

Homeowner Assistance Fund Plan

PROGRAM DESIGN

Program Template: Idaho Homeowner Assistance Program

Date: August 31, 2021 (updated 8/1/2023)

Term Sheet

Program Design Elements:

1. Allow homeowners to reinstate mortgages or pay other housing related costs
2. Mortgage payment assistance (For three additional month post reinstatement, if maximum assistance has not been reached)
3. Mortgage principal reduction, including with respect to a second mortgage provided by a non-profit or government (To be used as a last resort after all other loss mitigation options.)
4. Payment Assistance for homeowner's utilities, including electric, gas, home energy, and water
5. Payment Assistance for homeowner's, flood, and mortgage insurance
6. Payment assistance for homeowners' association fees or liens, condominium association fees, or common charges
7. Payment assistance for delinquent property taxes to prevent homeowner tax foreclosures

NOTE- We are encompassing all seven of the above listed Design Elements into one reinstatement/assistance program.

Criteria	Program Terms
Brief Description	This program will provide funds to eliminate or reduce past due payments and other delinquent amounts, including payments under a forbearance plan, on forward mortgages, reverse mortgages, loans secured by manufactured homes, or contracts for deed.

HAF Funds may be used to bring the account fully current, with no remaining delinquent amounts, and to repay amounts advanced by the lender or servicer on the borrower's behalf for property charges, including property taxes, hazard insurance premiums, flood or wind insurance premiums, ground rents, condominium fees, cooperative maintenance fees, planned unit development fees, homeowners' association fees or utilities that the servicer advanced to protect lien position. Payment may also include any reasonably required servicer fees, legal fees, and property preservation fees.

Provide payment assistance for up to three months in conjunction with mortgage reinstatement unless maximum amount of assistance has already been reached.

For mortgage reinstatement, funds may be used to help homeowners resolve delinquent payments for utilities (power, sewer, trash, gas, water) only if the outstanding past due amount is deemed to be a barrier to the homeowner resuming regular monthly mortgage payments. HAF funds may be used to pay prospective charges in full including interest or reasonable required legal fees and under circumstances in which a delinquency threatens access to utility services. The provided assistance must bring the homeowner's account current.

For a homeowner that is concurrently going through loss mitigation stemming from a coronavirus pandemic related delinquency, HAF funds may be used for loss mitigation measures intended to result in a permanently sustainable monthly payment for borrowers that are unable to resume their monthly mortgage payment that is reset due to investor offered loss mitigation. Funds may be used to effect principal reductions; reduce the rate of interest; recast payment terms; repay funds advanced by the servicer on the borrower's behalf; and as otherwise appropriate to ensure such assistance, when leveraged with other available loss mitigation options and results in a sustainable monthly payment amount for the borrower.

For homeowner's without a mortgage or who have a reverse mortgage, provide funds to resolve property charge defaults that threatens a homeowner's ability to sustain ownership of the property. HAF funds may be used to pay past due property taxes, HOA fees,

