



Kenneth C. Holt, Secretary

Homeowner Assistance Fund (HAF)

June, 2021
draft proposal



HOMEOWNER ASSISTANCE FUND

Purpose

- **The goal of the American Rescue Plan and of the Homeowner Assistance Fund is to help the nation recover from a once-in-a-generation disaster that has imposed substantial economic hardship on millions of working families through no fault of their own.**
- **With nearly \$250 million appropriated to the state of Maryland, the HAF will be available to potentially assist over 10,000 households (including socially disadvantaged households) to avoid displacement through financial assistance or home rehabilitation and weatherization.**
- **These funds will assist eligible applicants who were unemployed and/or underemployed as of 3/1/2020, resulting in a risk of displacement.**

HOMEOWNER ASSISTANCE FUND

MILESTONE TIMELINE

- ✓ **Initial fund agreements are executed and initial fund transfer completed**
- **Public review and comment on draft plan in mid-June, 2021**
- **HAF plan due to US Treasury on June 30, 2021**
- **Phased assistance program roll-out**

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Assistance Types

Assistance will focus on avoiding displacement of homeowners and will take one of the following forms:

Type 1 – “Emergency Displacement Diversion” grant to avoid imminent displacement (within 90-days) due to:

- Tax delinquency, chattel loan or land lease (ground lease) delinquency
- Homeowner’s association fee / condominium association fee delinquency
- Low mortgage delinquency amount (under \$5,000)

Type 2 – “Fresh Start” loan to offer a one-time payment of a delinquent mortgage amount and, if needed, additional funds to facilitate a principal curtailment or rate reduction to right size ongoing mortgage payments to levels affordable to the homeowner, after the respective loan servicer exhausts all other loan modification options.

The two types of assistance may be layered.

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Eligibility Criteria

Emergency Displacement Diversion Grant assistance (Type 1)

- Eligible financial hardship; and
- Less than 100% of AMI; and
- Proof of imminent displacement threat
- Homeowners who have received a Notice of Intent to foreclose;
- \$5,000 maximum grant amount

Fresh Start Loan assistance (Type 2)

- Eligible financial hardship; and
- Less than 150% of AMI; and
- Homeowners who have not received a foreclosure notice; and
- Homeowners who are not in active bankruptcy
- \$30,000 maximum loan amount

See Appendix for AMI chart

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Fresh Start Loan Terms (Assistance Type 2)

- Recorded lien
- 0% interest
- Deferred payments for the life of the first mortgage
- Payments due in full when the first mortgage ends (repayment, refinance, transfer, sale)
- Repayment is subject to review and the department may, based on homebuyer situation and needs at the time of repayment:
 - Require payment in full
 - Establish a payment plan
 - Allow full or partial forgiveness

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Notes on Operations

- All applications must be made through the web-based portal with an automated eligibility screening tool at the front end
- Housing counseling agencies will be recommended to all homeowners and available to assist homeowners who need support with submitting an application due to technology challenges, language barriers, complex cases, etc.
- Call center to field incoming contacts
- Applications processed by DHCD
- Escalation group to resolve special cases and an exceptions review committee to consider program requests
- Payments, audits, servicing, reporting by DHCD and providers/vendors



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Partnerships and Vendors

Partnerships will be created or enhanced with:

- Housing counseling agencies
- Legal services
- Mortgage servicers
- Community groups and other marketing/outreach facilitators

Vendors will be engaged to provide:

- IT solutions to support application intake/processing
- IT solutions to support payments
- IT solutions to support ongoing asset management and servicing
- Marketing planning, design and purchases



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Marketing

Marketing will focus first on direct methods of reaching homeowners in the state portfolio, then will expand to cover entire state

Marketing will focus on reaching target households (low income and socially disadvantaged) and geographic areas populated disproportionately by target households

Unified Call center to handle incoming contacts generated by marketing

Website Resources

- FAQ
- Preliminary Eligibility / Required Documentation
- Contacts for Counseling Agencies doing Intake
- Steps for Non-Eligible Homeowners

Social Media

- Facebook, Instagram, Twitter

Marketing outlets will include radio ads / direct mail / digital ads / PSAs / other marketing strategies



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Enhanced Weatherization Program

An enhanced weatherization program will be created in addition to the mortgage rescue assistance detailed in this presentation

\$10 million set aside program budget

- Leverage existing homeowner rehabilitation and weatherization funding
- Leverage existing application, finance and construction infrastructure
- Purpose is to assist legacy homeowners to address health and safety, code and energy efficiency standards in their homes



