

**To:** House Committee on General, Housing, and Military Affairs  
Senate Committee on Economic Development, Housing, and General Affairs

**From:** Wendy Morgan, Director, Housing for Everyone Law Project, Vermont Legal Aid

**Re:** Report of Activity under Grant to Vermont Legal Aid to Assist in Preventing Homelessness

**Date:** January 13, 2021

The following report is prepared by Vermont Legal Aid to advise the legislature and public of the efforts made by it and its sister agency Legal Services Vermont, between July and December 30, 2020, to provide assistance to tenants and homeowners seeking to access funds through the Rental Housing Stabilization Program (RHSP) and the Mortgage Assistance Program. Both programs were created pursuant to Act 137 of 2020 (H.966). In submitting this report, Vermont Legal Aid and Legal Services Vermont also hope that it will be useful to your deliberations regarding the new housing assistance program utilizing the federal dollars awarded to Vermont under the emergency rental assistance program in HR 133.

The statutory mandate of H.966 is “to provide legal and counseling services to persons who are, or are at risk of, experiencing homelessness, or who have suffered economic harm due to the COVID-19 crisis.” Vermont Legal Aid worked with the other primary stakeholders in pursuing this legislation, as well as the earlier moratorium legislation, Act 101 of 2020 (S.333), and in implementing the legislation with regards to evictions and foreclosures.<sup>1</sup>

### **Summary**

Vermont Legal Aid and Legal Services Vermont worked together to contact anyone needing rental assistance or facing homelessness or foreclosure. Over the course of five and half months, we contacted well over 2300 persons. We answered questions, helped tenants and

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<sup>1</sup> Those stakeholders are: Department of Housing and Community Development, Vermont State Housing Authority for Rental Housing Stabilization Program, Vermont Housing Finance Agency for Mortgage Assistance Program, and the Vermont Landlords Association. Vermont Legal Aid has also worked with the Department for Children and Families’ Economic Services Division regarding the General Assistance motel program and the Office of Economic Opportunities regarding programs to support persons experiencing homelessness. The Housing and Conservation Board supported the legislation but has focused on obtaining and refurbishing residential units and shelters.

homeowners file applications, represented persons facing homelessness, and secured dismissals of eviction actions.

In order to accomplish this, we hired and trained staff, created education and outreach materials, secured translations, advocated for agencies to expand and develop program coverage, develop applications, program materials, court forms and pleadings, and represent tenants in court and administrative hearings.

## **I. Staffing and Program Design**

In recognition of the urgency of the task to help VSHA make the most of RHSP before the end of 2020, Vermont Legal Aid added three temporary staff to answer tenant questions, help tenants and their landlords apply, and take referrals from VSHA on incomplete applications, or applications where tenants indicated health and safety issues. Vermont Legal Aid and Legal Services Vermont also hired four attorneys to work on getting eviction cases resolved. These new attorneys joined current VLA and LSV attorney staff as we continued our work to maintain tenant subsidies, seek repairs of unsafe conditions, oppose illegal lockouts, and minimize homelessness. The project created pursuant to this grant was named the Housing for Everyone Law Project (HELP). Wendy Morgan was named director of HELP. Jean Murray and Jessica Radbord at Vermont Legal Aid and Maggie Frye at Legal Services Vermont provided substantial organization, training, supervision, and expertise for the implementation of the project.

HELP staff assisted tenants with the Rental Housing Stabilization Program and the Mortgage Assistance Program in four primary ways:

- (1) We responded to phone calls to our intake phone number and email requests submitted through our webpage, [www.vtlegalaid.org](http://www.vtlegalaid.org)
- (2) Vermont State Housing Authority (VSHA) referred to Vermont Legal Aid via email (a) incomplete applications, where either the tenant or landlord applied but the other did not, (b) tenants alleging life safety problems in their units that were in violation of the Vermont Rental Housing Health Code; and (c) tenants whose landlords applied for only half the rent arrearages and thereby retained the right to evict the tenants. HELP staff reached out to tenants and sometimes landlords to work with them to get payment of all rent due and resolve life-safety problems so RHSP could pay and the tenancy secured.