	<p>condominium fees, or cooperative maintenance or common charges that threaten sustained ownership of the property. Past due hazard insurance may be covered for those with a reverse mortgage only. Must be brought current by program assistance. For homeowner’s without a mortgage or that have a reverse mortgage and are behind on utilities, due to circumstances related to the COVID-19 pandemic, funds may be used to help homeowners resolve delinquent payments for utilities (power, sewer, trash, gas, water) only if the outstanding past due amount is deemed to be a barrier to the homeowner maintaining their home, being displaced, or creating an unsafe or unsanitary environment. All other eligibility requirements must be met.</p> <p>IHFA will make reasonable efforts to have HAF participants identify their loss mitigation options prior to, or in conjunction with providing HAF assistance. HAF funds may be used to supplement other loss mitigation options offered by the servicer under investor requirements or where, without HAF funds, the homeowner would not qualify for that loss mitigation option.</p>
HAF Reinstatement Program Goal	To mitigate financial hardships associated with the coronavirus pandemic by providing eligible Idaho homeowners assistance for the purposes of reinstating their delinquent mortgages, resume affordable mortgage payments, and avoid foreclosure and displacement.
Size of HAF Reinstatement Program	Idaho Housing and Finance Association will utilize up to \$64,435,431 of its total HAF allocation for this program. Remaining \$7,500,000 is for administrative costs.
Targeted Population of Homeowners and Financial Challenges Program Seeks to Address	<p>IHFA will target Idahoans who are socially disadvantaged and those who are low-to-moderate income.</p> <p>Goal #1: Help low and moderate-income households return to housing stability by assisting with past due mortgage amounts accrued while on COVID-19 forbearance plans.</p> <p>Goal #2: Stabilize the mortgage delinquency across Idaho.</p> <p>Goal #3: Assist cost-burdened Idaho families attempting to exit forbearance plans and get back on track.</p> <p>Goal #4: Prevent disadvantaged and low-to-moderate income households from displacement.</p>
Homeowner Eligibility	<p>“Eligible Homeowners” for Idaho’s HAF Reinstatement programs must meet the following criteria:</p> <ul style="list-style-type: none"> • Homeowner must have experienced a Qualified Financial Hardship after January 21, 2020(including a hardship that began before January 21, 2020, but continued after that date). • Homeowner must currently own and occupy the property as

	<p>their primary residence.</p> <ul style="list-style-type: none"> • Homeowner must meet the Homeowner Income Eligibility Requirements. • Homeowner must be delinquent by at least one installment payment or otherwise in default, as reflected in documentation from the payee or the payee’s agent. Delinquency includes missed payments during a forbearance period. • Homeowners without a mortgage loan or who have a reverse mortgage that are delinquent on state property taxes, HOA’s or Condo Association dues, hazard Insurances(reverse mortgages only), or utilities (power, sewer, trash, gas, water) and are at risk of being displaced may be eligible for assistance if they meet all other eligibility requirements. Delinquencies must have occurred after January 21, 2020. • Homeowner must attest that they experienced a financial hardship after January 21, 2020. The attestation must describe the nature of the financial hardship. • Homeowners who have previously filed for bankruptcy but who are no longer in bankruptcy must provide proof of court ordered “discharge” or “dismissal”. • <i>Homeowner must complete and sign Affidavit, Application, Disclosures, and 3rd Party Authorization forms</i> • Homeowner agrees to provide all necessary documentation to satisfy program guidelines within timeframes established by Idaho Housing and Finance Association, including self-certification or attestation of socially disadvantaged status, as applicable. • The original, unpaid principal balance of the homeowner’s first mortgage or housing loan, at the time of origination, was not greater than the conforming loan limit in effect at time of origination. • Special consideration will be given to FHA, VA and USDA loans. • Homeowner will provide a statement of current ability to resume any required regular payments after account is reinstated or brought current. Self attestation will be required. <p>Co-owners are not permitted to separately apply for HAF Program assistance.</p>
<p>Eligible Legal Ownership Structures</p>	<p>“Eligible Legal Ownership Structures” include only the following:</p> <ul style="list-style-type: none"> • Those where the home is owned by a “natural person” (i.e., LLP, LP or LLC <u>do not</u> 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.
<p>Qualified Financial Hardship</p>	<p>A “Qualified Financial Hardship” is a material reduction in income or material increase in living expenses associated with the coronavirus</p>