HOMEOWNER ASSISTANCE FUND

Appendix 1: 2021 Income Limits – 100% of AMI

HAF 100% AMI Low Income Limits By Household Size								
Jurisdiction	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Allegany	\$79,900	\$79,900	\$79,900	\$79,900	\$79,900	\$83,600	\$89,300	\$95,100
Anne Arundel	\$79,900	\$84,100	\$94,600	\$105,100	\$113,600	\$122,000	\$130,400	\$138,800
Baltimore	\$79,900	\$84,100	\$94,600	\$105,100	\$113,600	\$122,000	\$130,400	\$138,800
Baltimore city	\$79,900	\$84,100	\$94,600	\$105,100	\$113,600	\$122,000	\$130,400	\$138,800
Calvert	\$90,300	\$103,200	\$116,100	\$129,000	\$139,400	\$149,700	\$160,000	\$170,300
Caroline	\$79,900	\$79,900	\$79,900	\$79,900	\$79,900	\$83,600	\$89,300	\$95,100
Carroll	\$79,900	\$84,100	\$94,600	\$105,100	\$113,600	\$122,000	\$130,400	\$138,800
Cecil	\$79,900	\$79,900	\$85,100	\$94,500	\$102,100	\$109,700	\$117,200	\$124,800
Charles	\$90,300	\$103,200	\$116,100	\$129,000	\$139,400	\$149,700	\$160,000	\$170,300
Dorchester	\$79,900	\$79,900	\$79,900	\$79,900	\$79,900	\$83,600	\$89,300	\$95,100
Frederick	\$90,300	\$103,200	\$116,100	\$129,000	\$139,400	\$149,700	\$160,000	\$170,300
Garrett	\$79,900	\$79,900	\$79,900	\$79,900	\$79,900	\$83,600	\$89,300	\$95,100
Harford	\$79,900	\$84,100	\$94,600	\$105,100	\$113,600	\$122,000	\$130,400	\$138,800
Howard	\$79,900	\$84,100	\$94,600	\$105,100	\$113,600	\$122,000	\$130,400	\$138,800
Kent	\$79,900	\$79,900	\$79,900	\$79,900	\$84,800	\$91,100	\$97,400	\$103,700
Montgomery	\$90,300	\$103,200	\$116,100	\$129,000	\$139,400	\$149,700	\$160,000	\$170,300
Prince George's	\$90,300	\$103,200	\$116,100	\$129,000	\$139,400	\$149,700	\$160,000	\$170,300
Queen Anne's	\$79,900	\$84,100	\$94,600	\$105,100	\$113,600	\$122,000	\$130,400	\$138,800
St. Mary's	\$79,900	\$87,000	\$97,900	\$108,700	\$117,400	\$126,100	\$134,800	\$143,500
Somerset	\$79,900	\$79,900	\$79,900	\$79,900	\$79,900	\$83,600	\$89,300	\$95,100
Talbot	\$79,900	\$79,900	\$79,900	\$87,400	\$94,400	\$101,400	\$108,400	\$115,400
Washington	\$79,900	\$79,900	\$79,900	\$79,900	\$83,400	\$89,600	\$95,800	\$102,000
Wicomico	\$79,900	\$79,900	\$79,900	\$79,900	\$79,900	\$83,600	\$89,300	\$95,100
Worcester	\$79,900	\$79,900	\$79,900	\$79,900	\$86,200	\$92,600	\$99,000	\$105,400

HOMEOWNER ASSISTANCE FUND

Appendix 2: 2021 Income Limits – 150% of AMI

HAF 150% AMI Low Income Limits By Household Size								
Jurisdiction	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Allegany	\$79,900	\$86,400	\$97,200	\$108,000	\$116,700	\$125,400	\$133,950	\$142,650
Anne Arundel	\$110,400	\$126,150	\$141,900	\$157,650	\$170,400	\$183,000	\$195,600	\$208,200
Baltimore	\$110,400	\$126,150	\$141,900	\$157,650	\$170,400	\$183,000	\$195,600	\$208,200
Baltimore city	\$110,400	\$126,150	\$141,900	\$157,650	\$170,400	\$183,000	\$195,600	\$208,200
Calvert	\$135,450	\$154,800	\$174,150	\$193,500	\$209,100	\$224,550	\$240,000	\$255,450
Caroline	\$79,900	\$86,400	\$97,200	\$108,000	\$116,700	\$125,400	\$133,950	\$142,650
Carroll	\$110,400	\$126,150	\$141,900	\$157,650	\$170,400	\$183,000	\$195,600	\$208,200
Cecil	\$99,300	\$113,400	\$127,650	\$141,750	\$153,150	\$164,550	\$175,800	\$187,200
Charles	\$135,450	\$154,800	\$174,150	\$193,500	\$209,100	\$224,550	\$240,000	\$255,450
Dorchester	\$79,900	\$86,400	\$97,200	\$108,000	\$116,700	\$125,400	\$133,950	\$142,650
Frederick	\$135,450	\$154,800	\$174,150	\$193,500	\$209,100	\$224,550	\$240,000	\$255,450
Garrett	\$79,900	\$86,400	\$97,200	\$108,000	\$116,700	\$125,400	\$133,950	\$142,650
Harford	\$110,400	\$126,150	\$141,900	\$157,650	\$170,400	\$183,000	\$195,600	\$208,200
Howard	\$110,400	\$126,150	\$141,900	\$157,650	\$170,400	\$183,000	\$195,600	\$208,200
Kent	\$82,500	\$94,200	\$106,050	\$117,750	\$127,200	\$136,650	\$146,100	\$155,550
Montgomery	\$135,450	\$154,800	\$174,150	\$193,500	\$209,100	\$224,550	\$240,000	\$255,450
Prince George's	\$135,450	\$154,800	\$174,150	\$193,500	\$209,100	\$224,550	\$240,000	\$255,450
Queen Anne's	\$110,400	\$126,150	\$141,900	\$157,650	\$170,400	\$183,000	\$195,600	\$208,200
St. Mary's	\$114,150	\$130,500	\$146,850	\$163,050	\$176,100	\$189,150	\$202,200	\$215,250
Somerset	\$79,900	\$86,400	\$97,200	\$108,000	\$116,700	\$125,400	\$133,950	\$142,650
Talbot	\$91,800	\$105,000	\$118,050	\$131,100	\$141,600	\$152,100	\$162,600	\$173,100
Washington	\$81,150	\$92,700	\$104,250	\$115,800	\$125,100	\$134,400	\$143,700	\$153,000
Wicomico	\$79,900	\$86,400	\$97,200	\$108,000	\$116,700	\$125,400	\$133,950	\$142,650
Worcester	\$83,850	\$95,850	\$107,850	\$119,700	\$129,300	\$138,900	\$148,500	\$158,100