your knowledge around the HAF program and what's going on in your state. This is going to be very helpful to us for you to give us your feedback.

Okay. Okay. Well, not all of you are going to participate, I know. I want to get all your answers, but I'm going to move us ahead just to make sure that we capture everything.

So we want to know, has HAF launched in your state? And you have options here. You have the yes, no, or maybe you're just simply unsure. And that's okay. We have the folks at the National Council of State Housing Agencies or NCSHA who's going to brief us on kind of what's going on state by state, what is occurring in terms of HAF across the country. We're really happy that we're able to partner with them today and give us the deep dive in terms of those states that have maybe pilot programs, maybe those that are officially launched, and then perhaps those that haven't quite gotten started yet. So lots of great information there.

Okay. I'm going to let that go on in the background. So thank you all so much for giving us a little bit of that. It looks like, overwhelmingly, those that have said yes -- half so far have said yes. We'll check back on this in a little bit. Okay. Great.

Well, it's my pleasure to welcome David Berenbaum, the deputy assistant secretary for HUD's Office of Housing Counseling. David.

David Berenbaum: Thank you, Shawna, and thank you to all for joining us today for this important professional development program for housing counselors and other providers on how the Homeowner Assistance Fund can serve your clients.

As we begin this training, I want to take this opportunity to once again express my sincere appreciation for the critical work that you are doing to effectively engage with consumers and to sustain their homeownership situations.

Please know that you can call upon the talented team at the HUD Office of Housing Counseling on single family and all of our programs whenever we can be of assistance to you to realize our shared mission to ensure that families have the knowledge they need to obtain, sustain, and retain their housing.

In the coming days, I'll be writing to each of you, our partners and leaders in the housing counseling community, to share the details of the new Office of Housing Counseling initiative to direct FHA mortgagors who are behind on their payments to HUD approved housing counseling agencies to engage with our HUD certified and professional housing counselors, as well as to engage and touch base with their mortgage servicers.

All of this is to ensure that they receive best-in-class foreclosure prevention services, that they have access to post-modification services, and they avoid scams in order to sustain their housing and rebuild their financial health. It's my hope that today's program will empower and inform your efforts to educate homeowners about their loss mitigation options, the HAF program, and the steps they should take to apply for this financial assistance.

I'm pleased to be joined today by our colleague Karen Hoskins who has significant experience both serving as a leader in the housing counseling community and has extensive experience in coordinating single family foreclosure prevention loss mitigation efforts. She will lead today's panel discussion. We're fortunate to have her expertise. Karen works with Shawna, who you've met, who directs our team of consultants at ICF.

Let me also introduce our presenters for today. First, we'll have our colleague Will Corbett, who leads the Treasury Department's HAF program. He will kick off today's webinar so housing counseling administrators and practitioners can better understand the HAF program nationwide.

He'll then turn things over to my colleague Julienne Joseph, who is the deputy assistant secretary for FHA, who will discuss our partnership with Treasury and housing -- how housing counseling agencies can work with us and also serve our clients.

Paul O'Leary from Freedom Mortgage will finish this section of the presentation and share his insights as an FHA mortgage servicer and what HAF funds mean to homeowners, from his perspective.

Then we'll move on to a panel of experts in the field, starting with Greg Zagorski and his colleague Rosemarie Sabatino with the National Council of State Housing Agencies. NCSHA and their members have been working across the country to jumpstart this program and working with our colleagues and administrators here on a national level and with each of you to ensure an effective administration of the HAF program.

Then Jaime Rice from the Kentucky Housing Corporation, one of our state FHA participants in the Comprehensive Housing Counseling Program, will review their HAF program and share how they are working hand in hand with housing counselors really right on the streets, right in the fields to ensure the program is successful.

And she'll turn things over to one of their own subgrantees, the Brighton Center. Stephanie Stiene from Brighton will share what counselors are doing on the ground to make HAF work for their clients.

So let's turn to the agenda. It's really straightforward. Here it is. There it is. Good. On the screen. We'll overview the HAF program from both the federal and mortgage servicer perspective in the first two sections.

Then we'll convene our panel, followed by an overview of the resources available to counseling practitioners and I hope a robust Q&A. And then after the Q&A, Mark McArdle, who is the assistant director of mortgage markets at the Consumer Financial Protection Bureau, will close the program.

There is so much to discuss, and to ensure that we can have a robust discussion, we've extended the webinar scheduling to ensure we can address all of your questions. Please keep the chat box active so we can capture your questions and try to respond to them. Will, let's get started.

William Corbett: Thank you so much, David, and thank you for the opportunity to talk today.

As the director of the HAF program and as the veteran of efforts to help homeowners during the Great Recession, I fully appreciate that housing counselors are the lifeblood of programs that aim to help and assist homeowners.

Treasury has encouraged and many HAF programs have made housing counseling an integral component of their approach, and we hope that HAF will be assisting homeowners that you're working with in states across the land very shortly as it is -- continues to roll out.

So I'm going to provide a brief overview of the HAF program, and if we can move to, I think, the next slide, which is -- and then I said the slide after that, actually, just to give a brief disclaimer.

This is what I always say. The words of Will Corbett cannot be construed as legal advice or strict policy guidance from Treasury. But I hope this will be helpful for you in being able to understand more about the Homeowner Assistance Fund. Next slide, please. Next slide. Thanks.

Yeah. So just a quick overview of the Homeowner Assistance Fund. The American Rescue Plan established the fund. It provides \$9.96 billion dollars in homeowner assistance funds. Those are available to states, the District of Columbia, U.S. territories, tribes or tribal entities, as well as the Department of Hawaiian Homeland.

This is part of a broad response to coronavirus related housing risks across all of government, all the efforts by agencies like HUD and FHA and USDA and VA, to provide expanded mortgage delinquency relief for homeowners, as well as the foreclosure moratorium and CFPB's efforts to put foreclosures on hold while homeowners deal with the repercussions of the coronavirus.

The HAF program's function and the key objections of HAF are to prevent mortgage delinquencies and defaults and foreclosures, loss of utilities or home energy services, and displacement of homeowners that have experienced financial hardship after January 21st, 2020 related to the coronavirus.

Essentially, HAF provides funds for homeowners' mortgage payments, their insurance, utility payments, and other specified purposes, which I'll go through in a couple slides.

Another component of the Homeowner Assistance Fund is that it is targeted primarily to homeowners with income below area median income or U.S. median income and also with remaining funds prioritized to socially disadvantaged individuals.

The Department of Treasury is overseeing the program under the American Rescue Plan. We initially provided 10 percent of HAF funds to all participants who requested it so that they could get their programs up and running. We've since provided program guidance and established a plan review process that can -- for states to request -- states and other participants to request the remaining 90 percent.

That guidance clarifies what are qualified expenses under HAF, and I'll discuss those in a moment, as well as the definition of socially disadvantaged individuals or criteria that participants can use in making that determination and how homeowner eligibility can be determined, as well as, as I mentioned, the HAF plan review process and what states and other participants need to do to submit their plans for Treasury to review and approve those plans and disburse the remaining HAF funds that are available.

We've had lots of help in setting up this program through HUD, CFPB, and other federal partners, as well as in NCSHA. So it's great to have an opportunity to join and participate in this, especially with one of our state participants joining as well. It's been a collective effort on our part.

This slide that's in front of you right now just covers a few highlights. I mentioned the targeting component as part of the legislation. That's 60 percent of each participant's HAF funds are to assist homeowners with incomes below the 100 percent area median income.

The remaining funds are prioritized to socially disadvantaged individuals. One thing I'll say about this is Treasury, in the plan approval process, has emphasized the importance of both the breadth of engagement in developing plans and also the development of outreach plans to connect HAF programs to targeted homeowners.

To make these targeting requirements work, we think it's very important that homeowners who are eligible for HAF and fall within the targeting requirements are contacted and built into the development of the plans. And we think the states and other HAF participants have done an exceptional job in using data driven efforts to identify where these homeowners are and how to help them.

