

# Assisting Homeowners Experiencing Payment Challenges



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## Agenda

- Loss-Mit Waterfalls, by Lending Agency
  - ✓ FHA
  - ✓ Fannie / Freddie
  - ✓ VA
  - ✓ USDA
- Federal Relief Programs
- Resource pages and links

# Assisting Homeowners Experiencing Payment Challenges

- Loss-Mit Waterfalls, by Lending Agency
  - ✓ FHA
  - ✓ Fannie / Freddie
  - ✓ VA
  - ✓ USDA



<https://tinyurl.com/IowaSept8Homeowners>

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## Workbook



## Assisting Homeowners Experiencing Payment Challenges



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Housing at the Crossroads - 2021 Housing Iowa Conference – John Bonin Real Estate Consulting and Training



# Federal (State) Relief Programs



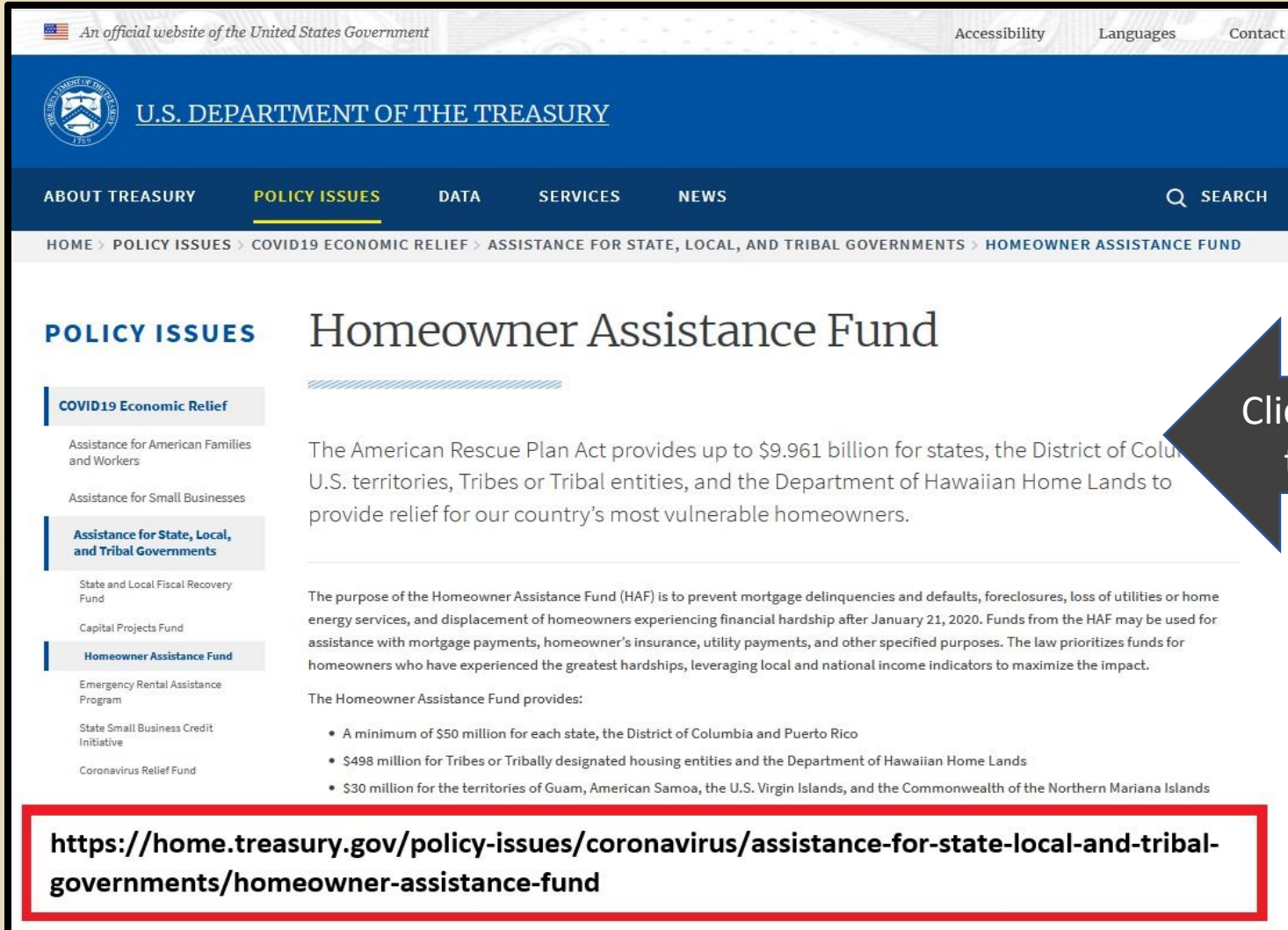
American Rescue  
Plan Act, 2021



Consolidated  
Appropriations  
Act, 2021




# \$9.9 Billion Homeowners Assistance Plan



An official website of the United States Government

Accessibility Languages Contact

 **U.S. DEPARTMENT OF THE TREASURY**

**ABOUT TREASURY** **POLICY ISSUES** DATA SERVICES NEWS **SEARCH**

HOME > POLICY ISSUES > COVID19 ECONOMIC RELIEF > ASSISTANCE FOR STATE, LOCAL, AND TRIBAL GOVERNMENTS > **HOMEOWNER ASSISTANCE FUND**

## POLICY ISSUES

### Homeowner Assistance Fund

**COVID19 Economic Relief**

- Assistance for American Families and Workers
- Assistance for Small Businesses

**Assistance for State, Local, and Tribal Governments**

- State and Local Fiscal Recovery Fund
- Capital Projects Fund
- Homeowner Assistance Fund**
- Emergency Rental Assistance Program
- State Small Business Credit Initiative
- Coronavirus Relief Fund

The American Rescue Plan Act provides up to \$9.961 billion for states, the District of Columbia, U.S. territories, Tribes or Tribal entities, and the Department of Hawaiian Home Lands to provide relief for our country's most vulnerable homeowners.

