



**Homeowner
Assistance Fund
(HAF) Meeting Two**

Oregon Housing and Community Services
July 1, 2021

TODAY

- Welcome
- HAF Timeline
- Protecting Oregon Homeowners with HAF's Initial Funds
- Applying OHSI Lessons Learned
- Mortgage Reinstatement Program
- Payment Assistance Program
- Feedback & Discussion

Discussion at the end, but please feel free to add questions and comments in the chat box as we go—staff will keep an eye on the chat and bring them into the final discussion.



We are here to help Oregon homeowners facing pandemic-related financial hardships.

Our Vision

All Oregonians have the opportunity to pursue prosperity and live free from poverty.

Our Mission

We provide stable and affordable housing and engage leaders, to develop an integrated statewide policy that addresses poverty and provides opportunity for Oregonians.



OREGON HOUSING *and*
COMMUNITY SERVICES

Tentative HAF Timeline

July

August

Sept/Oct

November

Engage stakeholders and homeowners on HAF program design

July 7th Deadline for Housing Advocate Survey

Post draft plans publicly mid-July

Finalize HAF Plan and initial programs

Select Program Administrator, complete procurements for initial fund projects, hire and train staff, connect with payment recipients, and prepare for launch of main program

Implement pilot mortgage assistance program

Submit HAF Plan to OHCS Housing Stability Council and US Treasury

Design program manuals, other supporting documents, and prepare for launch of main program

Evaluate and develop additional HAF programs to support Oregon homeowners as permitted under HAF

9/30: Foreclosure moratorium ends (optional extension through December)

Treasury evaluation of HAF Plan (anticipated 60 days)

Open Main Mortgage Reinstatement and Payment Assistance Programs

HAF Initial Funds

PREVENTING FORECLOSURES DURING AND AFTER THE MORATORIUM

- Supplement current homeowner protections,
- Provide informational programming in broadly accessible formats,
- Provide legal aid for homeowners most at-risk of foreclosure,
- Develop effective marketing and outreach plans, and
- Implement a limited pilot program to begin helping homeowners while we develop the HAF programs.

Oregon's Moratorium is not the only Protection

- Oregon foreclosure moratorium (HB2009) effective through September 30th; may be extended through December 31st
- From August 31st to December 31st, a CFPB Rule precludes servicers from instituting a foreclosure before engaging borrowers and, if they respond, evaluating a loss mitigation application. (most federally related loans)
 - Rule also makes it easier for servicers to approve loss mitigation applications

Pre-Sale Foreclosure Protections

- Many federally related loans are still eligible for covid forbearances, and new forbearance extensions.
- Most homeowners will receive notice or can opt into loss mitigation mediation (Oregon Foreclosure Avoidance).
- Foreclosure process itself has significant oversight and the opportunity cure arrears up to, or after, the sale.
 - Shortest: minimum 120 days is 3 months from Sept. or Dec.

Additional Plans for HAF's Initial Funds

How we are going to prevent foreclosures while setting up the main mortgage reinstatement and payment assistance programs

- Design plans to engage and outreach eligible homeowners at multiple stages. We will begin planning for outreach in July.
- Design informational programming for homeowners, in different languages and formats, regarding mortgages, forbearance, workouts, and foreclosures.
 - We want your help to reach your communities!
- Provide legal aid to eligible homeowners in the foreclosure pipeline.



HAF Pilot Assistance Program

- By August, OHSC hopes to launch a pilot mortgage assistance program.
- The HAF pilot program will target at-risk households that are part of the Oregon Bond Program, which is a small lending program administered by OHCS that helps exactly the type of homeowners that are HAF-eligible



Lessons Learned from the OHSI Hardest Hit Fund Programs

OHSI disbursed nearly \$310 million to assist Oregon homeowners from 2010 to 2021 using various programs:

- Mortgage reinstatement,
- Forward payment assistance
- Principal reduction and recast
- Refinance,
- Delinquent property taxes, and
- Reverse mortgage assistance





OHSI: What Worked?

- Recycled Funds: Using forgivable loans provided millions more in assistance for Oregonians
- Variety of Programs: Assistance to homeowners with unique needs



OHSI: What Could be Improved

Demand Management: 20k applications at opening took years to process (plan for this; control intake flow)

Flexibility in Application Process: Self-directed or assistance from housing counselor

Staff turnover: could not maintain effective processes with limited duration staff

OHCS' MAIN HAF PROGRAMS

Mortgage Reinstatement (150% AMI)

Forward Payment Assistance (100% AMI)





Eligibility Determinations

Income calculated using each borrower occupant

Reducing Barriers:

- Accepting evidence of programs with similar qualifications (SNAP, Medicaid, Unemployment)
- Attestation to proceed through initial qualification; entire application?
Autogenerate based upon questions for e-signature?
- Autogenerate IRS 4506-T for e-signature as part of the application process?



Financial Hardship Determinations

Loss of Income (material = 20% or greater)

- Reducing Barriers: accepting evidence of some of the same assistance programs (unemployment)

Increase in Living Expenses

- Attestation?
- Problem: what is material? How do you document the increase?
- Problem: may require individual evaluation
- *Please help us with any ideas on forming this determinant*

Mortgage Reinstatement Program



- Open to 150% AMI and below, to further Treasury's goal of reinstating loans and preventing foreclosures
- 60% Reservation for 100% AMI and below
- Prioritization for those at risk of foreclosure
- Reservation to capture representative populations statewide

Mortgage Reinstatement Waterfall

- Mortgage principal, interest, and escrow shortages on first lien mortgages, chattel loans, land sale contracts
- Second mortgages and down payment assistance if delinquent and foreclosure risk
- HOA, lot rent, land lease, other common charges
- Insurance coverage
- Delinquent property taxes, including lien extinguishment





Forward Mortgage Payment Assistance

- Open to those 100% AMI and below
- Same housing costs covered, if needed
- Intend to use same application as reinstatement
- Recertification quarterly
- Potential to provide several months of forward assistance even after homeowners are stable, to account for reduced savings or increased consumer debt post-pandemic

What other HAF programs should OHCS consider, and which should be prioritized?

- Principal reduction to eliminate deferred balances, or an equivalent toward interest-bearing loan balances?
- Funding for modifications, workouts, and payment recasts?
- Habitability investments?
- Utility or internet assistance?
- Refinancing for homeowners in unaffordable loans or precluded from other assistance by mortgage rules?
- Assistance for specific populations? Fixed income?

Tell Us More & Stay in Touch

<https://www.oregon.gov/ohcs/homeownership/Pages/Homeownership-Assistance-Fund.aspx>

E-News sign-up for HAF for our constant contact updates

<https://www.oregon.gov/ohcs/Pages/index.aspx> (top tab)

Email: hcs.haf@oregon.gov



Summary of Comments during Meeting

- Property taxes will be included as part of the reinstatement and forward payment assistance programs.
- We do not currently anticipate that the receipt of HHF funding or a HAMP modification will preclude assistance through HAF. However, each borrower's mortgage terms, including any modifications, may dictate loss mitigation options.
- We are evaluating home repair as part of future programming options.
- Thank you for volunteering your outreach ideas and lessons learned from the OHSI program!

