



Homeowner Assistance Fund: Draft Implementation Framework

NORTHERN MARIANAS HOUSING CORPORATION

VIRTUAL HEARING

AUGUST 31, 2021, 10 AM

Virtual Hearing Agenda



Purpose of Virtual Hearing



Briefing/Presentation



Allotted time for Comments/Questions



Adjournment

Purpose of Virtual Hearing



- To address the consultation requirement of the HAF Plan – NMHC encourages the general public to provide comments on the draft framework
- Once the HAF Plan is made available, the HAF Plans, with comments considered on the framework, will be published and NMHC will hold a virtual hearing on the Plan itself
- To comply with protocols implemented to mitigate the spread of the Coronavirus (COVID 19), NMHC will host virtual hearings, rather than physical public hearings, until protocols are lifted
- In this virtual hearing, NMHC is using Zoom Video Conferencing and Facebook Live
- Public Notices and Substantial Amendments to the Plans can be found on www.nmhcgov.net
- Written comments are due no later than Friday, September 3, 2021, 4:30 pm

Glossary of Terms Used in this Material



Term	Definition
100% of the Area Median Income	for a household means two times the income limit for very low income families, for the relevant household size, as published by the US Department of Housing and Urban Development
100% of the median income for the United States	means the median income of the United States, as published by HUD for purposes of HAF
150% of the area median income	for a household means three times the income limit for very low income families, for the relevant household size, as published by HUD
Dwelling	means any building, structure, or portion thereof that is occupied as, or designed or intended for occupancy as, a residence by one or more individuals
Financial Hardship	means 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

Glossary of Terms Used in this Material (cont.)



Term	Definition
Mortgage	means any credit transaction 1) that is secured by a mortgage, deed of trust, or other consensual security interest on a principal residence of a borrower
Delinquent/Default	Describes a homeowner's loan for which one or more payments has been missed but foreclosure has not yet been initiated
Forbearance	Lender's agreement not to take action against a borrower for delinquency/default for some period of time
Reinstatement	Refers to a loan that has been brought into good standing and is no longer considered delinquent or in foreclosure status
Foreclosure	Process for loans that become delinquent where a lender attempts to recover what is owed by taking ownership of a home

Homeowner Assistance Fund Program (HAF)



- Grantor: US Department of Treasury
- Grantee: Northern Marianas Housing Corporation / CNMI Department of Finance will retain the funds for ARPA tracking purposes
- Established under Section 2306 of the American Rescue Plan Act of 2021
- About \$10B available nationally, the CNMI is allocated \$4M
- HAF Funds are to help homeowners that have experienced a COVID-19 related hardship

Homeowner Assistance Fund Program: Eligible Activities



- *Disclaimer: NMHC, in consultation with various stakeholders, and also considering public comments are developing the program's terms and conditions. For the purpose of this presentation, NMHC will list HAF's eligible uses, per Treasury guidance*
- Eligible uses are as follows:
 - *mortgage payments, principal reduction, interest rate reduction and refinancing costs, mortgage reinstatement costs, utilities and internet bills, property taxes, housing-related insurance, and counseling **with a focus on mortgage reinstatement**, payment assistance for delinquent property taxes to prevent homeowner tax foreclosures, measures to prevent homeowner displacement, such as home repairs to maintain the habitability of a home, including the reasonable addition of habitable space to alleviate overcrowding, or assistance to enable households to receive clear title to their properties; counseling or educational efforts by housing counseling agencies approved by HUD or a tribal government, or legal services, targeted to households eligible to be served with funding from the HAF related to foreclosure prevention or displacement*

Source: US Treasury

Homeowner Assistance Fund Program: Eligible Activities



- Eligible uses are as follows:
 - reimbursement of funds expended by a state, local government, or entity described in clause (3) or (4) of the definition above of “eligible entity” during the period beginning on January 21, 2020, and ending on the date that the first funds are disbursed by the HAF participant under the HAF, for a qualified expense (other than any qualified expense paid directly or indirectly by another federal funding source, or any qualified expenses described in specific clauses mentioned, and planning, community engagement, needs assessment, and administrative expenses related to the HAF participant’s disbursement of HAF funds for qualified expenses, in an aggregate amount not to exceed 15% of the funding from the HAF received by the HAF participant

Source: US Treasury

Homeowner Assistance Fund Program: General Overview



Eligibility

- Homeowners must be able to show proof of:
 - *Financial hardship occurring after January 21, 2020*
 - *Income less than or equal to 150% of AMI or 100% median income for the United States, whichever of the two is highest*
 - *Homeowners' income may be verified through documentation (e.g. check stub), or if not available, a written attestation or acceptable proxy may be allowed*



Targeting

- 60% of the funds must be used to assist homeowners with incomes:
 - $\leq 100\%$ AMI or
 - $\leq 100\%$ median income for the United States, whichever of the two is the highest
 - *Treasury requires HAF plans to address targeting and outreach*

Homeowner Assistance Fund Program: General Overview



Snapshot of HAF Income Limits

FY 2021 HAF Income Limits Summary for Northern Mariana Islands								
	1-Person	2-Person	3-Person	4-Person	5-Person	6-Person	7-Person	8-Person
Greater of 100% AMI or 100% U.S. Median Income	\$79,900	\$79,900	\$79,900	\$79,900	\$79,900	\$79,900	\$79,900	\$79,900
Greater of 150% AMI or 100% of U.S. Median Income	\$79,900	\$79,900	\$79,900	\$79,900	\$79,900	\$79,900	\$85,050	\$90,500

Source: US Treasury, HUD

Homeowner Assistance Fund Program Plan



- Due September 30th, 2021, the HAF Plan must detail:
 - Data on needs of homeowners
 - Design of each program that will be implemented using HAF funds
 - Performance goals
 - Readiness to implement programs
 - Targeting and outreach plan for prioritized / disadvantaged groups
 - Treasury must approve the HAF plan in whole or in part before distributing funds.

Source: US Treasury

Homeowner Assistance Fund Program's Main Objectives



- Prevent mortgage delinquencies
- Prevent the loss of home utilities/energy
- Prevent the displacement of homeowners





Questions/Comments