



New Mexico Homeowner Assistance Fund

PROGRAM TERM SHEETS



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Homeownership Loan Reinstatement/Loss Mitigation Program

New Mexico Homeowner Assistance Fund – Homeownership Loan Reinstatement/Loss Mitigation Program

<u>Criteria</u>	<u>Program Terms</u>
<u>Brief description</u>	<p>The Homeownership Loan Reinstatement/ Loss Mitigation Program will provide up to \$20,000 per household to eliminate delinquencies, reinstate a homeownership loan, including the current month (delinquency plus one month) and/or provide funds which will assist homeowners achieve housing cost affordability through principal reduction or post-loss mitigation lien extinguishment.</p> <p>HAF Funds may be used to bring the account fully current, with no remaining delinquent amounts, and to repay amounts advanced by the lender or servicer on the borrower’s behalf for property charges, including property taxes, hazard insurance premiums, flood or wind insurance premiums, ground rents, condominium fees, cooperative maintenance fees, planned unit development fees, homeowners’ association fees or utilities that the servicer advanced to protect lien position. Payment may also include any reasonably required legal fees. HAF Funds may be used for a partial reinstatement if the full reinstatement amount exceeds the household maximum.</p> <p>Homeowner households who are working with their homeownership loan servicer to complete loss mitigation will have the opportunity to incorporate HAF into their default resolution as allowed by servicer procedures and investor guidelines. Servicers should inform the homeowner households who are in default of the availability of the funds and should encourage homeowner households to apply for funding to assist with lump sum reinstatement or for principal reduction through the loss mitigation process. HAF funds may be used to reimburse partial claim liens after loss mitigation, as allowed for by servicer and investor guidelines.</p> <p>Assistance will be available for households without access to loss mitigation or that have already exhausted loss mitigation. HAF funds may also be used prior to or during the loss mitigation process. To the extent the Common Data File (CDF) is implemented by a servicer, the Participant will utilize the process to verify ongoing loss mitigation activity and to facilitate assistance.</p>
<u>Maximum amount of assistance per homeowner</u>	<p>Each household will be eligible for up to \$20,000 of HAF funding to be used only for the homeowner’s primary residence.</p> <p>If a household is requesting assistance for multiple eligible housing costs such as property taxes or annual homeowner’s insurance premiums, whether in conjunction with delinquent payment assistance or separate and apart from a monthly homeownership payment structure, and/or is requesting assistance through other program design elements (with the exception of the utility assistance program design element), the per household award shall not exceed \$20,000. Utility assistance has a</p>

	<p>separate household maximum and is excluded from the \$20,000 household maximum benefit available for the pilot, homeownership loan reinstatement/loss mitigation, homeownership loan payment, property charge (insurance) default resolution and property charge (taxes) default resolution program design elements.</p>
<p><u>Homeowner eligibility criteria and documentation requirements</u></p>	<p>Households are eligible to receive loan reinstatement/loss mitigation assistance if they (1) attest that they experienced a financial hardship after January 21, 2020 associated with the COVID-19 health crisis, (2) provide income documentation and have incomes equal to or less than 150% of the area median income or 100% of the median income for the United States, whichever is greater, and (3) currently own and occupy a primary residence in New Mexico.</p> <p>To be eligible for reinstatement and/or loss mitigation assistance, the applicant(s) will provide a self-attestation that the household is able to resume the monthly housing payment following receiving assistance. Assistance is limited to a one-time benefit per household but can be applied in combination to provide the maximum benefit to the homeowner.</p> <p>To be eligible for an award for principal reduction, applicants must be working with their loan servicer independently or with the assistance of a housing counselor to explore available loss mitigation and be approved by their loan servicer for a principal reduction solution and be able to resume payments following assistance. For assistance with partial claim reimbursement, the applicant or servicer will be required to provide evidence of a completed partial claim.</p> <p>Where loss mitigation is available, HAF funds may be used to supplement other forms of loss mitigation. Assistance will be available for households without access to loss mitigation or that have already exhausted loss mitigation. HAF funds may also be used prior to or during the loss mitigation process.</p> <p>Indicate documentation requirements listed here:</p> <p>Documentation requirements include a legally issued form of identification, documents needed to verify household income, and documentation needed to verify the reinstatement amount such as a current homeownership loan statement or reinstatement quote, or other evidence of housing cost delinquency and/or a partial claim. In some instances, evidence of a valid loss mitigation offer from a loan servicer may be required to evidence principal reduction amounts.</p> <p>To the extent the Common Data File (CDF) is implemented by a servicer, the Participant will utilize the process to verify reinstatement/loss mitigation amounts through the servicer.</p>