Now, moving down to the middle of this slide, you've got HAF eligibility, and I wanted to go -- take a moment here to cover this because I think this is obviously going to be very important. I will say programs may vary somewhat from this, but these are the basic requirements for HAF eligibility under the Treasury guidance and under the legislation.

So to be eligible for HAF, a homeowner must have experienced a financial hardship related to the coronavirus pandemic. That's a hardship that occurred after January 21st, 2020, but it does include hardships that might have begun before January 21, 2020 and continued after that date.

The other requirement is the overall income cap on the program is incomes equal to or less than 150 percent of the area median income or 100 percent of the median income for the United States, whichever is greater. So that creates a ceiling for the HAF program.

A HAF program may provide funds only to a homeowner with respect to the qualified expenses that are related to the homeowner's primary residence.

Now, who is a homeowner, which this -- I'll drop off the slide here for a second just to cover something because I think is very crucial for this audience. What type of situation -- what type of homeowner and homeownership situation make someone eligible for HAF?

Well, this, again, will vary somewhat by program, but Treasury's guidance is encouraged making the HAF program to the homeowners, not just those with first mortgages and traditional mortgages, but also homeowners with reverse mortgages, homeowners that own manufactured housing, as well as homeowners who might be purchasing the property through a land contract or contract for deed.

And just want to flag, too, that in updated guidance we put out late last month, we've clarified in a footnote that a HAF participant may determine an individual to be a homeowner if the individual holds a vested or legal -- vested legal or equitable interest in the relevant dwelling in accordance with applicable state law.

What that, in essence, means is what you might often refer to as successors in interest can be eligible under HAF programs, depending, of course, on applicable state law.

And another key component of the HAF program I want to note is part of our guidance allowed states to devote up to 5 percent of the HAF participant's funding to counseling or educational efforts by housing counseling agencies approved by HUD or a tribal government or legal services and targeted to households eligible to be served with funding from the HAF related to foreclosure prevention or displacement.

So essentially, you can't -- the programs have been able to use funds to help provide housing counseling to homeowners to prevent them from getting into foreclosure. Many programs have taken that up, and we think it's been crucial to the development of the HAF program to have housing counseling be part of it, as well as legal services to help homeowners who may need assistance. I'll move on to the next slide here.

The -- so, want to go through quickly what expenses are eligible under the HAF program. They sort of fall into three buckets, as this slide indicates. Under mortgage assistance, HAF programs can be used to help homeowners with payment assistance on their what I would call forward mortgage payments, so the homeowner that needs help making the payments that are currently -- that keep coming due.

Reinstatement of mortgage or other housing related costs. So the homeowners who might be behind on a mortgage or have a forbearance that they need to pay back the arrearage, those homeowners can get assistance, as well as things like principal reduction and even funds being used to facilitate interest rate reductions.

This will vary, again, by program, but essentially, what the HAF programs can do under mortgage assistance is use these funds as a way to bridge the gap maybe between what loss mitigation is eligible for homeowners and whether that loss mitigation is sufficient to assist the homeowners or you've got homeowners without a government backed mortgage who may not have access to this loss mitigation.

Tremendously lucky to have all the expanded options available, but the HAF assistance can serve as a way to fill in gaps where needed and help homeowners who might not be able to get themselves fully back recovered from loss mitigation or might not have that available to them.

Other payment assistance that HAF can be used -- and this is also very important because you'll have homeowners who come in and maybe they're facing other threats to their housing, delinquent property taxes to prevent a tax foreclosure from going on, utilities, energy, and broadband internet expenses that they might have, homeowners insurance, flood insurance, and mortgage insurance, as well as HOA fees or liens or condominium association fees or common charges.

And for those homeowners who might have a down payment assistant loan that was provided by nonprofit or government entities, a HAF program can be structured to provide assistance on those as well.

Finally, we do have a sort of one last category to help with repairs to maintain a home's habitability or assistance to enable homeowners to obtain clear title to their properties or other measures to prevent displacement. And so, there's a broad range of qualified expenses that can be covered on this. They're not just focused on the traditional mortgage but also can provide assistance on other things that homeowners might face, other threats that homeowners might have.

Again, each program has got to look at what the homeowner need is in their state, and they've spent a lot of time working through that. They may not provide every single one of these programs, but they are trying to cover all the homeowner need there. And I think it would obviously one thing you'll want to do or be doing with this is looking at what your state's program offers and how the programs might be able to help homeowners in your community.

So I just moved to the last slide here, and so, just a quick overview of this HAF plan review process. Essentially, what we've been doing with the HAF plan review is trying to help states and other participants in developing and setting up their programs so they would start on a pretty sound footing.

We provided nearly \$1 billion in initial funding to participants to allow them to get their programs up and running and also provide assistance to homeowners that are in immediate need of assistance.

We've used a program approval process to help them work through what the programs the states are going to set up, as well as how they're developing those and what they're doing to engage with homeowners and housing counselors and other organizations in their communities to effectively design those plans.

And states have put in a tremendous amount of work to build what we think are exceptionally strong plans to assist homeowners and really have improved throughout the course of this review process. We now, I think, have 46 states, including the District of Columbia, that have been approved for their plans. The other states are moving along towards getting their plans approved, and I know the folks from NCSHA will be opening -- will be discussing a little bit about the plan programs that are already open.

We just think that this process of developing and reviewing these HAF plans has yielded a lot of good benefits as states have expanded on what they're doing, increase support for housing counseling, and made sure, too, that their programs are setting up with income and eligibility determination procedures that don't create barriers to homeowners being able to participate in the program.

We've also are grateful for the support that we've had from agencies like HUD and other federal agencies that provided us with data that we could share with HAF participants so that they could develop their programs, as well as CFPB, who has put up a page on their website to help direct homeowners to assistance and get them more information about their HAF programs.



It's been all of government approach here, and we're very grateful to have been able to participate and have all this assistance. I will now turn it over to one of those partners, Julienne from HUD. Julienne, great to have you talk, and really appreciate everything you've been doing for the HAF program.

Julienne Joseph: Absolutely. Thank you so much, Will. And just so you guys know that Will and I talk on a regular basis. We talk at least once a week in one-on-one conversations about how HAF can work well for FHA borrowers. And also, we work on other task force with the other federal agencies in order to discuss how HAF can be incorporated into loss mitigation strategies for their borrowers as well.

So thank you so much, Will, for all of the engagement and for allowing FHA to be part of this conversation. And also, before I get started, I just wanted to say thank you to the housing counseling community. As a former housing counselor myself, I understand that the work that you all do is mission driven. It is difficult work, and we just thank you so much on behalf of the Office of Single Family Housing for all that you do for our borrowers, whether it's in pre-purchase or if it's post-closing and just helping people with loss mitigation assistance as well.

It's not for the faint of heart, but we really appreciate all that you do because our success is largely predicated on all of the information and all of the engagement that you have with homeowners, potential and existing. So thank you all so much for all that you do.

With that being said, I'm only going to take a couple of minutes just to share with you guys a little bit of the process that we've engaged in with Treasury and the other federal agencies and to ensure that the voices of FHA borrowers are included in the conversation of how HAF could be implemented.

And we're just going to talk a little bit about how we envision the use of HAF funds within the loss mitigation waterfall that we have in place that was actually implemented and published in October of last year, and just going forward, how we hope that the funds will be utilized in order to maximize assistance for borrowers.

So with that being said, and as Will perfectly teed up here, that we understand that FHA is just one slice of the federal housing agency pie. We know that USDA and VA and the GSEs also have borrowers that have specific needs. But of course, we understand that a lot of the FHA borrowers tend to be the most vulnerable, and we wanted to make sure that, while the plans were being considered by Treasury, that we were able to share how we felt FHA borrowers would benefit most from HAF.

With that being said, within our loss mitigation waterfall, of course we have the advanced loan modification, which is a pre-waterfall step. There are a handful of borrowers who, well, you all know well, that might not have been engaging with their servicer while they were in delinquency. They maybe have been afraid to answer the phone or just kind of have paralysis by analysis; right? You know that you're behind. You're afraid of seeing the phone, that 1-800 number coming up on the phone, and they just aren't prepared to kind of deal with that level of delinquency. They just don't know how to approach it.

