



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

# Housing Assistance Fund

- The American Rescue Plan Act provides up to \$9.961 billion for states to provide relief for our country's most vulnerable homeowners.
- Funds from the HAF may be used for assistance with mortgage payments, homeowner's insurance and other specified purposes.
- State of Iowa Allocation: \$50 million



# Program Timeline



*\*Pending U.S. Department of Treasury approval*

# 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.*



# Eligible Homeowners

- Must be a homeowner
- Must have experienced a Qualified Financial Hardship after January 21, 2020.
- Must have owned the home on or before January 21, 2020.
- Must currently own and occupy the property as their primary residence and primary residence must be located in Iowa.
- Homeowner must have income equal to or less than 150% of the area median income.



# Qualified Financial Hardship (Treasury)

A “Qualified Financial Hardship” is a material reduction in income or material increase in living expenses associated with the coronavirus pandemic that has created or increased a risk of mortgage delinquency, mortgage default, foreclosure, loss of utilities or home energy services, or displacement for a homeowner.

- **Reduction of Income** – Documented temporary or permanent loss of earned income after January 21, 2020.
- **Increase in living expenses** – Documented increase in out-of-pocket household expenses such as, medical expenses, inadequate medical insurance, increase in household size, or other costs directly related to the coronavirus pandemic after January 21, 2020.

# Eligible Homeowners – Continued

- Must demonstrate that they will be able to satisfy their obligations for the mortgage and associated expenses on an ongoing basis after receipt of HAF funds.
  - Homeownership counseling will be required to ensure sustainable homeownership prior to receiving financial assistance.
- Must own and occupy not more than one property.
- Homeowners who have previously filed for bankruptcy but who are no longer in bankruptcy must provide proof of court ordered “discharge” or “dismissal”.
- Must complete and sign any one or more of the following Affidavit, Iowa HAF Application, Disclosures, and 3rd Party Authorization forms.



# Eligible Homeowners – Continued

- Homeowner agrees to provide all necessary documentation to satisfy program guidelines within timeframes established by the Iowa Finance Authority, including self-certification or attestation of socially disadvantaged status, as applicable.
- If applicable, the unpaid principal balance of the homeowner's first mortgage cannot be greater than the conforming loan limit at the time of origination.
- Iowa HAF assistance will not duplicate assistance provided by other programs, to the extent feasible.
- Co-owners are not permitted to separately apply for HAF Program assistance, (assistance maximum is per household)



# Eligible Legal Ownership Structures

- Those where the home is owned by a “natural person” (i.e., LLP, LP or LLC do not qualify).
- Those where the homeowner has transferred their ownership right into non-incorporated, Living Trusts, provided the homeowner occupies the home as the primary/principal residence.



# Eligible Properties

## **Eligible Properties:**

- Single-family (attached or detached) properties
- Condominium units
- 1 to 4-unit properties where the homeowner is living in one of the units as their primary residence. Applicants who have received Emergency Rental Assistance Program funds are ineligible for Iowa Homeowner Assistance Funds.
- Manufactured homes permanently affixed to real property and taxed as real estate

## **Ineligible properties:**

- Vacant or abandoned
- 2<sup>nd</sup> homes
- Investment property



# Eligible Uses

- Existing first mortgage lien loan payment (principal and interest), escrow shortages.
- Subordinate mortgage lien payment (P&I) and/or principal reduction or payoff of a non-profit/government bond second lien
- Manufactured/mobile home loan monthly payment (P&I)
- Homeowner's association fees, condominium association fees or common charges, including for lien extinguishment.
- Homeowner's hazard, flood and/or mortgage insurance
- Delinquent property taxes
- Homeowner counseling/application assistance costs
- De minimis lender-assessed fees

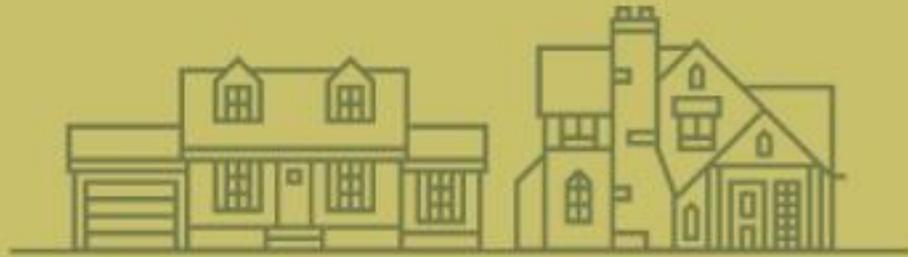


# Exclusions

- Land Contract monthly payment (P&I).
- Utilities, including electric, gas, home energy and water, broadband, if arrearages not otherwise covered from another source of funds.
- Mobile homes not permanently affixed to real property



# 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.

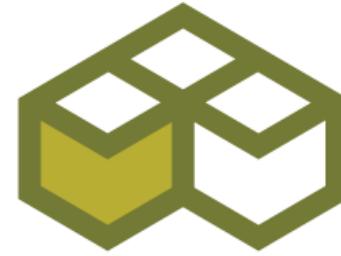
# Public Comment

- Please use the “Raise your hand” feature and we will invite you to speak one at a time.
- Each individual should limit their public comment to five minutes.
- We also invite written public comments through July 26 at 4:30 p.m.

Please submit written comments via email: [ifafyi@iowafinance.com](mailto:ifafyi@iowafinance.com)



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