The purpose of the Homeowner Assistance Fund (HAF) is to prevent mortgage delinquencies and defaults, foreclosures, loss of utilities or home energy services, and displacement of homeowners experiencing financial hardship after January 21, 2020. Funds from the HAF may be used for assistance with mortgage payments, homeowner's insurance, utility payments, and other specified purposes. The law prioritizes funds for homeowners who have experienced the greatest hardships, leveraging local and national income indicators to maximize the impact.

The Homeowner Assistance Fund provides:

- A minimum of \$50 million for each state, the District of Columbia and Puerto Rico
- \$498 million for Tribes or Tribally designated housing entities and the Department of Hawaiian Home Lands
- \$30 million for the territories of Guam, American Samoa, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands

**<https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/homeowner-assistance-fund>**

Click image in PDF  
to access link



# \$9.9 Billion Homeowners Assistance Plan

## HOMEOWNER ASSISTANCE FUND GUIDANCE

U.S. DEPARTMENT OF THE TREASURY

April 14, 2021

### INTRODUCTION

The Treasury Department is issuing this guidance regarding the Homeowner Assistance Fund (HAF), which was established under section 3206 of the American Rescue Plan Act of 2021 (the ARP). This guidance may be updated, revised, or modified at any time, and the Secretary of the Treasury may waive the terms of this guidance in her sole discretion to the extent permitted by law.

Under the HAF, Treasury will provide financial assistance in an aggregate amount of approximately \$9.9 billion. Treasury will separately publish information regarding the allocation of HAF funding for eligible entities.

\$9.961 billion funding  
provided through the  
American Rescue Plan Act  
of 2021

Programs are to be developed  
at the local level similar to the  
Hardest Hit Fund Program.  
→ Adapt the Federal template  
to meet local needs

150% of the area median income for a household means three times the income limit for very-low income families, for the relevant household size, as published by HUD in accordance with 42 U.S.C. 1437a(b)(2) for purposes of the HAF.

**Dwelling** means any building, structure, or portion thereof that is occupied as, or designed or intended for occupancy as, a residence by one or more individuals.

