

Oregon Homeowner Assistance Fund (HAF) Forward Payment Assistance Program

Program Overview	The HAF program was established under Section 3206 of the American Rescue Plan Act of 2021 (“the ARP”) to mitigate financial hardships associated with the coronavirus pandemic by providing funds to eligible entities for the purpose of preventing homeowner mortgage delinquencies, defaults, foreclosures, loss of utilities or home energy services, and displacements of homeowners experiencing financial hardship after January 21, 2020 through qualified expenses related to mortgages and housing.
HAF Forward Payment Assistance Program Goal	To provide financial assistance to Eligible Homeowners in Oregon to help maintain their existing mortgage and other housing costs, to minimize delinquency and risk of foreclosure or displacement. <ul style="list-style-type: none"> • Specific program goals to be determined
Size of HAF Forward Payment Assistance Program	Oregon Housing and Community Services (OHCS or the State) may utilize up to 30% of its total HAF allocation for this program. The actual allocation will be dependent on reception and success of this program.
Targeted Population of Homeowners and Financial Challenges Program Seeks to Address	Eligible Homeowners with mortgages who are exiting forbearance or are delinquent, with housing costs that constitute Eligible Uses of Proceeds, and 1) who earn less than 100% AMI or 2) who earn less than 150% of the AMI and meet the definition of Socially Disadvantaged. The program will also target Eligible homeowners that fall into one of the former categories and reside in rural Oregon or are most at risk of foreclosure.
Eligible Homeowners	<p>“Eligible Homeowners” for Oregon’s HAF Forward Payment Assistance programs must meet the following criteria:</p> <ul style="list-style-type: none"> • Homeowner must attest that they experienced a financial hardship after January 21, 2020. The attestation must describe the nature of the financial hardship. • Homeowner must currently own and occupy the property as their primary residence. • Homeowner must meet the Homeowner Income Eligibility Requirements. • Homeowner must agree to provide all necessary documentation to satisfy program guidelines within timeframes established by the State, including self-certification or attestation of Socially Disadvantaged status, liquid assets, or other items 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 limits in effect at time of origination. • Homeowners must disclose whether they are in active bankruptcy or have declared bankruptcy in the past ten years. • Homeowners in the Hardship Track must certify or attest to an ongoing financial hardship every three months after approval. If they do not re-certify or attest, or if they no longer have a hardship, the homeowner will no cease to be an Eligible Homeowner. <p>Program Exclusions:</p> <ul style="list-style-type: none"> • The Homeowner, in connection with a mortgage or real estate

	<p>transaction, cannot have been convicted, within the last ten years, of any of the following: (A) felony larceny, theft, fraud, or forgery, (B) money laundering, or (C) tax evasion.</p> <ul style="list-style-type: none"> • Co-owner and/or Co-borrowers, in connection with a mortgage or real estate transaction, cannot have been convicted, within the last ten years, of any of the following: (A) felony larceny, theft, fraud, or forgery, (B) money laundering, or (C) tax evasion. • Co-owners and/or Co-borrowers are not permitted to separately apply for HAF Program assistance.
Eligible Legal Ownership Structures	<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. • Notwithstanding the above, for homeowners who own unit(s) of a housing cooperative unit, the form of ownership for the property may be a for profit or non-profit entity or association.
Qualified Financial Hardship	<p>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.</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.
Homeowner Income Eligibility Requirements	<p>For the Forward Payment Assistance <u>Hardship Track</u>, homeowners must have household income at or below 100% of the AMI for household size.</p> <p>For the Forward Payment Assistance <u>Stability Track</u>, homeowners must have household income at or below 70% of the AMI for household size</p>
Homeowner Prioritization	<p>OHCS 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. <ul style="list-style-type: none"> ○ Under the US Treasury guidance, “Socially Disadvantaged Individuals” are 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

