

To: Senate Committee on Economic Development, Housing and General Affairs
From: Maura Collins, Executive Director of Vermont Housing Finance Agency
Date: September 4, 2020
Re: Additional information on Mortgage Assistance Program utilization

Considering the legislature's need to ensure Coronavirus Relief Funds (CRF) are being spent efficiently and effectively, and meeting the stated needs described in statute, I wanted to provide this update as to the Mortgage Assistance Program funding to answer Senate questions:

Set up – were there any issues related to setting up and administering the programs?

While the task was great – designing and implementing a new program from scratch within days of the legislature approving its creation – VHFA is proud of our online application, ability to pull automated reports, partnerships with lenders and mortgage servicers, and impact of this program on historically marginalized communities. We cannot report any material issues related to setting up the program.

The only lasting concern we see is the deadline of December 30th. The need for mortgage assistance is growing each month and to end a program when there will only be growing demand for it not only wastes the effort put into standing up the program in the first place, but – more importantly – will potentially leave many more Vermonters at risk of losing their affordable home in the future.

How much of the funding has been sent to recipients? How many recipients?

\$0 have been sent to 0 recipients since the program has just begun the review process. The program was always designed to accept applications from mid-July through August, and then processed with loan servicers during the month of September, with funds being transferred by early October. Therefore, funds will begin to be disbursed this month when review is complete and information is verified with the mortgage servicer.

How much is committed and when will these funds be sent to recipients? How many recipients?

As of September 1, 2020:

Applicant Status	# Applications	\$ Amount Requested
Applied, no review yet	47	\$277,326
Incomplete reservation (missing mortgage statement)	53	\$281,170
In review	231	\$1,624,366
Ready to be paid	2	\$2,953
Totals	333	\$2,185,817

All amounts above are based on the information applied for by the applicant and have not yet been independently confirmed with the mortgage servicer. Additionally, there are program and administrative expenses including marketing, translation services, paying non-profit organizations to support historically marginalized applicants, and other critical pieces of operating a new program.

How much is uncommitted? What is the plan for spending these funds? Accepting additional applications? What are the deadlines?

If we assume the above totals entered by applicants is correct, then there is \$2,359,637 of program funds uncommitted. The remainder of the funding is administrative costs.

\$2,185,817	Applications received
+ \$2,359,637	Uncommitted program funds
\$4,545,454	Total potential program funds
\$218,582	Administrative costs incurred
+ \$235,964	Uncommitted Administrative funding
\$454,546	Total potential administrative expenses
\$5,000,000	Total (Program funds + Admin costs)

The plan for spending the uncommitted funds includes keeping the program open until funding is exhausted. With our current system we would likely need to shut down new applications for funding no later than October 15th, knowing that it could take up to four to six weeks for VHFA to work to confirm application information, work with mortgage servicers to verify information and transfer funds.

To help promote the program, VHFA has already begun the following activities:

- Additional marketing through online and digital advertisements;
- Direct mailing to Rutland residents advertising the program;
- Continued outreach through lenders, servicers, and community partners;
- Pitching human interest news stories with individualized stories of applicants; and
- Keeping the program open until funding is exhausted.

What is the expected Total Spend?

\$5 million if we are successful in reaching another 300+ households.