# \$9.9 Billion Homeowners Assistance Plan

- \$9.961 billion funding provided through the American Rescue Plan Act of 2021
- For U.S. States, the District of Columbia, U.S. Territories, Tribes, Tribal entities, and Hawaiian Home Lands
- Allocations made through the U.S. Treasury to State and Local Housing Finance Agencies
- Distribution of funds from Treasury is in process
- Funding authorized thru September 30, 2025

# \$9.9 Billion Homeowners Assistance Plan

Funds may be used for the purpose of *preventing homeowner mortgage delinquencies, defaults, foreclosures, loss of utilities or home energy services, and displacements of homeowners* experiencing financing hardship after January 21, 2020, for activities which include:

See  
Next  
Slide



# \$9.9 Billion Homeowners Assistance Plan

Programs must be used for:

- 1-4 Unit properties with conforming loan amounts at the time of origination
- Income < 150% of AMI
- **Priority/Targeting Goal**
  - 60% of funds
    - ✓ under 100% of AMI, or
    - ✓ for “socially disadvantaged” borrowers including but not limited to households with Black, Hispanic, Asian / Pacific Islander or Native American borrowers

# \$9.9 Billion Homeowners Assistance Plan

## Funds can be used for:

- Mortgage payment assistance
- Financial assistance to allow a homeowner to reinstate a mortgage or to pay other housing related costs related to a period of forbearance, delinquency, or default
- Principal reduction
- Facilitating interest rate reductions
- Homeowner's insurance, flood insurance, and mortgage insurance

See  
Next  
Slide

# \$9.9 Billion Homeowners Assistance Plan

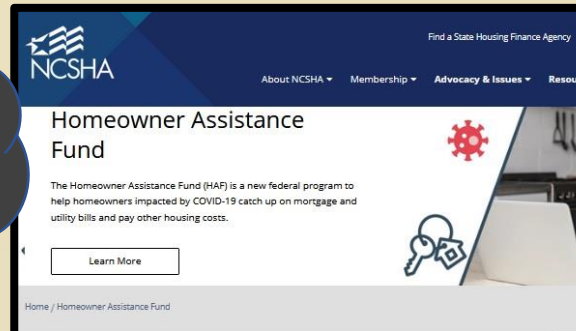
## Funds can be used for:

- Homeowner's association fees, condominium association fees, or common charges
- Utilities, including electric, gas, and water
- Internet service, including broadband internet access service
- Any other assistance to promote housing stability for homeowners, including preventing eviction, mortgage delinquency or default, foreclosure, or loss of utility or home energy service, as determined by the Secretary



# Assisting Homeowners Experiencing Payment Challenges

Link to  
Federal  
Program



## Homeowner Assistance Fund



COVID-19 has forced millions of homeowners to fall behind on their mortgages and other housing-related expenses through no fault of their own. The **Homeowner Assistance Fund (HAF)** is a new federal program to help these households catch up on their overdue bills and remain in their homes. A large majority of states are running this program through their state's housing finance agency (HFA).

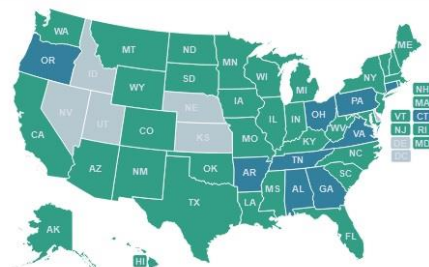
States will administer a total of \$9.961 billion, subject to Treasury Department [guidance](#) available on the HAF program [website](#). A summary of the HAF is available [here](#).

All the states and eligible territories have applied for funding and received 10 percent of the total funding amount for which they are eligible. States are now designing their programs and drafting plans they must submit to Treasury to receive the full funding and get their assistance programs running.

### Homeowner Assistance Fund by State

States are working diligently to submit their HAF plans to the Treasury Department as quickly as possible. Some states also are working to use the funds they have received to set up small mortgage assistance programs so that they can start helping homeowners sooner.

Click on a state to get the latest information about its Homeowner Assistance Fund programs.