So the advanced loan modification is an unsolicited modification that servicers can provide to borrowers that offers 25 percent payment reduction for their principal and interest. That's the first option that we have for our COVID loss mitigation options. And then you actually move into the waterfall, which is the COVID recovery modification, which is the 30-year recast, in essence.

And then we have the modification with the -- the 30-year modification with the partial claim, and then we move on into the waterfall that after which, if we have those borrowers who just can't find a solution within the waterfall, that we want to ensure that we help them transition as seamlessly as possible to other disposition options.

But with that being said, in conjunction with HAF, the one thing that we wanted to articulate to the states was to understand that some borrowers, particularly FHA borrowers who may be in arrearage, have more deep-seated, more permanent issues that reinstatement alone might not be able to address.

And while we understand that some of the states opted and elected to do strictly reinstatement, we did want to impress upon the states that there are borrowers who actually would need loss mitigation help in order to sustain the mortgage. And we wanted to underscore that, while HAF funds bringing people current who are in arrearage would stop the imminent issue of foreclosure and delay that, we would want to make sure, too, that they are able to engage with their servicers to ensure that what led them to being delinquent in the first place is addressed and that the arrearages just aren't taken care of with the HAF funds and then the borrower is then delinquent six months from now.

So with that being said, we worked with our partners at Ginnie [ph], who of course, securitize our mortgages at FHA and asked, outside of reinstatement, what would be eligible uses for the HAF funds. And for our COVID waterfall in order for borrowers to be eligible, they would need to be 90-plus days delinquent.

So with that said, if borrowers are 90 days delinquent, automatically, they are outside of the Ginnie pool, which means that the HAF funds could be used for principal reduction, as Will mentioned. So what that would do, in essence, for the borrower would allow before the modification to take place that the HAF funds be used to drop the principal. The partial claim could be used in order to take care of the arrearages, and then the modification would take place.

And from our perspective, as far as an eligible use, that would be a win-win because not only would it provide deeper payment assistance for the borrower by recasting the mortgage at a lower loan balance, but it also allows the partial claim to have a little bit more space in the future. So if another hardship happens, they didn't utilize the partial claim for the payment reduction, but the HAF funds would actually be the mechanism in order to lower the payment and understanding that 30 years can be a long time.

Whether the borrower stays in the home for that full 30 or let's even call it 10, if they are early in their mortgage and they're only three years in, hypothetically, and they use 25 percent of their

partial claim eligibility now, where do they go afterward? And that doesn't leave them much space for another hardship.

So we just wanted to make sure that, while we're not requiring or mandating that servicers incorporate HAF into the waterfall, that they understand that for borrowers who do have access to those funds, that it's important to do what's best for the borrower. And for some borrowers who are permanently or even temporarily impacted by loss of income that jeopardizes their ability to sustain the mortgage, that instead of just defaulting to reinstatement, if the plans allow for the use of other funds within the waterfall, for servicers to consider that.

And understanding, lastly, that while we are all in an ecosystem that needs to figure out how to help these borrowers; right? We are all in an unprecedented situation, not knowing how long the crisis is going to go on, how long the pandemic will extend. As you know, on February 18th, the proclamation was extended for the national emergency until further notice. And with that being said, it's going to take all of us.

And as I mentioned that a lot of borrowers are intimidated by the process and are afraid to engage with their servicers, which leads us to you all, that you all are essential in being the gateway for a lot of borrowers to allow them to actually enter into conversations with their servicer. They might not pick up the phone for the servicer, but they likely will come to you.

And with that being said, we wanted to make sure that you understand we value you, that we value the work that you do, and that we know that you are a wonderful intermediary to step in in order to help borrowers get the assistance that they need when they might not necessarily reach out directly to their servicer.

So with that being said, on behalf of the Office of Housing Counseling -- I'm sorry -- Single-Family Housing -- sorry -- and we are so happy to work with David and to be a partner for you all to understand that we are only as strong as our partners in the housing counseling industry.

So thank you so much for this time for me to share with you all about what we're doing in single family. And we, of course, look forward to working with you all more in the future.

In addition to that, we've been working with our servicers -- our servicing community. Paul O'Leary, of course, represents Freedom Mortgage, which we have been in conversations with them as well to make sure that we are addressing the needs and making sure that we are conveying clearly to our servicing partners how best to incorporate HAF into their loss mitigation strategy. So I'll go ahead and turn it over to Paul now.

Paul O'Leary: Hi. Good afternoon, everybody. Thanks, Julienne. That was a kind introduction and looking forward to keep working with you and David. Thanks a lot for the welcome here, in addition, everybody from the counseling community who's taken the time out of their busy days to participate in this event.

I work as part of the Freedom Mortgage team, and my overall role as part of servicing operations involved helping get our own HAF program up and running. And what does that mean is we

have to get used to the idea that there's potentially 50 different states, some of them with a little bit of local variation in their programs, and being able to tie those in to our customer engagement.

And some of the things that Julianne said really, really resonated with me, and I was frankly quite glad that she brought them up. When we think about the HAF program as a servicer, the big things for us is going to be, how are we going to get our customers to engage because there's a lot of great tools that are on the table to help customers stay in their home? And we need to make every single effort to get out there and educate consumers about not only all the different tools but the way you can engage with us, the way that you can engage directly in the HAF programs, or the way you can leverage the counseling community to triangulate for tools and solutions that are available to you.

So a big thing that we've been focused on is the idea of right party contact and how can we go out there and achieve it? So we've put in what I would call kind of a multi-tiered outreach approach, and that includes -- I'll just see if I can rattle off a few of these so everybody can get a feel for it.

We have put together a letter program, an email program, more content up and on our own website. We have put in place a number of outreach events where we've co-partnered with a number of counseling agencies in different states where we've done these events two to three a month with two to three counseling agencies each and every month. And we're now even looking at things like social media, and we've been leveraging Zoom calls.

So what does that really mean; right? I just listed off here's the different ways that we use some tools, but in each and every one of those tools, we are making the customers aware that the HAF program is now live within their state and they can engage directly with us, directly with the state, but also directly through the counseling community. And each and every one of these, we've put links into our own webpage where customers can go on, and they can use one of our tools that we've deployed, literally type in their zip code. And I'm here in Texas. So I can just literally type in my zip code, 75022, and it will pop up five or six different counseling agencies right there in my local neighborhood.

The thing that's neat about that is it's really helping these customers recognize -- and these are some of the points that Julianne made -- more than just mortgage assistance. We've also got content in there that can direct customers to assistance with utilities, food, insurance, transportation, health care. But the whole concept of the financial well-being of a customer can really be facilitated through the counseling community.

So we opted really early on to make these tools readily available to our customers. We've put out well over a million pieces of communication to our customers since the programs have been stood up, and we have installed this in a very rigorous fashion so that we're ensuring all of our customers are made aware, once they're reaching a certain level of delinquency, that they can get into these programs and connect through the counseling community.

One thing I'm really happy about is the new webpage that NCSHA has stood up. That has been very, very well received. We did a lot of little quick testing on it here as an organization, but our customers now have a very vivid tile on our webpage. They can click it, and in one click they can get right to the locations and see which states are live and how to actively plug into the HAF program.

Now, that's our own tools, but the way we've really thought about this is making sure we do a good job of communicating with customers but then being willing to step outside of our box and leverage the counseling community. And so, for all of our communications that we put together, doesn't matter if it's emails, letters, telephone calls, websites, every one of them has a kind of a copartner approach that, if you want to talk through a counselor, here's a link, and here's an available tool to put you in touch and get you started.

So we've been really happy with the rollout of the HAF program. We've seen about 19 different states where we've received grants that have come in for our customers, and they've come in in a variety of formats. Some of those have been reinstatements. Some of them have been post-modification ongoing payments for consumers. Those are programs that are up in some states. And now, for this week, we first saw our first handful of solutions, as Julienne mentioned, where program administrators are contributing a fund to a loss mitigation solution for the customer.

