

Oregon Homeowner Assistance Fund (HAF) Mortgage Reinstatement 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. Between ARP and these terms, ARP will control unless an exception or deviation has been approved by the US Department of the Treasury (Treasury), including by approval of these program terms.
Brief Description	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 accounts fully or partially current where payments are due for, or were advanced to cover, Eligible Costs.
Size of HAF Reinstatement Program	Oregon Housing and Community Services (OHCS) may utilize up to 40% of its total HAF allocation for this program. The actual allocation will be dependent on reception and success of this program.
Eligible Homeowners	<p>Eligible Homeowners (Homeowners) for Oregon’s HAF Reinstatement Program must meet the following criteria:</p> <ul style="list-style-type: none"> • Homeowner must attest that they experienced a qualifying financial hardship after January 21, 2020, including a hardship that began before January 21, 2020 but continued after that date. The attestation must describe the nature of the financial hardship. • The Eligible Property must be the homeowner’s primary residence pursuant to the program manual requirements. • Homeowner must meet the Homeowner Income Eligibility Requirements. • Homeowner must agree to provide all necessary information, documentation, and/or attestations to satisfy program guidelines within timeframes established by OHCS. • 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. <p>Eligible Homeowners must attest and show that they can pay their ongoing housing costs. If applicants cannot pay their ongoing housing costs, they must be approved for the HAF payment assistance program to also receive reinstatement assistance under this program.</p> <p>Program Exclusions:</p> <ul style="list-style-type: none"> • The Homeowner, 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-owner and/or Co-borrowers, in connection with a mortgage or

	<p>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.</p> <ul style="list-style-type: none"> • Co-owners and/or Co-borrowers are not permitted to separately apply for HAF Program assistance.
Qualified Financial Hardship	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.
Homeowner Income Eligibility Requirements	Homeowners must have household income at or below 150% of the AMI for household size or 100% of the median income for the United States, whichever is greater.
Homeowner Prioritization	<p>OHCS will prioritize funding to the following populations:</p> <ul style="list-style-type: none"> ▪ Eligible Homeowners the most at risk of foreclosure or displacement will be the program’s first priority. Without limitation, this category may include homeowners referred to foreclosure, those denied reinstatement or loss mitigation options, or those with no loss mitigation options. ▪ 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 defined by the Treasury). ▪ OHCS will also prioritize or reserve funds for homeowners in rural areas. ▪ Within each of the other categories in this list, as may be applicable, OHCS will fast track homeowners that also experienced loss or displacement from their homes because of natural disasters. ▪ All remaining funds not otherwise prioritized will be made available 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 one unit is the homeowner’s primary residence. • Manufactured or mobile homes, whether secured by traditional or chattel loans (real or personal property). • Cooperatives. • Community land trust homes or homes on leased land. • Homes owned by Land Contracts. • Vacant properties (or units), in the above categories, where the homeowner was displaced by a physical hazard event, casualty loss, or natural disaster and the property was the homeowner’s primary residence at the time of the mortgage origination and loss event.

	<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. • Investment property that is not the homeowner’s primary residence. • Mobile homes with no title certificate or statement of ownership in the homeowner’s name.
<p>Eligible Costs</p>	<p>HAF funds may be used for a homeowner’s delinquent, deferred, or advanced housing costs, including:</p> <ul style="list-style-type: none"> • Existing first Mortgage payments (principal and interest) and escrow shortages. • Subordinate Mortgage payments (P&I) • Land Contract payments (P&I). • Manufactured/mobile home loan payments (P&I) and lot rent, if applicable. • Floating home loan payments (P&I) and moorage fees, if applicable • Homeowner’s association fees, condominium association fees, cooperative maintenance fees, planned unit development fees, or other common charges, including for lien extinguishment. • Ground lease, cooperative, or land trust charges. • Homeowner’s insurance and/or mortgage insurance. • Property taxes, including lien extinguishment. • De minimis lender-advanced third-party fees or incidental housing related costs, pursuant to OHCS program manuals. <p>Unless otherwise allowed pursuant to OHCS program manuals, Eligible Costs do not include:</p> <ul style="list-style-type: none"> • Fees, charges, or assessments that are not part of a homeowner’s typical payment and were not paid to an independent third party. • Attorney fees or collection costs. <p>“Mortgage” shall have the same definition as in the HAF Treasury guidance document and any subsequent revisions. Program Manuals will control Eligible Cost determinations.</p> <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 Maximum Amount”).</p>
<p>HAF Assistance Caps or Limits</p>	<p>With respect to the applicant’s primary residence, including a dwelling to be made habitable so it may serve as the homeowner’s primary residence, each homeowner will be eligible for up to \$50,000 through this program.</p> <p>OHCS will not exceed its Per Item Maximum Amounts listed in Exhibit A.</p> <p>Each homeowner will be eligible for up to \$60,000 maximum between the Reinstatement Program and the Forward Payment Assistance Program.</p>
<p>Assistance Type</p>	<p>Assistance will be structured as a five-year, non-recourse, zero percent, forgivable, non-amortizing loan for which a junior lien will be recorded</p>