	<p>pandemic that has created or increased a risk of mortgage delinquency, mortgage default and foreclosure, loss of utilities or home energy services, and displacement of a homeowner.</p> <ul style="list-style-type: none"> • 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 costs to reconnect utility services directly related to the coronavirus pandemic [after January 21, 2020]. <p>Applicant attestation as to financial hardship after January 21, 2020*, including description of the nature of the financial hardship (job loss, reduction in income, etc.)</p> <p>*This includes documented hardship that began before January 21, 2020, but continued after that date.</p>
<p>Homeowner Income Eligibility Requirements</p>	<p>To be eligible for assistance under the Idaho HAF Reinstatement Program, homeowners must have incomes equal to or less than 150% of the area median income as published by HUD or 100% of the median income for the United States, whichever is greater.</p> <p>Income Determination: Applicant attestation as to household income, plus supporting documentation, including paystubs, W-2s or other wage statements, IRS Form 1099, tax filings, depository institution statements demonstrating regular income, or an employer attestation.</p>
<p>Homeowner Prioritization</p>	<p>Idaho Housing and Finance Association will prioritize funding to the following populations:</p> <ul style="list-style-type: none"> ▪ Not less than 60% will be used for qualified expenses that assist homeowners having incomes equal to or less than 100% of the area median income or equal to or less than 100% of the median income for the United States, whichever is greater. ▪ Amounts not made available to homeowners that meet the above income-targeting requirement will be prioritized for assistance to socially disadvantaged individuals as long as they have incomes equal to or less than 150% of the area median income or 100% of the median income for the United States, whichever is greater. <ul style="list-style-type: none"> ○ “Socially Disadvantaged Individuals” are those whose ability to purchase or own a home has been impaired due to diminished access to credit on reasonable terms as compared to others in comparable economic circumstances, based on disparities in homeownership rates in the HAF participants jurisdiction as documented by the U.S. Census. The impairment must stem from circumstances beyond their control. Indicators of impairment under this definition may include being

	<p>(1) member of a group that has been subjected to racial or ethnic prejudice or cultural bias within American society, (2) resident of a majority-minority Census tract; (3) individual with limited English proficiency; (4) resident of an Indian reservation, or (5) individual who lives in a persistent-poverty county, meaning any county that has had 20% or more of its population living in poverty over the past 30 years as measured by the three most recent decennial censuses.” (Treasury Guidance Dated 8/2/2021)</p> <ul style="list-style-type: none"> ▪ All remaining funds not otherwise prioritized will be available for other Eligible Homeowners.
<p>Eligible Properties</p>	<p>“Eligible Properties” are those that are:</p> <ul style="list-style-type: none"> • 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. <i>[EXCLUSION: If the homeowner of a 1-4 unit property has received payments from the Emergency Rental Assistance Program, they may be ineligible to receive funds under the HAF Program.]</i> • Manufactured homes permanently affixed to real property and taxed as real estate • Manufactured homes permanently affixed to real property that are on leasehold land, be subject to the mortgage lien, and be insured by a title policy. • Single-Family (attached or detached) properties that are on leasehold land, be subject to a mortgage lien, and be insured by a title policy. <p><u>Ineligible properties are those that:</u></p> <ul style="list-style-type: none"> • Vacant or abandoned • Mobile homes not permanently affixed to real property • 2nd homes • Investment property
<p>Eligible Uses of HAF Reinstatement Program Proceeds</p>	<p>“Eligible Uses of HAF Reinstatement Program Proceeds”:</p> <p>Mortgages listed below must be held by a servicer with an NMLS number. This would include federally backed and privately funded mortgages. Mortgages not held by a servicer with a NMLS number will be reviewed on a case-by-case basis.</p> <ul style="list-style-type: none"> • Existing first mortgage lien loan payment (principal, interest, taxes, insurance, and mortgage insurance, and HOA dues), to include any escrow shortages. • Subordinate mortgage lien payment (P&I) • Manufactured home loan monthly payment (principal, interest,

