



# **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



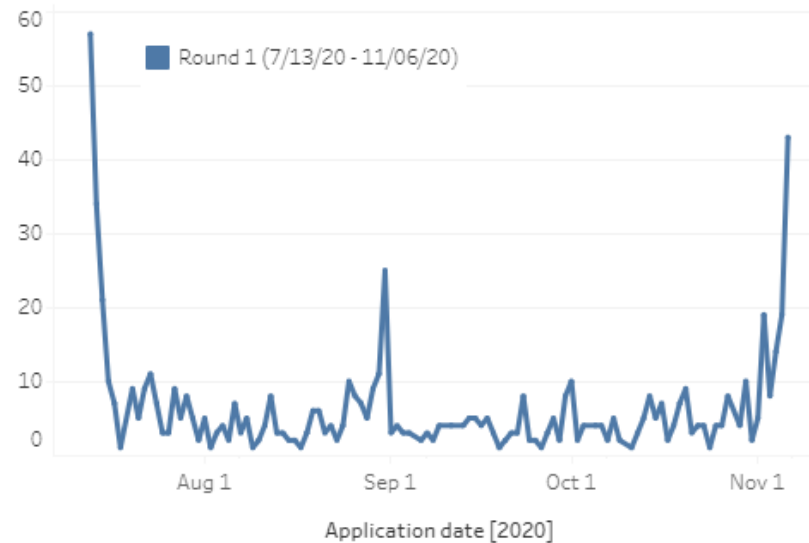
- July 2020 VHFA launched a CARES Act-funded Mortgage Assistance Program (MAP), which stopped taking applications in November 2020.

MAP Funding Round

Round 1 (7/13/20 - 11/06/20) ▾

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

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

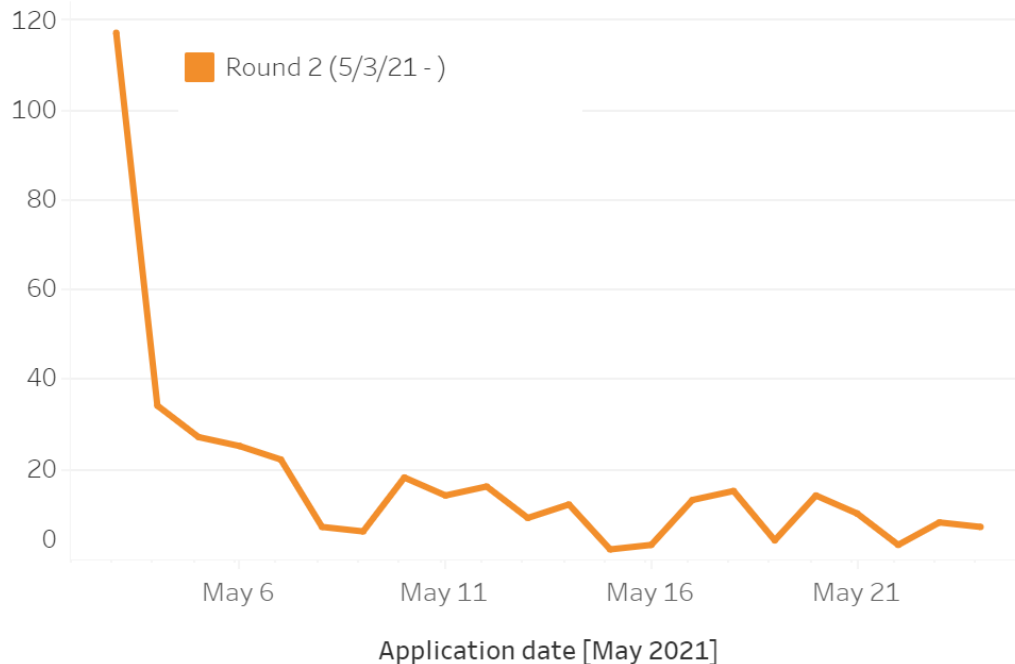
\*\*\*Includes only property taxes not escrowed with mortgage payment

# 2021 Re-Launch of MAP



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

Applications received by date



- High demand:
  - Over 300 applications for
  - \$3 million in assistance
- Applications closed June 2021

# 2020 MAP Highlights



- Outcomes available online:  
<https://www.vhfa.org/partners/initiatives/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 were made directly to mortgage servicer
- Applicants trend younger, more racially diverse, with larger households, and are more likely to be disabled than the general population.
- Geographic disbursement of program funds

# Overview of 2021 HAF Program



Funding via the American Rescue Plan Act (ARPA)

**\$50 million to Vermont**

Created the Homeowner Assistance Fund, which will be administered by VHFA for a program called Homeownership Assistance Program (HAP).

