



Vermont's Homeowner Assistance Fund

A federal stimulus program to help homeowners with pandemic-related arrearages

A Brief History of Covid-Related Mortgage Assistance in VT



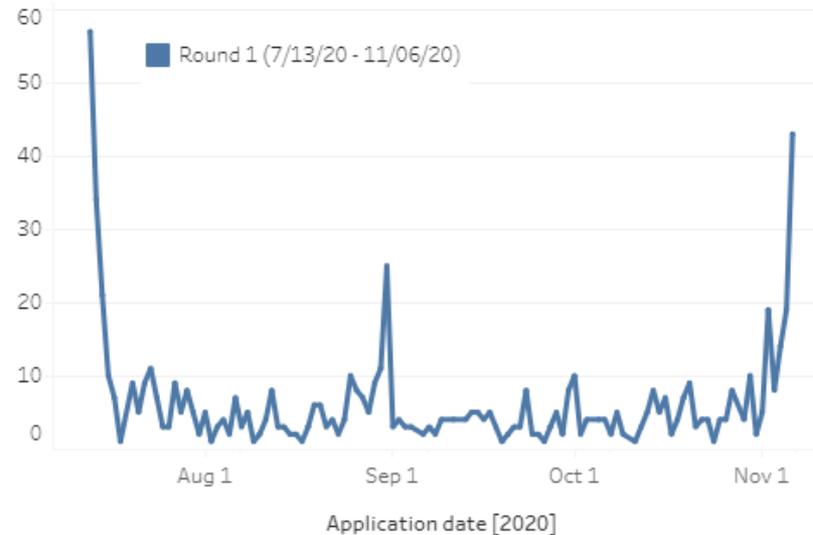
- July 2020 VHFA launched a CARES Act-funded Mortgage Assistance Program (MAP), which stopped taking applications in November 2020.

MAP Funding Round

Round 1 (7/13/20 - 11/06/20) ▾

Total grant recipient households*	636
% of loans in forbearance	65%
Median overdue property tax amount***	\$1,613
Median total grant amount**	\$6,145
Median monthly mortgage payment	\$1,207

Applications received by date



Program data is currently under review and may be subject to change

*Based on unique applicants with valid applications

** Includes paid grants and valid applications still under review

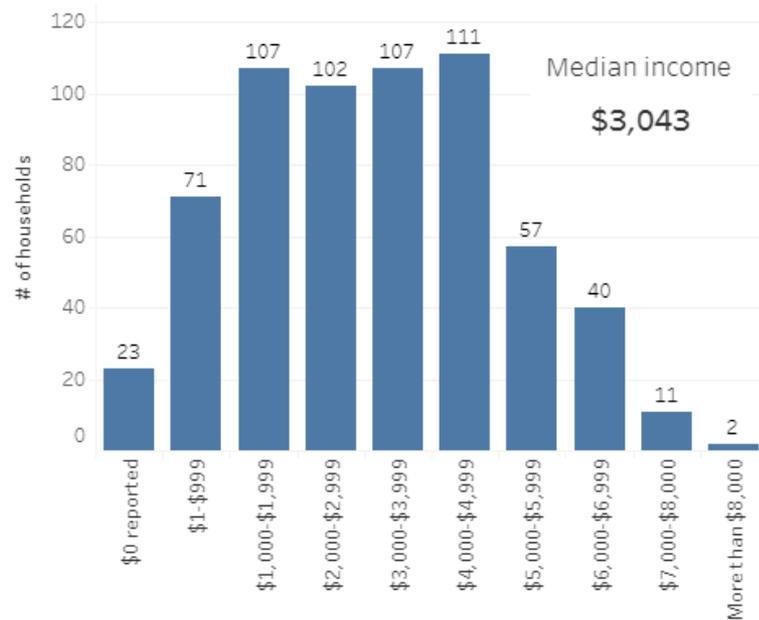
***Includes only property taxes not escrowed with mortgage payment