	<p>taxes, insurance, and HOA dues) to include escrow shortages.</p> <ul style="list-style-type: none"> • Land Contract monthly payment (P&I) (For lease held property loans). • Homeowner’s association fees, condominium association fees or common charges. • For a homeowner that is concurrently going through loss mitigation stemming from a coronavirus pandemic related delinquency, HAF funds may be used for loss mitigation measures intended to result in a permanently sustainable monthly payment for borrowers that are unable to resume their monthly mortgage payment that is reset due to investor offered loss mitigation. Funds may be used to effect principal reductions; reduce the rate of interest; recast payment terms; repay funds advanced by the servicer on the borrower’s behalf; and as otherwise appropriate to ensure such assistance, when leveraged with other available loss mitigation options and results in a sustainable monthly payment amount for the borrower. • Homeowner’s hazard, flood and/or mortgage insurance • Homeowner’s delinquent property taxes to prevent homeowner tax foreclosure • Homeowner delinquent utility payments. Funds may be used to help homeowners resolve delinquent payments for utilities (power, sewer, trash, gas, water) only if the outstanding past due amount is deemed to be a barrier to the homeowner resuming regular monthly mortgage payments, or if the outstanding past due amount is deemed to be a barrier to the homeowner maintaining their home, being displaced, or creating an unsafe or unsanitary environment. • Counseling or educational efforts by housing counseling agencies approved by HUD or a tribal government or legal services, targeted to households eligible to be served with funding from the HAF related to foreclosure prevention or displacement • De Minimis lender-assessed fees
Maximum Per Household HAF Assistance	Idaho Housing and Finance Association will not exceed its “Maximum Per Household HAF Assistance” amount of \$50,000 per household.
Form of Assistance	Assistance will be structured as an interest free loan, payable upon sale and transfer of the property. For a transfer based on sale of the property, the loan will be forgiven if the homeowner’s net proceeds from the sale do not cover the HAF loan amount. The loan may be forgivable after ten years.
Payout of HAF Assistance/Payment requirements	Idaho Housing and Finance Association will disburse HAF assistance directly to mortgage lender/servicer or land contract holder, the Idaho State Tax Commission, Hazard Insurance Provider, Homeowners’

	<p>Association/Condominium Association, or utility provider. Funds will not be issued to borrowers or any other parties than those listed above. Payments to lenders/servicers are only authorized to those lenders/services that hold an NMLS number. Private party mortgages will be reviewed on a case by case basis and there must be a recorded deed of trust and proof and legal ownership</p> <p>Funds will not be issued to borrowers or any other parties</p> <p>Idaho Housing and Finance Association will make no more than one disbursement to each payee, per application.</p> <p>Idaho Housing and Finance Association will disburse the amount quoted by the lender/servicer, land contract holder, State Tax Commission, hazard insurance provider, HOA or condominium association or utility provider. Any discrepancies to be resolved by the homeowner.</p> <p>If homeowner’s past due amount exceeds the amount that Idaho Housing and Finance Association can provide, homeowner may pay the difference, and Idaho Housing and Finance Association will pay the max of their limit.</p> <p>HAF assistance will be prioritized to Eligible Uses of HAF Reinstatement Program Proceeds as follows:</p> <ol style="list-style-type: none"> 1) Mortgage/housing loan reinstatement (including escrows), 2) Property taxes and homeowner’s insurances (hazard and mortgage) 3) Condominium/homeowners’ association fees <p>Disbursement to mortgage/housing lender/servicer may include up to the next three scheduled monthly payment (“Additional Assistance”) if funds are available not to exceed the Maximum Per Household HAF Assistance.</p> <p>Eligible homeowners will be allowed to apply more than once; provided they have not exceeded the maximum household amount and that program funds are still available. Applicants will be required to submit a new application and provide proof of new COVID-19 hardship.</p>
Program Launch	<p>The application and intake process is designed and will be operated in a manner to avoid barriers to equitable access and allow flexibility, particularly with regard to documentation requirements. Homeowners will apply for assistance either through the online portal or over the telephone.</p>
Program Duration	<p>The period of performance for the HAF award begins on the date hereof and ends no later than September 30, 2026, or sooner as defined by US Treasury. HAF recipients shall not incur any obligations to be paid with the funding from this award after such period of performance ends.</p>