- (3) Vermont Legal Aid and Legal Services Vermont worked to obtain contact information of defendant-tenants and mortgagors in pending eviction and foreclosure cases. We used case statistics obtained from the Vermont Judiciary and information obtained from County Court Operations Managers. We also directly contacted unrepresented landlords, and landlords' attorneys, to obtain contact information of defendant-tenants. Where possible, we reached out to defendants via phone call, text message, email or letters to offer our assistance. We helped those who responded to access the RHSP funds and secure dismissals of their pending eviction cases.
- (4) Persons experiencing homelessness who requested assistance in appealing shelter or motel terminations or denials, or were facing legal problems related to access to permanent housing, were referred to a designated team at Vermont Legal Aid and Legal Services Vermont.

## **II. Rental Housing Stabilization Program (RHSP)**

The Rental Housing Stabilization Program provided funding to landlords on behalf of tenants in need of rental arrearage assistance or in need of assistance to move to new housing to avoid an eviction and possible homelessness. The program was administered by the Vermont State Housing Authority. Vermont Legal Aid created a detailed description of the program, see Attachment A starting page 9, which was translated into eight languages.

### *1. Direct Requests for Assistance and Referrals from VSHA*

VSHA stood up the Rental Housing Stabilization Program (RHSP) on July 13, 2020. Since that time, Vermont Legal Aid's callback staff contacted or attempted to contact nearly 1150 tenants. Nearly all of them were interested in receiving information on the Rental Housing Stabilization Program; a small number also called inquiring about code enforcement, eviction, and mobile home lot rent.

### *2. Housing Cases in General*

In addition to the above calls, Vermont Legal Aid staff have handled 304 cases assisting tenants in retaining housing or to address violations of Vermont Rental Housing Health Code, illegal lockouts and utility shutoffs. Following is the breakdown of the 178 cases *fully funded* by HELP:

- a) Evictions or terminations-80
- b) Other housing-58
- c) Code violations-16
- d) Lockouts-16
- e) Utility Shutoff-7

### 3. *Filed Eviction Cases*

In July and December, we obtained data from the Vermont Judiciary regarding all active eviction cases in Vermont courts. Vermont Legal Aid and Legal Services Vermont attorneys attempted to contact every defendant in an eviction case in order to use RHSP to dismiss their case. Vermont Legal Aid reviewed 514 of those files and contacted 668 of the unrepresented defendant-tenants; 71 defendants requested our representation. We also notified landlords of a way they could obtain RHSP payments in exchange for dismissing their cases.

By December 30, 2020, attorneys at Vermont Legal Aid and Legal Services Vermont had resolved 57 court cases providing landlords with nearly \$413,000 in back rent, costs, and attorneys' fees. VSHA reports that a total of 116 court cases (including ours), totaling nearly \$920,000, were resolved with RHSP payments.

RHSP acted as a complement to the eviction moratorium. With RHSP paying past due rent, far fewer cases were filed between March and December of 2020 (less than 50 filed per month) than had been filed during those same months in previous years (around 150 filed per month).<sup>2</sup> And even though 75% of eviction cases in Vermont are for non-payment of rent,<sup>3</sup> a number of cases filed for cause were also dismissed after an RHSP payment.

### 4. *Mediation Program*

In many cases, the state of emergency and the eviction moratorium escalated the tension between landlords and tenants. In October, the Vermont Landlords Association and Vermont Legal Aid set up a voluntary mediation program that sought to help landlords and tenants resolve differences and maintain housing. The Landlords Association administered the program and

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<sup>2</sup> Exact statistics are hard to come by this year because the Vermont Judiciary switched databases for three counties beginning in March, and for four more counties beginning in September.

<sup>3</sup> "Eviction in Vermont, a Closer Look", Vermont Legal Aid, Inc., January 2019 found at: <https://www.vtlegalaid.org/sites/default/files/Eviction-Report-VLA-3.18.19-web.pdf>.

together we recruited, trained, and contracted to pay five mediators. Vermont Legal Aid participated in three cases that were successfully mediated; another case was scheduled but resolved prior to the mediation.

5. *Vermont Supreme Court's Administrative Order 49*

On July 23, 2020, Vermont Legal Aid successfully obtained an amendment to the Vermont Supreme Court's Administrative Order 49, establishing special pleading requirements for both eviction and foreclosure proceedings potentially affected by the federal CARES Act, Pub. L. No. 116-136. That Act provides specific requirements for evictions for nonpayment from, and foreclosures of, properties financed by federally backed loans or participating in certain federal housing programs. Failure to comply with such pleading rule results in automatic dismissal of the court action.

**III. Mortgage Assistance Program (MAP)**

This program provided up to six months of mortgage payments to mortgage servicers on behalf of borrowers. All applications filed between July 13 and November 6, 2020 were considered for payment, with priority given to applicants with lower incomes. For more detail on the program, see Attachment B starting page 14.