So all in, we're seeing a lot of engagement, a lot of excitement from our staff because they feel like here's a whole other way we can help consumers and get them educated. And our outreach events have been fantastic. With over 2,000 live Zoom events that we've managed recessions with our customers and counselors, we feel we've been able to really make an impactful difference for our customers at the time that they need it most.

So with that, I'm going to pause and pass it back there to David, but I really did want to thank everybody for the opportunity just to speak a little bit about the HAF program, how it's been working for us, and some of the tools that we've been using to educate our customers.

David Berenbaum: Well, we're off to a great start, and I want to express my appreciation to Will, Julienne, and Paul. And Julienne, it's always such a pleasure to hear you speak because you truly understand the challenges of being a housing counselor and the important work that FHA does to sustain homeownership for the populations we serve.

And I think your point is very well-taken about the importance of these programs, also, with regard to Fannie and Freddie and the work we're doing as a counseling community. And I noted on some of the Q&A boards the discussion, frankly, about the private sector investment community held paper as well. Counselors have a very important role there as well.

I want to do a quick question to Paul, if I may. And Paul, thank you for being a leader and engaging with the housing counseling community. There are a number of comments on also the Q&A about what a pleasure has been for organizations to engage, and they recognize your full -- Freedom Mortgage's full participation in the HAF program.

So if you don't mind quickly, because I want to get to more of the Q&A and turn it back to Shawna for some of the Mentimeter responses, but from your perspective, what would you describe as three big wins or takeaways that you can share with the counseling community and others today?

Paul O'Leary: So thanks, Dave. That's a great question. I think the biggest things that I would point out, some nice takeaways for us is servicers are very willing to get out there and get involved with the counseling community, but we have to provide tools to the customer.

So we've leveraged an outside party. It's called Springboard [ph], and again, that's that tool I mentioned. Customers can just key in some simple information, and they can get a world of help. It's not just mortgage. We recognize customers have potential financial distress that could go across the spectrum, and being able to give them information about utilities, health care, transportation, food, all of those are benefits. So we made it an effort right away to say, here's a counseling agency that can help you with this particular type of solution. And that's been very, very good for us.

The one that seems the most exciting for us and it's a lot of fun because if you've ever participated in one of these outreach events and you get a customer who receives a solution at the end of it, sometimes there's tears. There's a huge emotional aspect to it. Somebody who actually gets plugged in, they get a solution on the spot.

So that idea that we've invested in this, we're going to keep investing in it and going around kind of state to state with local counseling partners, that's helped us develop right party contacts with consumers that we otherwise might not have reached. That's been a big, big win for us, and we've been just grateful for so many solid partnerships.

And then the third one, I think, that's been a little bit of a surprise to me -- I wasn't quite expecting this -- is so many state administrators of the HAF programs actually have counseling partners helping them facilitate the program.

So we've made it a point to reach directly into them, try to tie in for co-sponsoring of events and putting out mailers in the community to say, here's a different way that you can get engaged. It doesn't have to be direct with Freedom. You can go through the counseling agency and still get all of the same good information.

So it's really just trying to keep a wide umbrella of tools and using them all has really been pretty helpful so far. But thanks, David. I appreciate that opportunity to say that.

David Berenbaum: Paul, absolutely. And I think really what you're noting is the importance of the housing counselor as a trusted advisor to consumers nationwide. And I'll add as well, for many of our groups who are very active providing culturally sensitive and linguistically appropriate services, that bridge to the community, to our consumers who we serve is even more significant.

Shawna, I'd like to turn it back to you.

Shawna LaRue Moraille: Okay. Thanks so much, David. Appreciate that and everyone's presentation.

So we went ahead and popped in the Mentimeter link into the chat box. So please respond to that. I think at this point, I'll just invite Karen Hoskins to say hello and also maybe one or two questions for Julienne.

Karen Hoskins: Thank you, Shawna. Julienne, we do have a couple questions that have come in that have specifically been targeted for you. There have been a couple questions related to reverse mortgage.

"So does HAF include the FHA HECM reverse mortgage product?"

Julienne Joseph: Thank you so much for the question, Karen, and for the participant who submitted it.

So I'll defer to Will on this because some states I know have allowed for HECM to be incorporated into their loss mitigation strategy with the utilization of HAF. We are in support of that for those states that have elected to do that, primarily because we understand that with HECM borrowers not having an actual monthly payment, that the use of reinstatement for them to cover delinquent taxes and insurance makes perfect sense. If there were a poster child for reinstatement, it would probably be the HECM program.

So we are absolutely in support of that, and for those states who allow it, absolutely. We at FHA would accept the use of those funds in order to remedy HECM mortgages. Yes. But I'll defer to Will as far as what states would allow that, if he has time to answer that question.

William Corbett: So Julienne, I think you answered it about as well as I could. I mean, the HAF program makes it -- actually, you answered it better than I could, if I'm totally honest. The HAF program does make it available, and most -- I think almost all states have some component of their program that will assist homeowners with reverse mortgages. So yes.

Karen Hoskins: Ok, great. Thank you. And one additional question, and this is probably a typical scenario.

"If a client who was in forbearance took the option to do a partial claim in order to make their mortgage current, can HAF be used to pay that amount that was past due because of COVID?"

Julienne Joseph: Again, I will phone my friend Will, if needed. But again, yes. If the borrower was in forbearance and it was a COVID related forbearance and, of course, it would be taken after the required date of the January 21st, 2020, if -- for those states that allow for the use of HAF funds to be used to buy down partial claim or to pay off partial claim, absolutely. We would allow that as an eligible use.

But again, I know that there are some states that have tailored their programs to specifically identify the use of the funds being used in order to pay down a partial claim. But for some states, I don't know if they necessarily elected that within their actual eligible uses. But from the perspective of Single Family and FHA, we are allowing the use of HAF funds to be used in order to pay off partial claim. Yes.

Karen Hoskins: Wonderful. Okay. Thank you, Julienne.

Julienne Joseph: Okay. Wonderful. Thank you all so much for your time today.

Shawna LaRue Moraille: Okay. Karen Hoskins, take us away with our panel discussion today.

Karen Hoskins: Okay. Great. Thank you, Shawna, and just greetings, again, to all of the housing counseling agencies that have joined the session today and others who may be participating in this session.

So so far, we've been focusing on HAF policies and implications for homeowners, but now, we're going to move forward and discuss more about implementation.

As David mentioned when we began this conversation, we are delighted to have with us the National Council of State Housing Finance -- National Council of State Housing Agencies with us. From NCSHA are Greg Zagorski and Rosemarie Sabatino. Both are senior homeownership policy specialists, and they will be bringing some national perspective on the HAF rollout.

In addition, we also are delighted to have Jaime Rice, who is managing director of Kentucky Housing Corporation. The Kentucky program has fully launched. So Jaime will be reviewing what the program looks like in their state.

And then finally, Stephanie Stiene is the director of financial services at Brighton Center in Newport, Kentucky, which is also a HUD approved counseling agency. Stephanie will share information and tips for counseling agencies participating in the program. So with that said, I will turn it over to Greg to get us started.

Greg Zagorski: Thank you, Karen, and thank you to David and everyone at HUD for inviting us to participate, if we could just move along to the next slide real quick.

Before we start, I just wanted to kind of quickly tell everyone who maybe isn't aware a little bit about NCSHA and why we're here speaking with you all. We're a nonprofit, nonpartisan organization that was created by the state's -- nation's state Housing Finance Agency. And that means we represent the HFAs for all 50 states, D.C., Puerto Rico, Virgin Islands, and New York City.

If you're unfamiliar with the term State Housing Finance Agency -- I know some are -- you probably do know your state's Housing Finance Agency. They're not always called the Housing Finance Agency, but they're essentially kind of quasi-independent state organizations that are created to kind of meet the affordable housing needs of their states through financing



mechanisms such as multifamily and single-family mortgage revenue bonds and the low-income housing tax credit.