	Idaho Housing and Finance Association plans to disburse all funds by the end of the Financial Agreement term, September 30, 2026, or sooner as defined by the US Treasury.
Application Process	Idaho applicants will be able to apply through an online portal and by telephone with IHFA staff.
Required Application Documents	<ul style="list-style-type: none"> • Idaho Homeowner Reinstatement Program Application • Third Party Authorization (TPA) and Disclosure Form • Signed acknowledgement that Idaho HAF assistance is in the form of a Loan due upon transfer by sale of the property. • Qualifying hardship attestation and supporting documentation from homeowner certifying and identifying the eligible hardship and that it occurred after January 21, 2020, as required • Mortgage Statement for each lien (e.g., first mortgage, second mortgage). • Social Security Number <u>or</u> unique identifier as shown on a legal document, such as federal tax return • Income documentation; W2's, paystubs, previous years' tax returns or alternative income documents as applicable. • Homeowners' association, condominium association or common charges statements showing delinquent amount. • Homeowner's hazard, flood and/or mortgage insurance statement showing past due amounts • Homeowner's delinquent property tax bill if not escrowed • Statement of current ability to resume regular monthly payments after reinstatement and self attestation • Past due utility bills, if applicable • Photo Identification <p>Applicant must provide each payee's contact and account information if not listed on monthly statement.</p>
Eligibility Determination Notes	IHFA staff summarizes their determination of the applicant's eligibility and status in case notes; summary to include applicable details to support the decision and advance the case through the pipeline and/or action taken.
Quality Control (QC)	Idaho Housing and Finance Association will ensure program integrity by undertaking system- generated, random selection of case reviews after eligibility determination and prior to funding; 100% review of all declined cases and a reasonable selection of each staff's pipeline based on tenure and performance, starting with 10% of volume decreasing to a minimum of three cases weekly.
HAF Assistance Approval and Funds Disbursement	<p>Reservations for assistance may not exceed the Maximum Per Household HAF Assistance amount of \$50,000; program staff will summarize funding details based on applicant's request and generally prioritized as follows:</p> <ol style="list-style-type: none"> 1) mortgage/housing payment reinstatement 2) property taxes and homeowner's insurances

	<p style="text-align: center;">3) condominium /homeowners' association fees</p> <p>Funds will be paid, as applicable, to the mortgage servicer or other third-party payee authorized by the servicer, or other third party authorized to collect eligible charges in accordance with reinstatement instructions received from the payee. Payments may be made through electronic transmission for any payees that accept funds in this manner. For other payees, funds will be sent directly by check or other payment method accepted by the mortgage servicer or authorized payee.</p>
<p>Program Partner Requirements</p>	<ul style="list-style-type: none"> • Lender/servicers to execute a HAF Partner agreement and agree to communicate using the Common Data File (CDF) format that will be used by other HFA's administering the HAF program. • Private lenders, including Land Contract payees to provide written delinquency quote, contact information, and ACH account information. • All servicers/payees will need to provide a current signed W9.
<p>Program Leverage with Other Financial Resources</p>	<p>Idaho Housing and Finance Association will undertake best effort approach to leverage the assistance that might be available for homeowners through other federal programs that have been created expressly for that purpose before using HAF funds.</p>
<p>Program Exclusions</p>	<ul style="list-style-type: none"> • Private mortgages not held by a lender/servicer with an NMLS number, as determined on a case by case basis. • Mortgages that are current at the time of application. • Homeowners without a mortgage or that have a reverse mortgage that have Taxes, HOA's, utilities, or Insurances due prior to January 21, 2020. (We will allow arrearages per Treasury Guidelines) <p><u>Ineligible properties:</u></p> <ul style="list-style-type: none"> • Vacant or abandoned • Mobile homes not permanently affixed to real property • 2nd homes • Investment property