	<p>following individuals are socially disadvantaged: Black Americans, Hispanic Americans, Native Americans, and Asian Americans and Pacific Islanders. In addition, an individual may be determined to be a socially disadvantaged individual in accordance with the procedures set forth at 13 CFR 124.103(c) or (d).</p> <ul style="list-style-type: none"> ▪ Across each of the above categories, priority will be given to homeowners most at risk of foreclosure. ▪ OHCS will also prioritize or reserve funds for homeowners in rural areas. ▪ All remaining funds not otherwise prioritized will be made for other Eligible Homeowners.
Eligible Properties	<p>“Eligible Properties” are those that are:</p> <ul style="list-style-type: none"> • Single-family (attached or detached) properties including floating homes. • Condominium units • 1 to 4-unit properties where the homeowner is living in one of the units as their primary residence. • Manufactured or mobile homes permanently affixed to real property and taxed as real estate. • Cooperatives. • Homes owned by Land Contracts. <p>“Ineligible properties”:</p> <ul style="list-style-type: none"> • Vacant or abandoned land or homes, where the vacancy is not the result of a physical hazard event, casualty loss, or natural disaster. • Second or vacation homes. • Non-Owner-Occupied Investment property. • Mobile homes with no title certificate or statement of ownership in the homeowner’s name.
Eligible Uses of HAF Forward Payment Assistance Program Proceeds	<p>Housing obligations as listed below are “Eligible Uses of Proceeds”:</p> <ul style="list-style-type: none"> • Existing first mortgage lien loan payment (principal and interest) and monthly escrow charges. • Subordinate mortgage lien payment (P&I) • Land Contract payment (P&I). • Manufactured/mobile home loan payment (P&I) and lot rent, if applicable • Floating home loan payment (P&I) and moorage fee, if applicable • Homeowner’s association fees, condominium association fees or other common charges. • Ground lease, cooperative, or land trust charges. • Homeowner’s hazard, flood, earthquake, and/or mortgage insurance. • Property taxes. • De minimis lender-assessed fees or incidental housing related costs, at the discretion of OHCS. <p>Exhibit A to this Program Design contains the other Treasury-required requirements, such as the maximum dollar amount that this program will provide to each homeowner for each type of qualified expense (“Per Item</p>

	Maximum Amount”).
HAF Assistance Tracks and Caps or Limits	<p>The Forward Payment Assistance Programs has two tracks:</p> <ol style="list-style-type: none"> 1. Hardship Track. Where an Eligible Homeowner has a current and ongoing financial hardship, they may receive up to twelve months of payment assistance with Eligible Uses of Proceeds. OHCS will not exceed its “Maximum Hardship Assistance” amount of \$15,000 per household in the Hardship Track of the proposed Forward Payment Assistance Program. 2. Stability Track. Other Eligible Homeowners may receive up to three months of payment assistance with Eligible Uses of Proceeds to provide time for applicants to increase long-term housing stability. OHCS will not exceed its “Maximum Stability Assistance” amount of \$3,750 per household in the Hardship Track of the proposed Forward Payment Assistance Program. <p>The Hardship Track and Stability Track are mutually exclusive. Homeowners and households cannot receive assistance under both tracks. Throughout this document, assistance under the Hardship Track and Stability Track are collectively referred to as the Forward Payment Assistance Program.</p> <p><u>For both tracks:</u> OHCS will not exceed its Per Item Maximum Amounts listed in Exhibit A.</p> <p>OHCS will not exceed its “Maximum HAF Assistance” amount of \$50,000 per household, between the Reinstatement Program and the Forward Payment Assistance Program (for either track).</p>
Assistance Type	<p>The maximum assistance limit will be structured as a five-year, non-recourse, zero percent, forgivable, non-amortizing loan for which a junior lien will be recorded against the property. This lien will have subordination requirements to protect the interests of OHCS and the homeowner. Twenty percent of the loan will be forgiven for each year the loan is outstanding. If the property is sold or a cash out refinance is completed prior to the loan termination date, the Program will recover funds should sufficient equity be available from the transaction. The program shall recycle these recovered funds to provide additional program assistance in accordance with the agreement.</p>
Payout of HAF Assistance	<p>OHCS will disburse HAF assistance directly to mortgage lender/servicer, land contract holder, manufactured/mobile home lender/park (lot fees), floating home association/lender/park (moorage fees), county treasurer or local taxing authority, condominium/homeowners’ association, cooperative board, or management company, and/or other third-party payee authorized to collect eligible charges.</p> <p>OHCS reserves the right to disburse the amount quoted by or negotiated with the recipient; any discrepancies to be resolved by the homeowner and recipient.</p>
Structure of Assistance and Approval Process	<p>HAF assistance will be prioritized to Eligible Uses of Proceeds as follows:</p> <ol style="list-style-type: none"> 1) Principal, interest, and escrow shortages on first lien mortgages, chattel loans, and land sale contracts