So what does that have to do with HAF? Well -- and this is no surprise to us -- in three quarters, that is 42 of the 56 state and territories that have a HAF program, it'll be administered by the State Housing Finance Agency. This isn't surprising. As you may all be aware, during the Great Recession, 18 states and the District of Columbia had their HFA run the Hardest Hit Fund program, which was funded through Treasury's TARP program. It was also designed to provide mortgage assistance to struggling homeowners. So there's a little more there on NCSHA at the bottom, but actually, we'll move along to the next slide.

Okay. So obviously, in addition to advocating for HAF, which is the principal organization advocating for HAF to be included in the American Rescue Plan, we've since gone to work coordinating all state housing finance agencies, and in those states where the HFA is not administering the program, we have enlisted and reached out to that agency that is administering HAF and have worked with them to kind of help them share information, coordinate where they can, find out ways for uniformity and how they can work together and pool their resources to make this program more successful.

So there's a lot we've been doing of that, and we've also been working kind of outside with some outside organizations that represent mortgage servicers, that represent counseling and legal services providers so that we can try and get the word out about this program and try to make this program as successful as possible.

So where's the program right now? Well, you'll see, as last we got -- Will got into this. 46 states and territories have their plans approved. So there's just a few more to go. This is -- these slides had to be finalized last week. So it says that 23 programs were launched state territory wide. That number is actually now up to 25, as New Mexico opened yesterday and Missouri opened today.

There's -- in addition, there are 10 pilot programs underway. Will discussed how states, when they got their initial 10 percent allocation, they had the option of using some of that initial funding for a pilot program to kind of reach out to smaller [inaudible], smaller populations to try and get some assistance out the door and also see what works.

Ten states are currently operating pilots. Many more did operate pilots. Some of them operated them and used up all their assistance. So they had to close. Some of them have since converted to their full program. So there's about a little over 20 states representing -- that were running pilot programs at one time. Right now, there are still 10 pilots that are underway. So there are possible options in about 35 states for assistance right now.

So what have HAF agencies been doing to prepare their programs? Well, many of them -- most states, before they got their full money for assistance, before their plans were approved, they did create a portal online so that homeowners who felt like they were going to need assistance from this program were able to sign up and get updates on when the program would be open, when they could start applying, what the progress was.

In addition, a lot of states reached out to housing counselors such as yourselves, legal advisors, and other resources homeowners might connect to for advice and assistance. They've been reaching out to more servicers. Paul talked a lot about what his firm has been doing, but reaching out to servicers to kind of enlist their involvement, enroll them in the program, and working out a secure way to communicate borrowers' PII so that they can exchange information on applications once their programs are up and running.

And in addition, as you know, Will talked about it's not just mortgage assistance, but it's also assistance utilities, property tax, and the like. So they've been reaching out to others whom they could try to work with to provide assistance to programs. Next slide, please.

So really quickly. I'm about to pass it off to my colleague, Rosemarie Sabatino. Every state's program is different, as we will stress, but Rosemarie conducted a really interesting survey which kind of gives you a good view in the aggregate of what type of activities states are supporting through having what type of assistance available. So Rosemarie, take it away.

Rosemarie Sabatino: Thanks, Greg. The next short set of slides are meant to give you a sense of the options that may be available to your clients from any given HAF state program. They are not designed to tell you what a specific state is offering but rather to give you as housing counseling agencies the kinds of questions maybe that you can ask your state program so that you can better understand what they're offering.

Two caveats. One, this survey was taken at the beginning of February, and 46 HAF agencies responded. And the second one is that, just as under the Hardest Hit Fund program, we all expect that the HAF programs will evolve over time as well. So with that, I'll go over this slide.

And essentially, in addition to the standard one to four single family property that is probably going to be what most homeowners have, a number of states, as they seek to serve the needs of their state, have also defined as eligible property types mobile homes, manufactured housing, condo units, and you can see that most states have done that.

And then a majority of the states have also included homeowners with land leases, and that's land contracts or contracts with deeds. And then where co-op units are an important housing type, those states have also included that, but we all know co-ops are not a particularly common housing type across the country. So that number is about where one might expect it to be. Next slide.

All right. Thank you. So HAF agencies are able to provide HAF assistance in different forms. And if you add up what we've got here, it clearly adds to more than 100 percent, and that's because states aren't always offering just grants or just a loan type.

And so, your charge as a housing counseling agency is to understand the format in which the HAF assistance is going to be offered. And if it's a loan product, it could be -- it's more than likely going to be recorded, but it could be forgiven over time. There could be recapture or repayment provisions in the document.

So our advice is get ahold of the document that a homeowner will be required to sign if the state in which you operate is providing HAF as a loan that is recorded or even if it's a loan.

And this other category captures a bit of a hybrid. There are a couple states that are offering HAF in the form of a grant up to a certain amount. And beyond that amount, it's going to be a type of a loan. Next slide, please.

All right. Thank you. So we devoted a whole slide to the different types of mortgage assistance that states may be offering. It should come as no surprise that most states are going to look to reinstate the mortgage and try to make sure that a homeowner becomes current. And beyond that, the majority of states are also going to be providing ongoing mortgage payment assistance, either for homeowners who are current or in conjunction with their reinstatement programs.

And then we have a smaller proportion of states that are also offering either a partial claim or deferred payment option or a post-loss mit principal reduction option, and then a loan mod with HAF contribution option. And again, it depends on the state for the programs that they're offering at this time. Next slide.

All right. So this slide seeks to make a little bit more real the list that Will had on his slide 14 of the eligible expenses for HAF. And as you can see, again, it varies by state. I did want to point out that, obviously, every state is offering -- and we had 46 states respond. So you can see at the bottom bar that all states are offering some type of mortgage assistance. And included in that category is not just principal and interest but PITI.

All right. So to go back to a question that was posed earlier, what happens about homeowners that might have a reverse mortgage? And as you can see, most of the states are also offering property taxes, and again, those are those outside of those escrowed by a mortgage loan servicer, and homeowners insurance payments, again, outside of those escrowed by a mortgage loan servicer.

Most are also providing HOA or condo fees. And then quite a few are also providing utility assistance and some property repairs for habitability. And with that, I'm going to turn it back to Greg.

Greg Zagorski: Thank you, Rosemarie. So you've heard several speakers say very -- speak very kindly about our HAF website, and I did share another link in the chat for you all. Obviously, Rosemarie gave you a good aggregate breakdown of what all the states are doing. But probably what is most on a housing counselors mind is, what is the program in the state or states where I serve homeowners doing?

And one way you can do that is to kind of go on this website at our home page. It's often the first thing that pops up when you Google Homeowner Assistance Fund, and we have this interactive map when -- which will allow you to click on one of the states, and that'll give you to that state's HAF program page. You'll also see -- and we make a point to try and update this in real time as it occurs, and we also have a status update.

So you'll see what states have their programs open, which states still are information available, which states are having a pilot, and if you click on to those links, you should get a good breakdown, obviously, from the state's page of what kind of services that they do offer. And we do really appreciate that.

And one thing I would say about this is it's been kind of a departure for NCSHA. Generally, when we do our webpage, it's usually geared more towards fellow policymakers, researchers, and the like. This -- we put up this page. My colleague Stephanie Romanoff [ph] who's actually listening on this, was the architect of it.

It really just drove a lot of consumer attention right away. And so, we kind of did have to pivot because we really want to make sure the consumers can use that site to access information and access assistance. And that includes us having set up a Spanish language page as well for this program and for the emergency rental program, which a lot of our members also administer, because we recognize the importance of this getting across to consumers.

Now, as we've said through this presentation, we were able to tell you kind of in the aggregate what states are up to, but each state's program does differ. And so, obviously, it's important to get perspective from a single state.

And in this case, a really great example is one of our great members, Kentucky Housing Corporation, which has run -- is running -- has an open HAF program. Had run a Hardest Hit Fund program before that, is a HUD housing counselor intermediary, so it's very familiar with the issues that you're all facing, and has done a great job integrating housing counseling into their HAF program. So I'm going to pass along to Jaime Rice with Kentucky Housing Corporation.