Link to  
IOWA  
translation



## Iowa Housing Assistance Fund Public Hearing July 21, 2021 | July 23, 2021

Iowa Finance Authority

### Iowa Homeownership Assistance Draft Plan

- **Iowa HAF Reinstatement Program Goal:**  
To provide financial assistance to eligible Iowa homeowners to eliminate or reduce past due payments associated with homeownership.
- **Available Funding:**  
The Iowa Finance Authority will utilize up to \$25,000,000 of its total HAF allocation of \$50,000,000 for the proposed reinstatement program.
- **Additional future program(s) will be submitted in the future based on demand and types of assistance most needed by Iowa homeowners.**

### Assistance



**\$25,000  
MAXIMUM PER HOUSEHOLD**

- **Assistance Type:** Non-recourse grant.
- **Payout of Assistance:** Direct to mortgage lender/servicer, county treasurer or local taxing authority, condominium/homeowners' association.

Iowa offering of \$10 B.  
Homeowners Assistance  
Fund

# \$100 Million NW Housing Stability Counseling Program



The screenshot shows the HSCP website. The header has the HSCP logo and navigation links: HOME, APPLY, RESOURCES, ABOUT US. The main banner features a house image and the text "Supporting housing stability through housing counseling". Below this, there are two columns of text. The left column discusses the COVID-19 pandemic's impact and mentions a \$100 million program. The right column has a "Apply by June 30" section with a "VIEW APPLICATION" button. At the bottom, the URL <https://www.stablecommunities.org/HSCP> is displayed.

**HSCP** Housing Stability Counseling Program  
A NeighborWorks America Program

HOME APPLY RESOURCES ABOUT US

Supporting housing stability through housing counseling

The COVID-19 pandemic continues to worsen existing inequalities across the United States. Unfortunately, many families and individuals across the U.S. continue to face job loss, financial instability and the threat of homelessness. A [report by the Consumer Financial Protection Bureau \(CFPB\)](#) shows that Black and Hispanic mortgage borrowers are more likely to be delinquent or in a forbearance program compared to white borrowers.

The [American Rescue Plan Act of 2021](#) was signed into law by President Biden on March 11, 2021, in order to address these issues and stabilize our homes and communities. The legislation charges NeighborWorks America with designing and administering a national, \$100 million housing counseling program that will provide grants to support housing counseling for households facing housing instability, such as eviction, default, foreclosure, loss of income or homelessness.

We have designed the Housing Stability Counseling Program, with the help of a diverse set of stakeholders, to meet the needs of residents facing housing instability and ensure funds are released to housing counseling agencies throughout the nation as quickly as possible.

**Apply by June 30**

The Housing Stability Counseling Program application must be submitted by June 30. Late applications will not be accepted under any circumstances. Please review key documents that will help you submit the best application for your organization.