	<ol style="list-style-type: none"> 2) Principal and interest on subsequent lien mortgages, if the mortgage(s) delinquency creates a risk of foreclosure or displacement. 3) Condominium/cooperative/homeowners' association fees, land lease payments, land trust payments, other common charges. 4) Insurance coverage. 5) Property taxes. 6) De minimis lender-assessed fees or incidental housing related costs, at the discretion of OHCS. <p>Reservations for assistance may not exceed the Maximum Forward Payment Assistance, the Maximum HAF Assistance, or Per Item Maximum amounts.</p>
Program Launch	OHCS plans to launch the program statewide in November 2021.
Program Duration	<p>The period of performance for the HAF award begins upon approval of this program by the U.S. Treasury and ends on September 30, 2026, subject to later extensions or funding.</p> <p>HAF recipient shall not incur any obligations to be paid with the funding from this award under this HAF program after such period of performance ends. Notwithstanding the forgoing, OHCS plans to use non-recourse loans so that any funds returned to OHCS after the U.S. Treasury's termination date will be recycled and utilized for further disbursements until otherwise depleted.</p>
Application Process	The application will be designed and made easily accessible. OHCS and its partners will design the application to meet the eligibility and compliance requirements while reducing the documentation burden to the applicant as directed by Treasury. OHCS will be accepting applications via multiple platforms as to alleviate as many barriers as possible for the applicant.
Required Application Documents	<p>The following is required as applicable:</p> <ul style="list-style-type: none"> • HAF application • Third Party Authorization (TPA) and Disclosure Form • Non-Recourse Loan Agreement. • Attestation and supporting documentation from homeowner certifying and identifying the Qualified Financial Hardship. • Documentation of the Eligible Uses of Proceeds to be funded, such as mortgages, HOA obligations, property taxes, insurance charges, and others, sufficient to meet the program's verification requirements or exceptions. • Social Security Number card <u>or</u> unique identifier (ITIN) as shown on a legal document, such as federal tax return. • Income attestation and documentation; W2's, paystubs, previous years' tax returns or alternative income documents as applicable to meet the program's verification requirements or exceptions. <p>Applicant must provide each payee's contact and account information if not listed on monthly statement.</p>

Eligibility Determination Notes	OHCS partners or staff will summarize determination of the applicant's eligibility and status in case notes. The summary will include applicable details to support the decision to approve, deny, or take other action with respect to an application submitted.
Quality Control (QC)	OHCS will request that its vendor complete a second look at all denials at the eligibility prequalification and underwriting levels. OHCS will internally handle the appeals processes and test a percentage of applications. OHCS plans additional review of certain approvals or denials based upon specific categories (eg. use of documentation exceptions, delinquencies prior to 1/21/20, awards reaching the per item/program/household caps, etc.).
Program Partner Requirements	Program fund recipients must execute a partner agreement, MOU, and/or acknowledgement, as applicable, to participate. Each must communicate using the Common Data File (CDF), electronic portal, or other secure communication method, as applicable. Each must provide written, itemized housing cost quotes, contact information, payment information (such as ACH, wire transfer, or check, as applicable), any required tax information, and any other information necessary to verify and document an applicant's file.
Program Leverage with Other Financial Resources	OHCS will undertake best efforts to leverage the assistance available for homeowners through this program with assistance available through other federal assistance programs, emergency or otherwise, and other federal and state mortgage loss mitigation or assistance programs and protections.
Program Exclusions	Applicants may not participate in both tracks of the Forward Payment Assistance program (Hardship Track or Stability Track).

Exhibit A

Eligible Uses of HAF Reinstatement Program Proceeds	Per Item Maximum Amount Per Homeowner	Description of Intended Impact on Eligible Homeowners
First lien mortgage, or sole mortgage	\$2,000/mo	For each eligible use in this exhibit, the intended impact is to reinstate housing costs to prevent foreclosure and displacement.
Second or subsequent mortgage(s)	\$500/mo	
Property taxes	\$500/mo	
Insurance (all categories)	\$300/mo	
HOA or other common charges	\$500/mo	
Land lease	\$500/mo	
De minimis charges	\$100/mo	

* If this breakout is not required under further US Treasury guidance, OHCS plans to remove it from the program terms and proceed with a general limit or cap for the program.