Jaime Rice: Thank you, Greg. Your check is in the mail for the kind words that you shared.

So a little bit about Kentucky Housing Corporation and just a very little about me. Kentucky Housing Corporation is the state Housing Finance Agency for the Commonwealth of Kentucky. This year marks our 50th year. So we're having a celebratory year in 2022.

We do service all of our own mortgage loans that we produce, and that current portfolio -- first mortgage portfolio is about 27,000 first mortgage loans, of which over 18,000 are FHA mortgages. So FHA is a big product for Kentucky, and Kentucky Housing I think is the largest servicer of Kentucky FHA mortgage loans in the state.

And as Greg said, we were a previous Hardest Hit state as well. So we administered that program for 10 years. We just closed it down last year, and we didn't have long to celebrate because we reopened or open our Homeowner Assistance Fund program pretty quickly after. But that experience has paid well for us.

Me personally, I've been with Kentucky Housing for 20 of those 50 years that they've been open. I started out as a loan processor. I've worn many hats in Single Family Department, but the two or three that I think are most important for this conversation, not only did I manage the program

for the Hardest Hit Fund program, I was also the housing, education, and counseling manager for a number of years before I became the managing director a few years ago.

So I think that experience helps me understand how all the pieces fit together and definitely the importance of housing counseling, having worked so closely with that group for so many years.

So a little bit about Kentucky's program. I'm going to sound like a broken record a little bit. Every state is different. You need to know what your state is doing. But for Kentucky, we received \$85.4 million, and we have launched our program to provide eligible homeowners a maximum of \$35,000 in assistance in the form of a non-recourse grant. And that money can be used to pay any of their eligible expenses until they hit their cap.

So we cover mortgage reinstatements, monthly mortgage payment assistance up to six months, the non-escrow taxes and homeowner's are flood insurance, past due homeowner's association dues, as well as pasta utilities, and we define that as gas, electric, water, and sewer. Next slide, please.

So our process -- and please, if you're in California, don't send your clients to this website. This is just Kentucky's process. So Kentucky homeowners need to apply through the protection center, which is [www.ProtectMyKYHome.org](http://www.ProtectMyKYHome.org). One thing that we did differently for this program that we didn't have for the Hardest Hit Fund program is we have an online application process and our portal and document upload function for homeowners. We were much more paper heavy under the Hardest Hit Fund program. We learned a lesson there.

So step two of the process, and this is -- was a no brainer for us. Homeowners are assigned to a partner housing counseling agency right away. That was an integral part of our Hardest Hit Fund program. It was critical that we put that in place right away under this new program as well. The housing counselors work with the homeowners to complete the application process, and then we underwrite, close, and process those payments.

So why do we work with housing counselors? There was no question we were going to, and the basic in one sentence, I can summarize this whole presentation. Housing counselors are better trained to address and identify financial barriers faced by our homeowners. Housing counselors, as you all know -- I don't have to share this with you. You know it. You can not only help the homeowners with their HAF application process, you can help the homeowners with their loss mitigation process of working with their servicers.

We all know, and it's been said two or three times before me, distressed homeowners don't like to open their mail. They don't like to answer the phone. It's very scary. So that's where a housing counselor can be that advocate for the homeowner and can hold their hand and help them understand the process and not be afraid of it.

Housing counselors can help with budget and financial education needs, and housing counselors are trained and are able to have those harder conversations for those homeowners for which retention is not possible. That transitional counseling is a very important piece of the picture.

This very brief summary, and Stephanie will be on after me. She'll go into more detail. But housing counselors are a key partner for everything but particularly the Homeowner Assistance Fund program. Next slide.

So just -- I'll try to be brief with this. This is just a little screen of the various phases Kentucky has gone through to launch our program. Early November -- we have what we call our test pilot. So it's not really a pilot program. It was a test pilot and that was because we had a brand-new team managing this program and their level of experience managing or administrating a federal housing program, we needed to get some practice under their belt before we really opened it up.

So early November, we invited 30 of our KHC mortgagors who were rolling off of an FHA COVID forbearance plan to apply for this assistance. They knew they were the guinea pigs. They knew they were getting the first shot at the program, but we told them it would not be the smoothest process. So we understood each other up front, and we went forward with our test pilot.

Of that first group, we only had seven applications, and so we felt like we needed more. We wanted to run some more through with our own staff before we opened up the pilot fully.

So later in November, we invited another group of 127 mortgagors, and that was the remaining group that were rolling off of that COVID forbearance plan that month. And so, we invited them to apply, and we had a better offering of applications to run through the process and run through the technology systems.

In December, we offered COVID loss mitigation training for all of our counselors, early December, and right before Christmas, we fully launched our pilot program, notifying the remaining 800-plus KHC mortgagors that were in COVID forbearance plans that they could apply.

That gave the counselors a good chance to work through the process. We added new technology. There was a new online application portal that they had to work in that was different than the Hardest Hit Fund program. So we took a little over a month just to get used to that process.

And then we fully launched our program earlier in February. Our governor issued an official press release announcing the program. Greg mentioned earlier a lot of states had set up registration pages where people could sign up to be notified when your programs were updated, and we had over 11,000 registrants there. That included loan officers, housing counselors, servicers, just community partners. That was -- and homeowners.

So that was not just homeowners that were wanting to apply. It was everyone. And then of those, we received approximately 2,000 applications that we're currently working through as quickly as possible, and counselors are right there with us.

So with HAF, this is one tool that we put in place that we are very proud of, frankly, and I think it's universally useful for any mortgagor, particularly the FHA mortgagors in the example of this video.

Timing is very important. If a homeowner is in a COVID forbearance plan, they have access -- easier access right now to the other COVID loss mitigation options, whereas if they just go straight for HAF right out of the gate, they are reinstated. They're brought current. They could lose access to an important tool that they have available right now in terms of their long-term sustainability of that mortgage.

So we know every homeowner has been impacted differently by COVID, and every homeowner situation is different. And it's important to arm that homeowner with education up front, encourage them to speak to their servicer, and find out what is going to work best for them before they proceed.

So we created these Know Your Options videos, and I think we're going to play this one, which is geared toward FHA loan holders.

Video: It is very important to know the options available to assist you with your mortgage during this difficult time. KHC wants to help. In this video, we are going to discuss the COVID-19 loss mitigation options available for FHA loan holders so that you can make an educated decision about which option is best for you.

You are most likely under a COVID-19 forbearance period. Your monthly mortgage payments have been suspended to help you recover from the financial impact of COVID-19. At the end of your forbearance period, something must be done to address the missed payments.

Depending on your situation, you could qualify for a loan modification that will build the missed payments back into your loan. It may reduce your interest rate, extend your term back to 30 years, or reduce your overall monthly payment.

Or you could qualify for a partial claim that will set aside your missed payments in a non-interest-bearing note to HUD that will become due and payable when the loan is paid off, either at maturity or upon the sale or refinance of your property. Finally, it could be a combination of a loan modification and partial claim.

If you are participating in a COVID-19 forbearance, you're automatically eligible for these options with no proof of documentation of a COVID-19 hardship other than the initial attestation you made to enroll in the program.

Your other option is the Kentucky Homeowners Assistance Fund. It helps you pay missed mortgage payments and receive up to six months of future mortgage payments. The assistance is in the form of a grant that will not need to be repaid. There is an application and underwriting process involved that will require you to provide documentation of the COVID-19 hardship, such as proof of an income reduction or increased expenses.

The first question you should ask yourself is, do I need a lower mortgage payment due to a permanent situation? Is my monthly income lower? Did I permanently lose the income of head

of the household? If your answer is yes, the COVID-19 loss mitigation options may be your best option for the long term.

The Kentucky Homeowner Assistance program will not provide you with a payment reduction. It will only reinstate the missed payments and potentially provide for six months of forward payments. At the end of the program, you will be required to resume your normal monthly payments.