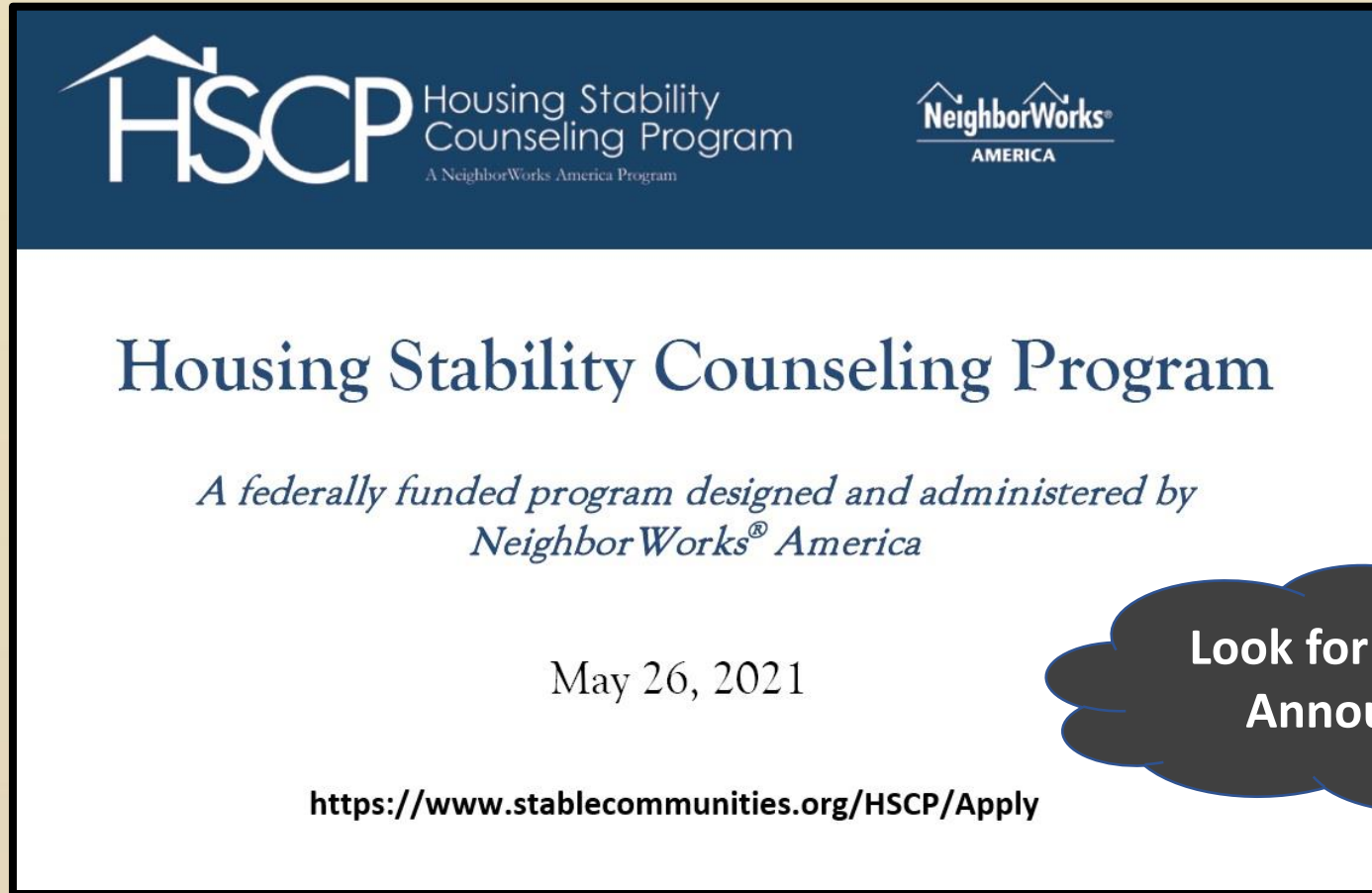
[VIEW APPLICATION](#)

<https://www.stablecommunities.org/HSCP>

**\$100 Million for  
Counseling Agency  
Reimbursement  
(*counseling time*)  
through Feb 2023**

**Click image in PDF  
to access link**

# \$100 Million NW Housing Stability Counseling Program



**HSCP** Housing Stability Counseling Program  
A NeighborWorks America Program

**NeighborWorks®**  
AMERICA

## Housing Stability Counseling Program

*A federally funded program designed and administered by  
NeighborWorks® America*

May 26, 2021

<https://www.stablecommunities.org/HSCP/Apply>

Click image in PDF  
to access link

Look for the “Funding  
Announcement”



# \$100 Million NW Housing Stability Counseling Program

Funds are for Housing Counseling services, are defined as

*“Housing counseling provided directly to households **facing housing instability**, such as eviction, default, foreclosure, loss of income, or homelessness.” → this definition needs more clarity*

Housing Counseling must be performed by a HUD-Certified Housing Counselor or *“any Housing Counselor **actively working towards** their HUD counselor certification”*

# \$100 Million NW Housing Stability Counseling Program

Funds are for Housing Counseling services, are defined as

*“Housing counseling provided directly to households **facing housing instability**, such as eviction, default, foreclosure, loss of income, or homelessness.” → this definition needs more clarity*

Housing Counseling  
Counselor or “

Funds must **not be used** for Pre-Purchase or Post-Purchase Counseling. This would **exclude** helping clients deal with past-due amounts that **have not reached** the default or foreclosure stage → program details to be developed by NW