Vermont Legal Aid effectively advocated to expand MAP to include mobile homeowners who were behind on mobile home loans, as well as payment of property taxes if the homeowner had a mortgage or mobile home loan; we were not successful in obtaining assistance for homeowners, often elderly and on a fixed income, who do not have a mortgage. One attorney and one paralegal, both working part time on this, were assigned to provide Vermont Legal Aid's assistance to homeowners on mortgage issues.

1. *Requests for Assistance:*

During the course of the MAP project, Vermont Legal Aid received and returned 93 requests for information or assistance.

2. *Filed Foreclosure Cases:*

Vermont Legal Aid prioritized giving assistance to homeowners with pending foreclosure cases. Once we received data from the Vermont Judiciary on pending foreclosures, we reviewed

and identified cases where defendants entered an appearance and were not represented by counsel. We also contacted the clerk in each county and requested contact information of those pro se defendants who had filed a notice of appearance in their case. We sent outreach letters offering to help in applying for mortgage assistance to defendants across the fourteen counties.

Finally, the foreclosure attorney reviewed all foreclosure actions filed since the state of emergency was declared and determined whether any of those cases were filed in compliance with the CARES Act moratorium against foreclosure or the various foreclosure moratoria in effect that sought to protect homeowners with federally-backed mortgages. As mentioned in Part II., that additional protection afforded to the mortgagors was a direct result of our advocacy efforts. Our foreclosure attorney provided limited representation to a number of financially struggling homeowners threatened with or already facing foreclosure actions. In two cases, she successfully assisted homeowners in resolving active foreclosure cases, resulting in dismissal of those actions. In others, using both legal advocacy skills and assisting clients to access MAP payments, the attorney resolved clients' mortgage defaults before they escalated to a foreclosure actions.

#### **IV. Support for Persons Experiencing Homelessness**

Legal Services Vermont received a total number of 212 contacts to the hotline from July 1, 2020, through January 5, 2021, for issues relating to homelessness. In addition, attorneys at Vermont Legal Aid in medical-legal partnerships, received requests for similar assistance. In total, attorneys assisted 59 persons experiencing homelessness.

In addition, Vermont Legal Aid advocated with the Department for Children and Families on behalf of persons experiencing homelessness to ensure that their due process rights were respected during the public health crisis and that the interim rules were appropriate, fair, and met the needs of persons with disabilities. Our objective was to help any person experiencing homelessness retain safe shelter and access short-term, and permanent rental subsidies so that they could quickly exit homelessness.

#### **V. Outreach, Translation and Interpretive Services**

Our outreach covered regular Covid-19 web updates at [vtlawhelp.org](http://vtlawhelp.org), Front Porch Forum, mass mailings to community partners, and emails to our clients regarding Covid-19

financial assistance programs for them to send to friends and relatives. We did social media posts as the programs and deadlines changed, including posts in eight languages directing readers to the translated FAQs described below.<sup>4</sup> We also held and posted four virtual town halls for community advocates and others on the eviction and foreclosure moratorium and rental and mortgage assistance.<sup>5</sup>

Our Frequently Asked Questions (FAQs) outlining the Rental Housing Stabilization Program, Attachment A, were translated into eight languages: Arabic, Burmese, French, Kirundi, Nepali, Somali, Spanish, and Swahili. With a focus on longer term housing retention, we had the Illustrated Guide to Renting in Vermont translated into the three languages into which it had never been translated.<sup>6</sup>

We had only one request for interpretive services, which we were able to handle in-house.

### **Closing Statement**

The pandemic has disproportionately aggravated the lives of poor and low-income tenants and homeowners. Their lack of access to devices and phone or Internet service was one of the most difficult hurdles for our teams to overcome. Our two organizations went to great lengths to provide information about the RHSP and MAP programs to those who struggled to remain housed during the Covid-19 crisis.

I want to thank the dedicated HELP staff at Vermont Legal Aid and Legal Services Vermont for all the work they did over the last six months to ensure that as many Vermont renters as possible would remain in their homes: Noura Eltabbakh, Margaret Frye, Maria Gamache, Laura Gans, Skye Jackson, Jean Murray, Grace Pazdan, Bradley Showman, Ruth Welch, and Wendy Xu.