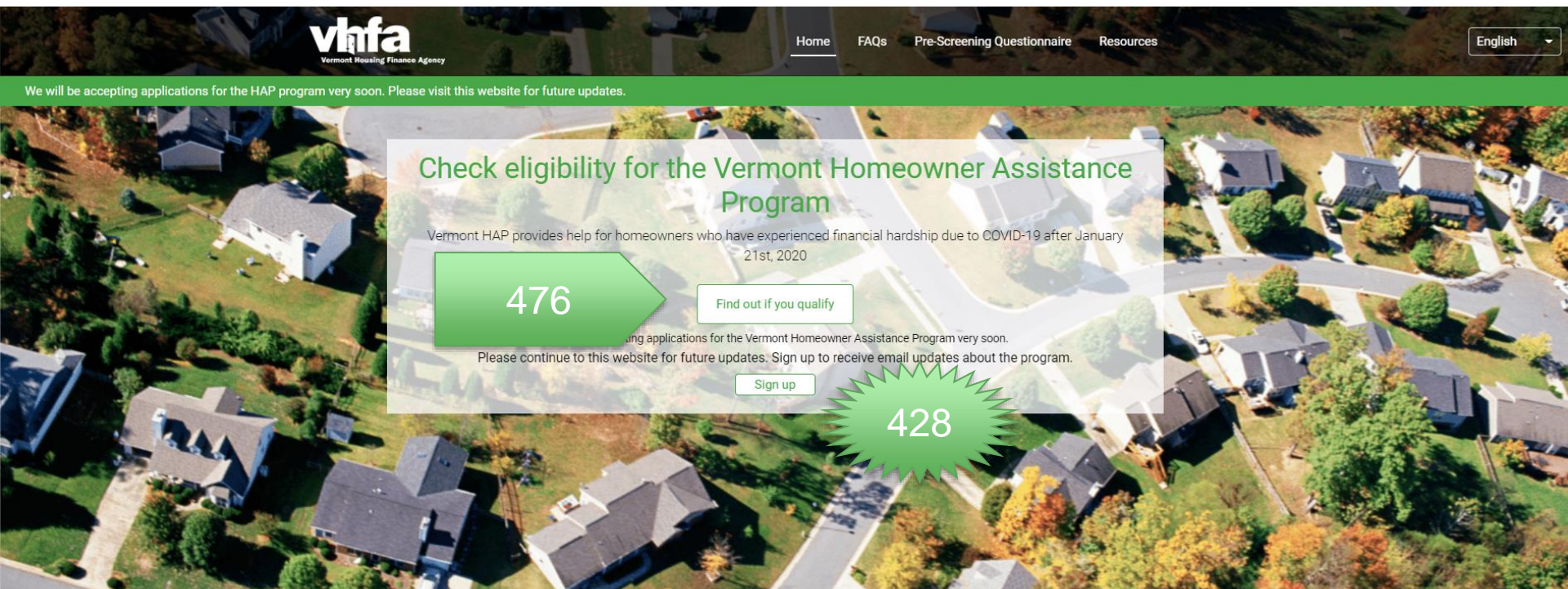
*The purpose of the Homeowner Assistance Fund (HAF) is to prevent mortgage delinquencies and defaults, foreclosures, loss of utilities or home energy services, and displacement of homeowners experiencing financial hardship after January 21, 2020.*

Funds can be used until September 2025.

# Initial Tools & Indicators



- VHFA launched an informational site with pre-screening tools and basic information: <https://vermonthap.vhfa.org/>



## Program Information

Eligible Vermont homeowners will be awarded Vermont HAP funds for the purpose of preventing home foreclosure and homeowner displacement. This can include assistance with overdue mortgage payments, homeowners association fees, property taxes, and/or utilities.

# Operational Notes



- Application accepted via web portal OR in paper form.
- 
- Working to make applications available in 9 languages.
- Vendor on board to operate full-call center.
- Eligibility driven by federal requirements and the state's Homeowner Assistance Plan.

# Homeowner Assistance Fund Plan



- Treasury required a [Homeownership Assistance Fund \(HAF\) Plan](#), which was submitted to US Treasury on August 20<sup>th</sup>.
- We incorporated extensive public feedback around:
  - Eligible households
  - Eligible expenses
  - Process suggestions
  - Outreach and engagement
  - Other ideas?
- Much of the program is guided by 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)*



## 7. 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

## 8. 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 Includes



- 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



- Draft Plan, as submitted to the US Treasury on August 20<sup>th</sup>, 2021 now available:  
<https://vhfa.org/sites/default/files/VHFA%20Draft%20HAF%20Plan%2008132021.pdf>
- VHFA's currently open Mortgage Assistance Program application: [www.vhfa.org/map](http://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>