Identified Housing  
**towards**

# **\$100 Million** NW Housing Stability Counseling Program

Funding can be used for:

1. *Education, outreach, training, technology upgrades, and other program related support; and*
2. *Operational oversight funding for grantees and subgrantees.*



# \$100 Million NW Housing Stability Counseling Program

Payment to “*NW approved*” Housing Counseling Agencies shall be paid based on three tiers of client-facing Housing Counseling services that includes:

1. Intake, Preliminary assessment, Triage, Budget, General Action Plan outline/steps >> **\$200**
2. Detailed assessment by Housing Counselor, Primary Counseling, Customized Action Plan, and one-on-one guidance/assistance >> **\$550**
3. Follow-up >> **\$50**

**Total payment = \$800**

# Resource Pages and Links



# Assisting Homeowners Experiencing Payment Challenges

The screenshot shows the CFPB website's 'Exit your forbearance' page. The header includes the CFPB logo, 'Consumer Financial Protection Bureau', a search bar, and a 'Submit a Complaint' button. A navigation menu lists 'Consumer Education', 'Rules & Policy', 'Enforcement', 'Compliance', 'Data & Research', and 'News'. The main content area is titled 'Exit your forbearance' and includes links for 'Español', '繁體中文', 'Tiếng Việt', '한국어', and 'العربية'. Below this, it states: 'It takes a plan to exit mortgage forbearance. Learn about your options, get expert help, and find the right option for you.' An illustration shows a person walking towards a house with a green checkmark. A video player is embedded with the title 'COVID-19 MORTGAGE FORBEARANCE: OPTIONS FOR REPAYING MISSED PAYMENTS' and a play button. The video duration is 05:02.

## Know your options when exiting forbearance

Generally, there are a few ways borrowers can make up their missed payments. However, the method of repayment can vary depending on your loan. Not all borrowers will be eligible for all options. Ask your servicer about what options are available to you.

If you are concerned about losing your home, contact a HUD-approved housing counseling agency. They can help you figure out your options and guide you through the paperwork and process of working with your servicer. [Find a housing counselor near you.](#)

Remember, help is free. You don't have to pay anyone to help you avoid foreclosure.

## Repayment options

Repayment plan

Show +

Deferral or partial claim

Show +

Modification

Show +

Reinstatement (lump sum)

## Repayment options vary by agency

Just as mortgage forbearance may differ between the federal agencies, Fannie Mae, or Freddie Mac, so does the repayment of the amounts that were suspended during the forbearance. The following information provides some of the specific repayment options offered by each agency.

Fannie Mae & Freddie Mac loans

Show +

FHA/HUD loans

Show +

USDA Rural Housing Service Guaranteed Loan Mortgages

Show +

VA loans

Show +

For non-federally backed loans

Show +

Link to CFPB page  
dedicated to  
Homeowners needing help



# Assisting Homeowners Experiencing Payment Challenges

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LIBRARY

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## Fourteen New Federal Actions Protecting Mortgage Borrowers

👤 Steve Sharpe 📅 July 28, 2021 🖨️ Print/Download ✉️ Email link to this article

### CONTENTS

- Overview and Implications for Individual Mortgage Loans
- 1. Extension of VA, FHA, USDA Foreclosure Moratoriums and Access to Initial Forbearance (June 24, 2021)
- 2. Fannie Mae and Freddie Mac Foreclosure Moratoriums Extended (June 24, 2021)
- 3. Delay in New Standards for Documenting Financial Circumstances for FHA-HAMP (June 24, 2021)
- 4. FHA Actions to Extend Foreclosure Moratorium and Forbearance Access, and to Create an Advance Loan Modification (June 25, 2021)
- 5. VA Actions to Extend Foreclosure Moratorium and Forbearance Access (June 25, 2021)
- 6. USDA Actions to Extend Foreclosure Moratorium and Forbearance Access on Direct Loans (June 25, 2021)

Great Database of Links to  
COVID Resources for  
Homeowners needing help

# Assisting Homeowners Experiencing Payment Challenges

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