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<sup>4</sup> For example, see this page and scroll down to the images of translated text. <https://www.facebook.com/VermontLegalAid/photos>

<sup>5</sup> <https://vtlawhelp.org/covid-town-halls>

<sup>6</sup> <https://vtlawhelp.org/landlord-tenant-renter#illustrated-guide>

The working relationship among the Department of Housing and Community Development, Vermont State Housing Authority, Vermont Landlords Association, and Vermont Legal Aid, has been remarkable. We were guided by the goal of all Vermonters retaining or obtaining housing during the pandemic, driven to maximize the benefit the federal dollars provided to as many Vermont tenants and landlords as possible.

Most importantly, we wish to thank the legislature for providing us the funding that enabled us to assist Vermonters in accessing rental and mortgage assistance. Although it was difficult to stand up our small portion of the overall program while hiring staff and consulting on the two programs, we were pleased to have this opportunity to deliver our services and coordinate our efforts with government agencies and partners to help Vermont and Vermonters. As the Covid-19 outbreak has been escalating in our country, we hope that our services have substantially contributed to the wellbeing of the poor and prioritized the needs of the least fortunate.

Thank you.



## Attachment A

The below text was available In July, 2020 –through December 11, 2020 on <https://vtlawhelp.org/coronavirus-updates#rent> and was available in Translations: العربية / Arabic; Af-Mai-Mai / Mai Mai; Af Soomaali / Somali; 官话 / Mandarin Chinese; नेपाली / Nepali; Tiếng Việt / Vietnamese; မြန်မာစာ / Burmese; Español / Spanish.

### Overview and Frequently Asked Questions of Rental Housing Stabilization Program

*Information Correct as of 7/24/2020*

#### Key phone numbers and web pages:

- Vermont Legal Aid (VLA)/Legal Services Vermont (LSV) intake line: 1-800-889-2047
- Vermont Legal Aid/Legal Services Vermont legal help website: <https://vtlawhelp.org/money-for-past-due-rent>
- Emergency Housing: Benefits Service Center 1-800-479-6151 or 2-1-1
- Rental Housing Stabilization Program Application: <https://www.vsha.org/rental-housing-stabilization-program/>
- VT Landlords Association: 802-985-2764 or 888-569-7368
- VSHA Payment Standards: [https://www.vsha.org/wp/wp-content/uploads/2020/02/FY2020-Voucher-Payment-Standards .pdf](https://www.vsha.org/wp/wp-content/uploads/2020/02/FY2020-Voucher-Payment-Standards.pdf)

## ELIGIBILITY

### Who is eligible?

Households who are behind on their rent or lot rent are eligible for financial help. A “household” might be you and your family, or you and your roommates. You are called the “tenant.”

### Where does the money go?

Money will be paid directly to current or future landlords or lot owners, if they agree to certain terms. The money will be a grant that does not have to be paid back.

### What situations are eligible for a grant?

1. Tenant with unpaid rent applies together with landlord who wants to get paid and keep the tenant.
  - YES – This situation is eligible for help.
2. Tenant who needs a security deposit and the advance rent required to move to a more affordable unit applies together with new landlord ready to rent to them.
  - YES – This situation is eligible for help.
3. Landlord is owed rent but the tenant hasn’t responded to them, and has not replied to the landlord’s grant application to VSHA.
  - YES – The landlord can get half the rent owed and can end the tenancy. The tenant will have to move out after the eviction process.
4. Vermonter living in a motel paid for by General Assistance in any month since March, after they have worked with a coordinated entry program.
  - YES – Call 211 or go to [helpingtohousevt.org](http://helpingtohousevt.org) to find a coordinated entry program and get help.

**Is there an income limit to get this money?**

No. There is no income test for this assistance.

**Do I need to have lost income due to COVID to be eligible?**

No. You do not need to have lost income for a COVID-related reason in order to get this financial help.

**I am facing financial hardship due to COVID, but paid my rent using savings or borrowed money. Am I eligible?**

No. To be eligible for back-rent assistance through this program, you and your landlord must certify that you currently owe rent, and that money is paid directly to your landlord. Unfortunately, if you have used other funds and do not currently owe rent, you are not eligible for this grant.

**My apartment needs repairs. Am I eligible?**

Rental units are eligible for assistance if they meet the Vermont Rental Housing Code or will meet it within 30 days. However, if your unit has serious life safety code violations, back rent money is not available until repairs are made. The list of violations is on the application and includes problems like:

- fuel leaks
- flooding
- no hot water
- no toilet
- electrical problems that could result in shock or fire
- etc.

In your application, if you note that your unit has serious life safety code violations, you will be referred to the local Town Health Officer and Vermont Legal Aid.

