



Homeowner Assistance Fund Plan

NORTHERN MARIANAS HOUSING CORPORATION

VIRTUAL HEARING

SEPTEMBER 23, 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
- The HAF Plan was published on September 20, 2021
- 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 24, 2021, 4:30 pm

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

CNMI: Delinquency/Deferment Data



Mortgage:

Data Source #1 as of 08/10/21: \$281,922

Date Source #2 as of 09/20/20: \$2,704,867

Date Source #3 as of 07/29/21: estimated \$700,000

Sum of Total delinquencies: **\$3,686,789**

Note: Data still pending from other lending institutions/Data does not include the number of clients who have opted for reduced payments

Broadband:

Data Source #1 date range: January 2020 – July 2021, estimated \$186,000 delinquency or on promissory notes

Utilities:

Pending Data

HAF Plan: Expense Categories

- Mortgage Delinquency Assistance
- Mortgage Payment Assistance
- Property Charge Resolution/Assistance (specifically insurance(s) tied to homeowners)
- Utility/Broadband Arrears/Payment Assistance



HAF Expense Categories



Mortgage Delinquency Assistance

- The CNMI will provide funds to eliminate or reduce past due payments and other delinquent amounts (including other associated penalties and fees), including payments under a forbearance plan
- To eliminate or reduce past due mortgage payments, including other associated penalties and fees:
- Each Homeowner will be eligible for up to **\$25,400 (not to exceed a period of 12 months)** through this program to be used only for the homeowner's primary residence

Mortgage Payment Assistance

- The CNMI will provide full or partial payment assistance to homeowners unable to make full mortgage payments due to a continuing financial hardship associated with the Coronavirus pandemic
- HAF funds will only be used to supplement other loss mitigation measures offered by the servicer or where HAF funds are necessary for the homeowner to qualify for other such loss mitigation measures
- Each Homeowner will be eligible for up to **\$20,400 (and not to exceed a period of 12 months)** through this program with respect to the applicant's primary residence

HAF Expense Categories



Property Charge Resolution/Assistance

- NMHC will use HAF Funds may be used to pay past due insurance premiums that threaten sustained ownership of the property must be brought current by program assistance or resolved concurrently with the program providing assistance
- NMHC will use HAF Funds will also be used to pay annual insurance premiums following program approval
- Each Homeowner will be eligible for up to **\$1,716 (not to exceed a 12-month period)** through this program with respect to the applicant's primary residence, including a dwelling to be made habitable so it may serve as the homeowner's primary residence

HAF Expense Categories



Utilities/Broadband Arrears/Payment Assistance

- The CNMI will provide funds to resolve delinquent payments for utility and/or internet access services.
- The CNMI will use HAF funds to pay prospective charges for up to the first 90 days following approval if the homeowner is unable to make such payments and (i) funds are not available from other utility assistance programs to cover these amounts and (ii) the homeowner indicates the financial ability to resume making such payments after the initial 90-day period
- Each Homeowner will be eligible for up to **\$6,000 (not to exceed a period of 12 months)** through this program with respect to the applicant's primary residence (to address delinquencies in utility payments)
- Each Homeowner will be eligible for up to **\$1,500 (not to exceed a period of 90 days)** through this program with respect to the applicant's primary residence (to assist with future utility payments)

HAF Expense Categories



Utilities/Broadband Arrears/Payment Assistance (cont.)

- Each Homeowner will be eligible for up to **\$600 (not to exceed a period of 12 months)** through this program with respect to the applicant's primary residence (to address delinquency in broadband service payments)
- Each Homeowner will be eligible for up to **\$150 (not to exceed a period of 90 days)** through this program with respect to the applicant's primary residence (to assist with future broadband service payments)

HAF: 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
 - *Socially disadvantaged individuals*
 - *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

HAF Goals and Benchmarks



Program Design Element	Metrics of Success	Goal
Mortgage payment assistance	Number of delinquencies prevented due to HAF funds	Prevent mortgage delinquencies (which may result in loss) of (40) homes within (12) months
Allow homeowners to reinstate mortgages or pay other housing-related costs	Number of home loss avoided due to HAF funds	Prevent loss of (100) homes within (12) months
Mortgage principal reduction	n/a	n/a
Facilitating mortgage interest rate Reductions	n/a	n/a
Payment assistance for homeowner's utilities (e.g., electric, gas, home energy, and water)	Number of utility services restored due to HAF funds (utility delinquency) Number of utilities maintained due to HAF funds (utility payment assistance)	Prevent (20) homeowners from living in substandard conditions due to the lack of utilities; Prevent the loss of utilities of (28) homeowners
Payment assistance for homeowner's internet service (e.g., broadband)	Number of internet services restored due to HAF funds (broadband services' delinquency) Number of internet services maintained due to HAF funds (broadband services payment assistance)	To restore the quality of life for (20) homeowners by restoring broadband services To maintain the quality of life for (20) homeowners by maintaining broadband services
Payment assistance for homeowner's, flood, and mortgage insurance	Number of homeowner charges (specifically insurance payments) resolved due to HAF funds	Prevent loss of (40) homes due to the lack of insurance

HAF Budget



▪ Mortgage Delinquency Assistance	\$ 2,540,000.00
▪ Mortgage Payment Assistance	\$ 816,000.00
▪ Payment Assistance for Homeowner Utilities	\$ 162,000.00
▪ Payment Assistance for Homeowner's Internet Service	\$ 14,000.00
▪ Payment Assistance for Homeowner's Insurance	\$ 68,000.00
▪ Planning and Administrative Expenses	\$ 400,000.00

(e.g. Salaries/Wages, Operational Supplies, Print, Marketing, etc.)

Total Grant Allocation **\$4,000,000.00**

HAF Plan Status/Information



- Due to US Treasury by September 30th, 2021
- The CNMI hopes to launch the program within (30) days of submission and approval by US Treasury
- NMHC is currently drafting the HAF Policies and Procedures and developing the program application
- NMHC plans to have the HAF policies and procedures and all HAF notices translated to the Chamorro and Carolinian Language
- NMHC is coordinating with partner agencies to assist applicants needing special accommodations
- The CNMI Department of Finance will be maintaining the HAF funds for centralized tracking of ARPA funds

Homeowner Assistance Fund Program's Main Objectives



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





Questions/Comments