	<p>against the property. This lien will have subordination requirements to protect the interests of OHCS and the homeowner. An equal portion of the loan will be forgiven over the loan term, at least annually, unless a homeowner commits fraud or breaches the loan agreement. If the property is sold or a cash out refinance is completed prior to the loan termination date, the Program will recover funds to the extent that sufficient equity is 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, insurance 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> <p>In instances where the resolution exceeds the amount that OHCS can provide, the homeowner may pay the difference through any means available to them, including personal or outside funds, servicer loss mitigation, or applying for a waiver of the program cap. OHCS encourages servicers and other recipients to negotiate such resolutions with homeowners to further the intent of the statute and program.</p>
Program Launch	OHCS plans to launch the program in phases beginning in November 2021.
Program Duration	<p>The period of performance for this program begins upon Treasury approval of this program and ends on September 30, 2026, subject to later extensions or funding.</p> <p>To the extent permitted after this program’s duration, OHCS plans to use non-recourse loans so that any funds returned to OHCS will be recycled and utilized for further disbursements until otherwise depleted.</p>
Application Process	The application will be designed to be 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 methods online and statewide so as to alleviate as many barriers as possible for the applicant.
Application Documents	<p>The following information, documentation, and/or attestation will be requested:</p> <ul style="list-style-type: none"> • Hardship attestation related to a qualifying financial hardship. • Third Party Authorization (TPA) and Disclosure Form. • Attestation or documentation related to Eligible Costs, including without limitation mortgages, HOA obligations, property taxes, insurance charges, and others that meet the program’s verification requirements or exceptions. • Income attestation or documentation, including without limitation W2’s, paystubs, previous years’ tax returns or alternative income documents that meet the program’s verification requirements or

	<p>exceptions.</p> <p>Program manuals will control the information, documentation, and/or attestations required with regard to each application.</p>
Eligibility Determination and Quality Control	<p>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. OHCS partners and staff will have in place quality control oversight and processes to review a certain percentage of denials or certain categories of denials.</p>
Recipient Requirements	<p>Program fund recipients must enter into a collaboration agreement, MOU, or agree to the program standard terms. Each must communicate using the Common Data File (CDF), a secure electronic portal, using secure email, or other secure communication method. Each must provide written, itemized quotes for Eligible Costs, contact information, payment information (such as ACH), any required tax information, and any other information necessary to verify and document an applicant's file. Program manuals will control recipient requirements and participation.</p>
Program Exclusions	<ul style="list-style-type: none"> • Ineligible homeowners, loans, liens, or properties, including due to nonparticipation of servicer or other recipient. • Non-delinquent mortgages, including payments due during a forbearance period or, in the case of a reverse mortgage, outstanding property charges whether in default or in a repayment plan. • The borrower's mortgage paid through HAF funds cannot be an open home equity line of credit.
Program Interactions with Other Programs	<ul style="list-style-type: none"> • The Reinstatement Program will operate in conjunction with the Forward Payment Assistance Program. • The program cannot fund the same Eligible Costs for the same months as any benefit or assistance payments received from any rental assistance programs, local mortgage or housing payment assistance programs (eg. Salem House Authority, Portland/Multnomah County), tribal housing programs, or other ARPA or Cares Act programs. • Homeowners that received Reinstatement Program assistance in the HAF pilot program will have the amount of that assistance deducted from the cap or limit of this Reinstatement Program.

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	\$2,500/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)	\$1,000/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	

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