**What does “homelessness” mean in this context?**

For the purpose of this program, someone is considered “homeless” if they got emergency housing assistance through DCF Economic Services in any month since March 2020.

**My landlord already filed an eviction case in court. Am I still eligible?**

Yes. In fact, if your landlord accepts grant money, they must drop any pending eviction case.

**APPLICATION**

**How do I apply as a tenant?**

We recommend that you start by talking with your landlord about applying and confirming how much rent is owed. As a tenant, you can apply by downloading, saving and filling out the application found on the Vermont State Housing Authority (VSHA) website: [https://www.vsha.org/wp/wp-content/uploads/2020/07/RENTAL-HOUSING-STABILIZATION-PROGRAM-TENANT-APPLICATION..\\_.pdf](https://www.vsha.org/wp/wp-content/uploads/2020/07/RENTAL-HOUSING-STABILIZATION-PROGRAM-TENANT-APPLICATION.._.pdf).

Your landlord must also fill out the Landlord Certification found on the VSHA website: <https://www.vsha.org/wp/wp-content/uploads/2020/07/RENTAL-HOUSING-STABILIZATION-PROGRAM-Landlord-APPLICATION..-002.pdf>.

The amounts of back rent listed on these applications should match. Once VSHA Vermont State Housing Authority receives both of these forms, they will make a decision within 10 days.

**Will my landlord be told if I apply?**

We recommend that you speak with your landlord before you apply to confirm how much rent they think you owe and ask them for the legal name of your landlord's business. Your landlord needs to submit documents before your application is complete. If your landlord does not want to participate in the program, contact Vermont Legal Aid for help.

**Do I need to print and sign this application?**

No, you can type your name in the signature line instead of printing and signing the document. Be sure to download and save the application to your computer or other device before filling it out. Once it is filled out, you can email it to [rentrelief@vsha.org](mailto:rentrelief@vsha.org).

**If I have roommates, do we each apply?**

If your household has one rental agreement with the landlord, you should submit **one application** that includes all of the rent owed by all roommates.

**How does a landlord apply?**

To apply, landlords must complete a certification form, a direct deposit form, and a W-9 form. They are all found on the VSHA website: <https://www.vsha.org/rental-housing-stabilization-program/>. They must also give VSHA a voided check. VT Landlords Association (802-985-2764 or 888-569-7368) is providing help to landlords who are applying.

**If a tenant applies, does a landlord have to participate? What happens if they don't?**

Landlords may choose not to participate in this program. Participation requires them to agree to certain things like waiving late fees and not evicting for non-payment for some time. They may decide they do not want to agree with those terms. If you owe back rent and are facing eviction, you can contact us at Vermont Legal Aid at 1-800-889-2047 for advice.

**What do I have to do to apply if I am homeless?**

If you are applying for money to help with a security deposit and rent to move in, both you and your soon-to-be-landlord will need to send in applications. The applications should say:

1. the amount of security deposit, and
2. how much advance rent is required to move in.

These amounts should be the same on both applications.

If you are homeless and need an ongoing rental subsidy, VSHA will tell you to work with Coordinated Entry first. Call 211 or go to [helpingtohousevt.org](http://helpingtohousevt.org) to find a coordinated entry program.

**What does it mean for a tenancy to be "unsustainable"? Who should check that box on the application?**

Your tenancy is "unsustainable" if — regardless of income or expense changes because of COVID-19 — your current unit was unaffordable for your household. You may be in this situation if you have found a more affordable unit, but you need money for security deposit and advance rent required to move in.

If you have a very low income and can't find more affordable housing, call 211 or go to [helpingtohousevt.org](http://helpingtohousevt.org). You can find an organization to help you get more housing benefits so you can afford housing.

### **Are the forms available in languages other than English?**

The forms are currently only available in English, but will soon be available in other languages. Vermont State Housing Authority (802-828-3295) will have interpreters. If you are having trouble with the application, you contact Vermont Legal Aid (1-800-889-2047) and we will also have interpreters.

### **What do I do if I have questions about the application?**

Tenants who need help with the application can contact the Vermont Legal Aid intake line: 1-800-889-2047. More information about the program, including FAQs, is found on the VSHA website:

<https://www.vsha.org/rental-housing-stabilization-program/>. Our legal help website also has some information: <https://vtlawhelp.org/money-for-past-due-rent>

## AMOUNTS

### **How much money for back rent can I get?**

For each month in which you owe rent, VSHA will pay your landlord either the amount you owe or the [VSHA payment standard](#)—whichever is lower. If your landlord accepts the grant money, you will not have to pay any late fees or amounts owed above the payment standard.