2020 MAP Eligibility



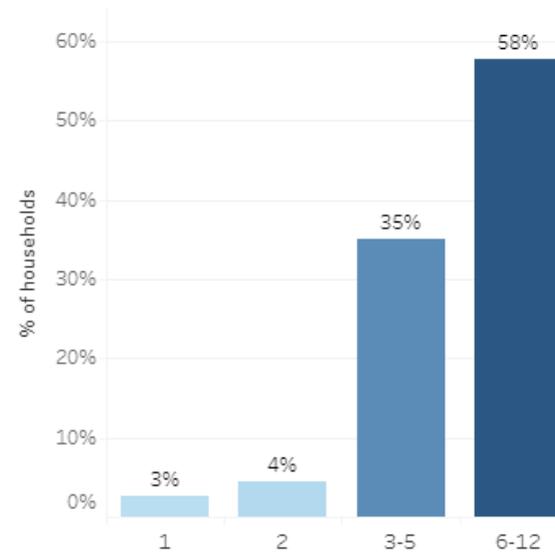
- Income limits: In the previous 90 days could earn no more than:
 - \$24,000 in Chittenden County & \$21,000 in the balance of the state

Monthly household income*



*Applicants reported total income for the prior year and/or the last 90 days at time of application. The data shown is averaged for a single month.

Months of mortgage payments covered by grant*



*Includes fully paid grants only, excluding applications still under review

Eligible for up to 6 months of arrearages

2020 MAP Highlights



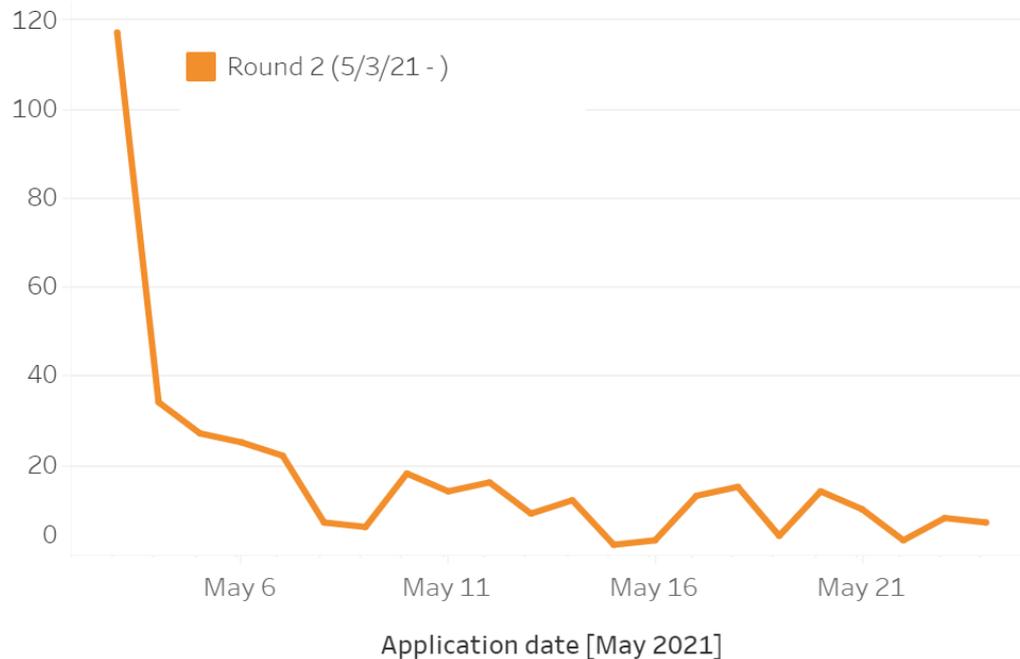
- Online application portal at www.vhfa.org/map
- Worked with a network of non-profit service agencies to help applicants with limited English proficiency, internet access, or needed help filling out application
- Payments made directly to mortgage servicer
- Applicants were younger, more racially diverse, with larger households, and are more likely to be disabled than the general population.

2021 Re-Launch of MAP



- Based on success, and not wanting to wait to help homeowners, VT Legislature awarded **\$5 million** to VHFA to re-open the MAP program using remaining CARES Act funding.