If you participate in the Kentucky Homeowner Assistance Fund program first, the COVID-19 loss mitigation options may no longer be available to you. If you first do a loan modification or partial claim, you could still be eligible for the Kentucky Homeowner Assistance Fund later on. This program could be around through September of 2025. If you are unsure which program is the best option for you, please speak with your mortgage servicer.

Make sure you have all the information to make an educated decision that is in your best financial interest. For more information, visit [ProtectMyKYHome.org](https://ProtectMyKYHome.org).

Jaime Rice: So how non-threatening is that, and that was our goal. So we knew homeowners, as I said, they don't like to open their mail. They're intimidated if they get into -- if they're distressed, if they're in default, they tend to disappear on us, and we need them engaged early on in order to have time to find that solution.

So it's a cartoon. Somebody posted something about they like the cat. We've gotten so many comments about that cat. I think that's just a comfort source that people see when they watch the video. And these are just some pictures of our video. We did it in Spanish so it's available in English and Spanish for FHA loans.

We also have it -- a third video that we've done that is a little more general in terms of just loss mit forbearance plans. It's not necessarily geared specifically to FHA homeowners, but our loss mitigation expert, I'll say, that we have at Kentucky Housing Corporation drafted it. To me, it sounds like the same thing, but I'm not a loss mit expert. I just -- I know who is in the corporation.

So we're very proud of this. I think there are some states that are wanting to copy it. So you may see this video in your state. I hope that you do because it's good information.

So that's one part. We've given it to the homeowners. Every homeowner who was signed up in our list serve received a link to that video. It's on our Protection Center website, that [ProtectMyKYHome.org](https://ProtectMyKYHome.org). We've sent it out to our lenders, our servicers, our counseling partners. We've pushed it out as much as we can, and we plan to continue to do so.

We also plan other videos in our series. One that we've talked about are 10 reasons why you shouldn't be afraid of your mortgage servicer. Because we service our own loans, they ghost us too. So we're trying to put information in our homeowners' hands and to develop a sense of partnership, not a, you're in trouble -- we're calling you because you're in trouble kind of phone call. So those are our plans for this year. I hope to present on those later.



So not only do we have the video because some homeowners are visual, they want to see it in a video, some want to read it. So on our application portal, we have a disclosure on the first screen of their application where the homeowners have to click through basically the same information and just a handful of sentences. But the goal is to make them think, maybe I should talk to my servicer.

And then the housing counselors, likewise, on that application portal before they submit it to us to underwrite the file, they're certifying that they have spoken to their homeowner. For whatever of these various reasons, the homeowner has decided to proceed with the Homeowner Assistance Fund application.

And then the next slide is just that homeowner disclosure that they sign. And again, I know the font is very small. It basically says for your -- for Kentucky, you can receive a maximum of \$35,000. You're not guaranteed the entire \$35,000. It's what you need at the time that you apply. It's a one-time assistance. Homeowners should work with their counselors or servicers to explore their options for long-term sustainability. Jargon, jargon, jargon.

At the bottom, it says, do your research. Know your options before you proceed. The goal is to engage the homeowner or inspire the homeowner or make them think, maybe I need to talk to my servicer before I go down this path. HAF will be around for a few years. Their COVID loss mitigation options may not be, and so, they need to do their due diligence.

I think that is all I've got. So I'm going to hand it off to Stephanie Stiene with the Brighton Center. When we were asked to participate in this panel, we were asked if we had a housing counseling agency, one of our partners, who could speak from their perspective of what they're seeing.

And Kentucky has a relatively small network of housing counselors in the state, but we have a great relationship with all of them. And the Brighton Center has been a very close partner of ours for a long time. In fact, they were our one pilot agency under the Hardest Hit Funds program. So when I asked Stephanie if she would speak with me, I already knew the answer. She, of course, agreed to it, and I'm glad that she's here.

Stephanie Stiene: Thank you so much, Jaime. We are happy to be a part of the KHC network as well as a local housing counseling agency with HUD.

Just a little bit of information. Again, my name is Stephanie Stiene. I'm the director of financial wellness and volunteer engagement at Brighton Center. Brighton Center has been serving the community for over 50 years and we offer 47 different programs, ranging from working with first-time parents to working with seniors and keeping them engaged in the community and avoiding isolation. Through our holistic approach, we recently provided services to over 27 individuals across eight counties in northern Kentucky.

As you see on the screen here, housing counselors, we can be the key to success for the HAF program. We can provide the expertise that's needed to help families go through hardships,

especially when they're stressed and worried about losing their home in a time that's already been a challenge due to COVID and school and work. We can help them to address and help with the creation of an action plan and take a moment to understand if it was a short-term or a long-term hardship that set them back.

With the HAF program or H-A-F, learning as much as we can about that program so we can support families with their application, whether it's making the referral to the state or helping families collect the documents that they need in order to apply. We want to take away and eliminate as many barriers as possible.

Especially when our program is out in the community, scams can take place, and we want to build awareness that not only are we a trusted advocate for that family but also share the information about building the awareness of potential scams that could be in their community around them.

We also want to have those conversations about retention. If it's not a possibility, what comes next for that homeowner? How do we address moving cost or making referrals and offering emergency assistance for the families that are in need? Next slide, please.

One of the things that we've also seen as the HAF program is launched within the state is, how do we build capacity as housing counselors to manage the need of the families requesting the service? And as Jaime mentioned, we've been -- we started the program back in February, and looking at addressing those needs, we've come up with a couple of best tips that we wanted to share with you today.

Providing clear messaging, no matter if this is on your website or through email communication. This is going to take away a lot of that miscommunication or assumptions that families can make when they're applying for the program.

Creating timelines to best serve the family. So for example, we look at -- once we receive the referral, our best practice is to reach out to that family within 10 days. We've also created an internal process looking at the documents that they've submitted online, as well as looking at eligibility for the program. So that way, when we pick up the phone and schedule the appointment with the customer, we're hitting the high points and are able to jump in to their situation or their hardship.

We also reach out to the families a number of ways, looking at Google -- Google Voice, that is, email, phone, and also placing notes within the online system where the application is held.

Another thing that housing counselors can do to offer additional success and build capacity is eliminate potential barriers that families face. Again, helping them to apply, providing examples on what documents are needed when they're making an application. A lot of -- with the state of Kentucky, there's 120 counties within the state. So sometimes that customer may not be in our backyard.

So how do we ask those questions to help provide a source of a network in their backyard of providing a way to upload their documents through a library or another trusted source, through their bank or another source within their community?

Also, thinking about making referrals within the community based on their needs, whether it's connection to employment opportunities, resources for food, but being able to meet those needs at that moment and apply a successful application for HAF.

What are the roles of volunteers? One of the things that we looked at is our phones were ringing off the hook. And so, looking at a volunteer to answer a phone and then being able to take our counselors who are certified and using their time wisely and working directly with the homeowners that are in need and addressing loss mitigation or HAF application.

And last but not least, don't forget about the self-care. Take time to catch your breath. Deep breathe with other coworkers. Every other Friday we take a moment to talk and discuss about files that we can learn from each other and use those as examples to improve our best practices, as well as providing that information for customers.

I believe we're now to Karen and Shawna. Do we have questions out there for either the panel or overall?

Karen Hoskins: Thank you so much, Stephanie. Yes. We do have quite a few questions. It's interesting, though. Many of the questions are related to eligibility, and if there's one thing we've learned through this conversation today, that program requirements can be -- are specific by state.

So for some of the questions that have been answered, certainly, the map that Greg shared that was state specific, going to that map, clicking on the link there to see what the requirements are for your state, you will probably be able to answer a lot of your questions. So we encourage you to do that. And Greg, just if you could tell folks how frequently that map is updated.

Greg Zagorski: Well, thank you, Karen. We update it as far as state status hopefully as soon as they change their status. We try to keep track of -- we've asked them to tell us when their status is. We follow up with them. So as far as the status of programs, we update that as quickly as we can when the information changes. So we also try to -- whenever there are other resources that could be helpful, we try to add them to the site. So it is an ongoing daily process for us.