### **What happens if my monthly rent is above the VSHA payment standard?**

By accepting grant money, your landlord agrees to accept a maximum of the VSHA payments standard for each month, even if you owe more than that amount. You will not have to pay any amounts owed above the payments standard.

### **My landlord won't agree to fill out the paperwork unless I pay extra money on the side. What do I do?**

Side payments are not allowed under the program. Your landlord should not insist that you pay more than the VSHA payment standard for each month. If your landlord will not agree to the program terms, contact Vermont Legal Aid at 1-800-889-2047. Be sure to call us if you got a termination notice or papers about a court case.

### **I am homeless. How much money can I get to help me with new housing?**

If you stayed in housing paid by General Assistance any time since March, you may be eligible for a security deposit and first and last month's rent. To apply, you and your future landlord must both apply. Your applications should say:

1. the security deposit amount, and
2. how much advance rent is needed to move in.

Your application will be sent to the Vermont Agency of Human Services for help, or you can contact your local coordinated entry organization. Call 211 or go to [helpingtohousevt.org](http://helpingtohousevt.org) to find a coordinated entry program.

## OTHER

### **Can I get this money if I am not a citizen? What about if I am Not in this country with Legal status?**

The rental housing stabilization program is available to anyone currently renting in Vermont without regard to citizenship or immigration status."

**If we are approved and my landlord gets the money, does that protect me from eviction? For how long?**

If your landlord accepts grant money, they must drop any pending eviction, waive all late fees, and consider your back rent fully paid for any months covered by the grant. Your landlord also agrees not to evict for non-payment of rent for as many months as the grant covered or for 6 months, whichever is less. However, your landlord may evict you “for cause” (for example, if you seriously break the rules of your lease) if a new issue comes up after the grant is paid. If the landlord accepts the back rent money, and doesn’t follow the rules, the landlord might have to pay the money back

**Does this money count as income that could affect means-tested benefits or for my taxes?**

This money is paid directly to the landlord. It reduces your housing expense. If a benefit program takes into account a housing expense you pay, it could affect your benefit. If the benefit program doesn’t count housing expenses, it will not have an effect. (For example: Medicaid doesn’t take housing expenses into consideration, so this wouldn’t impact Medicaid.)

**How can Vermont Legal Aid help me with this?**

Everyone should try to start this process by:

1. contacting your landlord
2. confirming how much is owed, and
3. applying.

If you don’t have access to a computer or smartphone, , ask if your landlord will apply with you and use their computer. Or use the computer of a friend. If you run into problems during that process, call Vermont Legal Aid. Or, if you are not sure what to put on the application, you can contact us as well. Call 1-800-889-2047.

**Is there a benefit to waiting to apply, so that I can get help with more months of rent?**

This program is first-come, first-served, with a fixed pot of money. You should get your application in as soon as you can. If you fall behind on rent again before the end of the year, then you can apply for assistance again.

**I need help with my mortgage.**

Vermont Housing Finance Agency is running the program for mortgage assistance money. The application is on the Vermont Housing Finance Agency (VHFA) website: <http://www.vhfa.org/map>.

Text on <https://vtlawhelp.org/foreclosures-coronavirus> as of 9/2/2020

## Paying Your Mortgage and Foreclosures During the COVID-19 Coronavirus Crisis

### **New: Vermont COVID Emergency Mortgage Assistance Program**

Starting July 13, 2020, Vermont Housing Finance Agency (VHFA) accepts applications for the [Vermont COVID Emergency Mortgage Assistance Program](#). The program is funded through the federal CARES Act. It will help Vermont homeowners facing economic hardship because of the COVID-19 pandemic. This program is available to all Vermonters with mortgage payments on their primary residence who meet the income requirements — not just those with a VHFA mortgage. The program could help pay up to six missed monthly mortgage payments. Starting September 1, a revised application lets you apply for money to put toward past-due property taxes (for homeowners who pay taxes directly to their town). To learn more about the mortgage assistance and property tax assistance, read below.

**Video:** On July 23, 2020, Vermont Legal Aid Attorney Grace Pazdan talked about the new financial help homeowners can get to pay overdue mortgage payments and other programs for homeowners who may be facing foreclosure. Watch the video on [Facebook](#).