Applications received by date



- High demand:
 - Over 300 applications for
 - \$3 million in assistance
- Program will be open until funds are spent.

Overview of 2021 HAF Program



The American Rescue Plan Act (ARPA) included

\$50 million

to Vermont to create a Homeowner Assistance Fund, which will be administered by VHFA.

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 can be used until September 2025.

First Order of Business



- VHFA needs to create a Homeownership Assistance Fund (HAF) Plan, due to US Treasury on June 30th.
- That document needs your thoughts on:
 - Eligible households
 - Eligible expenses
 - Process suggestions
 - Outreach and engagement
 - Other ideas?
- Next, we'll walk through the federal rules...

Eligible Expenses *(1 of 2)*



1. Mortgage payment assistance;
2. 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;
3. Mortgage principal reduction, including with respect to a second mortgage provided by a nonprofit or government entity;
4. Mortgage interest rate reductions;
5. Delinquent property taxes to prevent homeowner tax foreclosures;
6. Counseling & education by HUD housing counseling agencies or legal services;

Eligible Expenses *(2 of 2)*



6. Payment assistance for:

- a. homeowner's utilities, including electric, gas, home energy, and water;
- b. homeowner's internet service, including broadband internet access service, as defined in 47 CFR 8.1(b) (or any successor regulation);
- c. homeowner's insurance, flood insurance, and mortgage insurance;
- d. homeowner's association fees or liens, condominium association fees, or common charges; and
- e. down payment assistance loans provided by nonprofit or government entities

7. Measures to prevent homeowner displacement, such as home repairs to maintain the habitability of a home or assistance to enable households to receive clear title to their properties.

Eligible Households *(1 of 2)*



- At least **60%** of program funds must be spent on households earning less than 100% of the greater of the Area Median Income (AMI) or US Median Income.

County	4-Person Income	County	4-Person Income
Addison	\$83,700	Lamoille	\$79,900*
Bennington	\$79,900*	Orange	\$79,900*
Caledonia	\$79,900*	Orleans	\$79,900*
Chittenden	\$95,900	Rutland	\$79,900*
Essex	\$79,900*	Washington	\$82,200
Franklin	\$95,900	Windham	\$79,900*
Grand Isle	\$95,900	Windsor	\$79,900*

Presumed, approx. limits. Awaiting Treasury confirmation. Subject to change.

***Using US Median.*

Eligible Households (2 of 2)



Remaining funds can be spent on “Socially Disadvantaged Individuals”

“...Those who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities. The social disadvantage must stem from circumstances beyond their control. There is a rebuttable presumption that the following individuals are socially disadvantaged: Black Americans, Hispanic Americans, Native Americans, and Asian Americans and Pacific Islanders...”

Vermont's HAF Plan Must Include



- Data-driven assessment of homeowner needs
- Program description
- Methods for targeting HAF funding
- How models are based on best practices or previous programs
- Performance goals – mortgage type, demographics, geography
- Administrative readiness
- Budget

Data Driven Assessment of Needs



- What are the characteristics of homeowners with high needs?
- Who should VHFA include as eligible households?
- Where/who might slip through the cracks of eligibility?
- Where/who should be targeted?
- Where should we look for best practices?
- What performance goals should we measure to determine success?
- Who should be engaged in this program design?
- How should we define/determine equity?

Online Resources



- VHFA's currently open Mortgage Assistance Program application: www.vhfa.org/map
- Reports on those served through MAP in 2020 & 2021: <https://www.vhfa.org/partners/initiatives/map>
- Overview of what is new Homeownership Assistance Fund: <https://www.ncsha.org/homeowner-assistance-fund/>
- US Treasury guidance on HAF: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/homeowner-assistance-fund>

How To Submit Comments



- Email: gdemas@vhfa.org
- Write:

George Demas
VT Housing Finance Agency
164 St. Paul Street
Burlington, Vermont
05401

- Participate in a future Public Hearing:
 - Check for announcements at vhfa.org/news/HAF
- Submit comments about using HAF for legal services and homeowner counseling or home repair/modification by June 30, 2021.