Karen Hoskins: Okay. Great. Great. It's certainly a valuable tool, and again, we encourage folks who have specific questions to go to that map and see what the requirements are for your specific state.

And Jaime, thank you so much for giving us an overview of the Kentucky program. And it's important to remember this is one model of the HAF program. And again, it varies across states.

So -- and, Stephanie, thank you for giving us some insights into what this looks like within a counseling agency and those tips and strategies that you shared for implementation of this

program. Particularly appreciated the fact that you mentioned self-care. Self-care is certainly important for housing counselors dealing with stressful situations like this.

Just quickly, could you just expound upon what Brighton is doing to ensure your counselors take good care of themselves?

Stephanie Stiene: Sure. Karen, I'm happy to do so.

Thinking about working with our staff, taking time to breathe and looking at time management strategies. So if you have a customer that you're meeting with for an appointment, make sure you're not scheduling back-to-back appointments for that day. Give yourself a time to walk down the hallway, to walk outside, catch your breath, especially when the sun is out and the temperatures are a little warmer this week, being able to step aside and prepare for that next appointment.

Every situation is different and each hardship that comes in the door should have 100 percent of our attention but it does wear you out when it's several appointments a day. So being able to schedule your appointments, being able to be 110 percent in with that conversation with that homeowner.

Keep a smile on your face. They always say that, when you're talking to somebody, they can tell if you have a smile on your face when you're on the phone. And you treat that situation as it's your first situation of the day. Again, I mentioned that on Fridays -- every other Friday, we take a moment just to catch our breath and debrief. Also, taking time to -- if you like music, maybe playing music in between those appointments as well.

Anything that we can do to take best care of ourselves so we can, in turn, take best care of our customers and our families that are going through a crisis.

Karen Hoskins: Great. Great. Thank you for that, Stephanie.

We have been getting -- as I said earlier, we have been getting a number of questions that have been coming out -- coming through during this session, many of which deal with eligibility.

But going back to an earlier question, Will, this one was directed specifically to you. I hope you can answer. I know you and Julienne were doing a tag team earlier. Julienne had to leave early. So I'm going to pose this one to you.

There were a few comments that mentioned that folks are finding that servicers may or may not be participating in this program. Can you elaborate any on how services are identified to participate, what that process is? Is it ongoing? Anything you can comment there?

William Corbett: Sure, Karen. So if you're hearing that a servicer isn't participating in the program, that may actually just reflect the servicer hasn't yet connected with your individual state's program and gotten everything set up with that state so that the servicer can receive payments from the state.

There is on the back end of this information that needs to be transferred from the HAF program to the servicer so that the servicer can identify the homeowner that's potentially getting assistance through HAF and communicate with the HAF program about the status of that mortgage and so that things can be done.

That does require some technical implementation. And of course, there are a good number of servicers out there in each state is trying to make these connections. So that is hopefully the reason why.

I don't know if Jaime might have additional insight into this or about that process. But generally, the servicers are not identified necessarily to participate in the program, but there is a component of connecting each state to those individual servicers.

David Berenbaum: Karen, I'd like to jump in, if that's okay.

Karen Hoskins: Absolutely.

David Berenbaum: From FHA and HUD's perspective, we do expect FHA mortgage servicers to participate in the program for the benefit of FHA mortgagors. And a number of the questions on Q&A also had to do with some of the challenges the counseling agencies are facing in engaging with servicers.

Will's point is well taken about process, but when in doubt, with regard to an FHA loan, please contact the FHA Resource Center on behalf of your client and make an inquiry and FHA and the Resource Center will follow up with you. And then, of course, the CFPB also has a process for complaints, if you feel there is a serious issue or failure on the part of the servicer.

So I just wanted to share that with the group, particularly the FHA Resource Center, because we really have taken some steps to ensure that they are responsive to the housing counseling community. Back to you, Karen.

Karen Hoskins: Sure. Thank you, David. And Jaime, where are you going to make a comment related to that?

Jaime Rice: Yes. I will very quickly. Sometimes there is a little bit of a lag when it's a new servicer. Kentucky is very lucky. Because we were a Hardest Hit Fund state, we had just under 400 servicers that we'd already worked with under that program.

But when you have a new servicer, the homeowner will give you that contact information, and 9 times out of 10, it's the collector that they're talking to. It's not necessarily the person who's authorized to agree to this program on behalf of their company.

So sometimes the LAG is just finding that correct person that can make that happen. And we're doing it. I mean, the states will hunt that person down, but we just -- we need good contact

information and just a little bit of time and we'll get them signed up. It's very rare for a servicer just to flat out refuse to accept money.

Karen Hoskins: Okay. Great. Thank you. And while we're on this topic of servicers, Paul, I'll just share with you that there were one or two comments in the Q&A mentioned that they were very much appreciative of Freedom Mortgage's participation in the program. So just want to pass that along to you.

Paul O'Leary: Thanks, Karen.

Karen Hoskins: Absolutely. So Jaime, I'm going to come back to you quickly as well. There were a few questions about mobile homes. How are mobile homes treated in Kentucky? Are they eligible for the program?

Jaime Rice: Yes. Kentucky is a very big proponent. Mobile homes is -- a lot of our homeowners, that's their home of choice. So yes. Homeowners -- mobile homes are eligible for HAF assistance in Kentucky.

Karen Hoskins: Okay. Great. Great. And here's another one. Again, a lot of it -- a lot of comments are state specific. So we have the Kentucky example. So I'm going to call on that again.

Someone asked, "A participant that is not behind in mortgage payments but they are on utilities taxes, perhaps an HOA association fees, can this person qualify in Kentucky for HAF?"

Jaime Rice: Yes. The homeowner does not have to get their mortgage assistance. If -- we may have homeowners who haven't -- they've paid off their mortgage. They're living free and clear in terms of their mortgage payment, but they still have past due property taxes, homeowner's insurance, utilities. I mean, utilities is a big one in Kentucky as well. So yes. To answer your question, in Kentucky a homeowner does not have to receive or request mortgage assistance in order to get one or more of the other eligible uses covered.

Karen Hoskins: Okay. Great. Great. Well, certainly, we want to thank our panelists for participating today. Very much appreciate it. It's really great information was shared. So thank you, and I hope folks felt that it was a good use of your time. So Shawna, I'll turn it back to you.

Shawna LaRue Moraille: Okay. Great, Karen. Thank you so much. These are some resources for the Office of Housing Counseling, but hopefully, you've seen we've been popping links into the chat, including the FHA Resource Center that David mentioned a little bit ago.

I will now turn it over to Mark McArdle at the Consumer Finance Protection Bureau, and he will close us out today. Mark, thank you so much.

Mark McArdle: Hi. This has been a very interesting presentation, and I thank HUD for putting this on.

So you'll see here some of our resources that hopefully folks will find helpful. We still have our - - we have a new page on the Housing Assistance Fund that's right up there. I also put it in the chat. And that links and leverages the great page that NCSHA has created and we've worked with them. So that will be the key resource for finding which programs are open.

Our housing hub is being updated all the time, and we encourage folks to go there for information generally about forbearance exit and your options. And you'll also find our digital toolkit on this page. So that's a page where you can find information to do outreach and the like would be helpful for some counseling agencies.

And finally, David mentioned this, but our -- we have a complaint portal that we're going to be tracking very closely during this process. We'll use it to sort of find servicers that aren't participating or following their obligations. So I encourage folks to use the housing -- the complaint portal, which is right there at [consumerfinance.gov/complaint](https://consumerfinance.gov/complaint).

I think this program can be a valuable resource for homeowners leaving forbearance and those who have been impacted by COVID. I think it's -- you've heard how complicated this program is. There's 50 states and tribal programs and many servicers. So there will be hiccups. But you also heard that we're all working together here. We're all talking to each other. We're all coordinating closely, and you guys are eyes and ears on the ground. So we'll look forward -- we look forward to you guys providing needed feedback about what's working and where we need to put our attention to.

So thank you very much for a great presentation. Hopefully, you'll find all these resources useful, and that's all.

(END)