This page is about foreclosures. For evictions, visit our page about [evictions during COVID-19](#).

You may have heard of a “moratorium on foreclosures.” There are three laws or rules that affect Vermont evictions and foreclosures: the federal CARES Act, the Vermont Judiciary’s emergency rules, and a state law called S.333.

- The federal CARES Act prevented the filing of foreclosures on federally backed mortgages in court between March 18 and May 16, 2020. Federally backed mortgages are those financed or guaranteed by Fannie Mae, Freddie Mac, USDA Rural Housing Service (USDA), Federal Housing Administration (FHA), and Veteran’s Administration (VA).
- Fannie Mae, Freddie Mac, USDA, FHA and VA have all extended their own bans on foreclosures to December 31, 2020. This means that if you have a federally backed mortgage, your lender cannot take any action to foreclose on your home until 2021.
- S.333 “stays” (pauses) all foreclosures of occupied residences as of May 14, 2020, until the governor declares an end to the State of Emergency, plus 30 days after that.

Be sure to check this page again as it will change whenever the rules change.

If you have questions after reading the information below, [contact us to ask for help](#).

### **Can I get money to pay my unpaid mortgage payment?**

The federal government gave Vermont money to help with problems during the pandemic. The money must be used on pandemic problems, including preventing foreclosure, before December 30, 2020.

For help with missed mortgage payments, homeowners can apply for the [Vermont COVID Emergency Mortgage Assistance Program](#) through Vermont Housing Finance Agency (VHFA). The application deadline was set for August 31, 2020, but it has been extended indefinitely.

To qualify for mortgage assistance, your total household income for the last 90 days must be less than \$15,000 for all Vermont counties (except Chittenden). For Chittenden County your total household income for the last 90 days must be less than \$18,000.

This program is available to all Vermonters with mortgage payments on their primary residence who meet the income requirements — not just those with a VHFA mortgage.

If you own a mobile home and have a loan on it, you may be eligible as well. (You may also be able to get help with past-due lot rental payments through the [Rental Housing Stabilization Program](#).)

If you are eligible and enough funds are available, the Vermont Housing Finance Agency will make up to six monthly mortgage payments (including escrow for property taxes and insurance) to your mortgage lender.

Even if you are currently in a forbearance program and your mortgage lender has agreed to let you stop payments for now, you may still qualify for mortgage payment assistance.

Before you can get mortgage assistance payments, VHFA will need to talk to your mortgage servicer about your mortgage debt. You can help make sure that VHFA has the right contact information by calling your servicer and asking for the name and telephone number of the person VHFA should call about your mortgage. You can also send a Request for Information letter to your loan servicer, asking for contact information and giving your loan servicer permission to call VHFA directly to talk about your mortgage. [Use our sample Request for Information letter](#) [Word document].

If you need help applying for the mortgage relief payments through VHFA, contact:

- [VHFA Mortgage Assistance Program](#):  
Email: [MortgageAssistance@vhfa.org](mailto:MortgageAssistance@vhfa.org) Phone: 802-652-3421; Toll-free: 1-888-714-2260
- [Vermont HomeOwnership Centers](#)
- [Vermont Center for Independent Living \(VCIL\)](#)
- [AALV](#) (resources for New Americans, including translation assistance).

**[For more information about the program and to apply, see VHFA's Vermont COVID Mortgage Assistance Program website.](#)**

### **Can I get money to pay past-due property taxes?**

Yes. If you have a mortgage and you pay your property taxes directly to your town, you can apply for help paying your past-due property taxes that were due on or after March 1, 2020.

Starting September 1, a revised application lets you apply for help paying past-due property taxes. You must have a mortgage to be eligible for this help. If you only need property tax help, the amount of property tax assistance you might get is up to six times your monthly mortgage payment for any property taxes that were due on or after March 1, 2020. The payment is made to your town.

### **I am not paying my mortgage. What should I do?**

Everyone should ask their lender for a “forbearance.” That is the term used when a lender agrees to put off until later the payments due on your mortgage. Many lenders are helping homeowners during this time.

If your mortgage has federally backed financing from Fannie Mae, Freddie Mac, USDA or FHA, you should be able to get a 180-day, no-interest, no-fee forbearance. The months of payment are added to the end of your mortgage. You can ask for and get the forbearance extended for another 180 days if you are still experiencing a hardship.

### **Can my lender file in court to foreclose?**

If your mortgage has federally backed financing from Fannie Mae, Freddie Mac, FHA, USDA or VA, the lender:

- Won't file a foreclosure between March 18 and December 31, 2020.
- Can't file a foreclosure if you ask for and get a “forbearance.” This means the lender is not going to go after your mortgage payment now, but will add it to the end of your mortgage.



If you have a federally backed mortgage, and a foreclosure case was filed in court when it should not have been, you can file a motion to dismiss that foreclosure case.

If your mortgage is not federally backed, and you are more than 120 days delinquent (past due), your lender can file a foreclosure.

### **I was served with a Summons and Complaint for foreclosure**

You should file an Answer. [You can use our Answer form](#). The only difference is your signature on the Answer doesn't have to be notarized, instead it must say: "I declare that the above statement is true and accurate to the best of my knowledge and belief. I understand that if the above statement is false, I will be subject to the penalty of perjury or other sanctions in the discretion of the court."

### **What will happen to the foreclosure case filed against me in court?**

If you live in the mortgaged property, the foreclosure is "stayed" (paused). That means the lender and the court can't take further steps. Also, the redemption period is paused. The case will remain stayed until 30 days after the governor declares the State of Emergency is ended.

If no one lives in the property, the foreclosure action can go forward.

### **I got a Writ of Possession but want to stay in my home**

If the State of Emergency is in effect, the execution date of the Writ is paused or "stayed." It will need to be served again once the governor lifts the State of Emergency by declaration.

You can file a motion to stay the Writ of Possession. Here are some reasons you can ask for the Writ of Possession to be stayed (paused):

- You are getting a forbearance from your lender.
- You will be able to reinstate your mortgage as soon as you get assistance from the state.
- You have a medically vulnerable person in your household, and it is not safe to try to find another place to live.

[Contact us](#) and we will help you file a motion to stay the Writ of Possession.

## **More on the federal CARES Act and foreclosure**

The federal CARES Act provides some help if you have a mortgage that is federally backed. This includes mortgages financed or guaranteed by Fannie Mae, Freddie Mac, USDA, FHA or VA. You can use the following information to find out if you have a federally backed mortgage:

- [Fannie Mae](#) and [Freddie Mac](#) have loan look-up tools. You can see if they own your mortgage.
- To determine if your loan is FHA-insured, look for: an FHA case number on your mortgage document, specific language in the mortgage and note forms, or an FHA premium on your mortgage statement. In some cases, loans may have been stripped of their FHA-insured status. Call the Department of Housing and Urban Development (HUD) National Servicing Center at 877-622-8525 if you have questions.
- A VA-guaranteed loan has specific language in the note and mortgage identifying it as a VA loan. You will also see fees paid to the VA noted in closing documents.
- If you have a mortgage directly extended by the USDA Rural Housing Service (RHS) you may be very familiar with the agency. However, if you have a privately serviced USDA RHS-guaranteed loan, you may not know that. If you think you may have a RHS-guaranteed loan, ask your mortgage servicer / lender to review your closing documents for you.

Under the CARES Act, a mortgage servicer / lender of federally backed mortgage loan may not:

- start a judicial or nonjudicial foreclosure process
- move for a foreclosure judgment
- order a sale, or
- execute a foreclosure-related eviction or foreclosure sale

between March 18 and May 16, 2020. This applies even if you do not have a hardship due to COVID-19. See [§ 4022\(c\)\(2\)](#). **Note: Fannie Mae, Freddie Mac, USDA, FHA and VA have recently extended their own bans on foreclosures. See above.**

If you have a federally backed mortgage loan **and** you have financial hardship due to COVID-19, you can ask for and get a forbearance (postponement) of mortgage payments for up to 180 days. You can then ask for and get additional forbearance for up to another 180 days. During the forbearance period, no fees, penalties, or interest will accrue on your mortgage account beyond the amounts scheduled or calculated. It will be as if you made all payments on time and in full under the terms of the mortgage contract. This appears to apply during the COVID-19 emergency or until December 31, 2020, whichever is earlier. See [§ 4022\(b\), \(c\)\(1\)](#).

### **If you do not have a federally backed mortgage**

If you are impacted by COVID-19 and you are not able to make mortgage payments, contact your mortgage servicer / lender. If you can get more time to pay, be sure to ask:

- if you will be charged late fees, penalties or interest
- if postponed payments will be recorded in your credit report
- if you need to send any documents to show you are experiencing hardship due to the COVID-19 crisis.

## More information

- [National Fair Housing Alliance \(NFHA\) COVID-19 web page](#) and [mortgages and foreclosure handout](#).