<p><u>Loan eligibility criteria specific to the program</u></p>	<p>For reinstatement and principal reduction, the loan must be delinquent by at least one payment, including any payments during a forbearance period, or, in the case of a reverse mortgage, has outstanding property charges whether in default or in a repayment plan. A payment will be considered delinquent one (1) day following the due date.</p> <p>Eligible loans include a mortgage, deed of trust, or other consensual security interest on a principal residence and homeowners with consensual contractual agreements on a principal residence such as real estate contracts, lease-purchase contracts, mobile/manufactured home loans, chattel loans and/or land contracts.</p> <p>Eligible properties include single-family residential properties, condominiums and townhomes, manufactured homes permanently affixed to real property and taxed as real estate, and mobile homes not permanently affixed to real property.</p> <p>Home Equity Line of Credit (HELOC) loans are ineligible.</p>
<p><u>Form of assistance</u></p>	<p>Assistance will be structured as a non-recourse grant. Assistance is not required to be repaid and the Participant will not collect or issue taxable income documentation such as W-9 or 1099 forms, except in cases where the funds are be paid directly to an individual lienholder without an LLC or LLC. This may include private lienholders of homeownership contracts, lease to own contracts, manufactured home land/lot contracts, etc. Private contract lienholders will be required to opt into the program and provide their social security number or taxpayer identification number.</p>
<p><u>Payment requirements</u></p>	<p>MFA will disburse HAF assistance directly via check or electronic funds transfer to the homeownership loan lender/servicer, land contract holder, manufactured/mobile home lender, and/or other housing provider as appropriate.</p>

Homeownership Loan Payment Assistance

New Mexico Homeowner Assistance Fund – Homeownership Loan Payment Assistance

<u>Criteria</u>	<u>Program Terms</u>
<u>Brief description</u>	<p>The Homeownership Loan Payment Assistance program design element will provide payment assistance to homeowner households unable to make mortgage or homeownership loan payments due to financial hardship associated with the COVID-19 health crisis.</p> <p>HAF funds may be used to reduce a homeowner’s mortgage/homeownership loan payments for monthly housing payments due within a 12-month period following the initial date of approval of the application. The Participant will allocate funding on a first come, first served basis, and will not reserve the entire household maximum for each approved application. Ongoing monthly assistance will be available as described as long as funding is available.</p> <p>Where loss mitigation is available, HAF funds may be used to supplement loss mitigation. Assistance will be available for households without access to loss mitigation or that have already exhausted loss mitigation. HAF funds may also be used prior to or during the loss mitigation process. To the extent the Common Data File (CDF) is implemented by a servicer, the Participant will utilize the process to verify ongoing loss mitigation activity and to facilitate monthly payment assistance.</p>
<u>Maximum amount of assistance per homeowner</u>	<p>Each household will be eligible for up to \$20,000 of HAF funding, to be used only for the homeowner household’s primary residence.</p> <p>If a household is requesting assistance for multiple eligible housing costs such as property taxes or annual homeowner’s insurance premiums, whether in conjunction with delinquent payment assistance or separate and apart from a monthly homeownership payment structure, and/or is requesting assistance through other program design elements (with the exception of the utility assistance program design element), the per household award shall not exceed \$20,000. Utility assistance has a separate household maximum and is excluded from the \$20,000 household maximum benefit available for the pilot, homeownership loan reinstatement/loss mitigation, homeownership loan payment, property charge (insurance) default resolution and property charge (taxes) default resolution program design elements.</p>

Homeowner eligibility criteria and documentation requirements

Homeowner households are eligible to receive assistance under the mortgage payment assistance program design element if they (1) attest that they experienced a financial hardship after January 21, 2020 associated with the COVID-19 health crisis, (2) provide income documentation and have incomes equal to or less than 150% of the area median income or 100% of the median income for the United States, whichever is greater, and (3) currently own and occupy a primary residence in New Mexico.

Where loss mitigation is available, HAF funds may be used to supplement loss mitigation. Assistance will be available for households without access to loss mitigation or that have already exhausted loss mitigation. HAF funds may also be used prior to or during the loss mitigation process.

In order for homeowner households to receive monthly housing payments due within a 12-month period following the initial date of approval of the application, the household must also meet the following criteria:

- The household will provide a self-attestation that the household is struggling to sustain their housing payments due to unemployment or zero income.
- The household's contractual homeownership loan payment(s) exceed(s) 40% of the household's gross income, if any.
- One or more household members is unemployed and receiving unemployment benefits.

Indicate documentation requirements:

Documentation requirements include a legally issued form of identification, documents needed to verify household income, and documentation needed to verify past due amounts, if applicable, and/or the contractual monthly payment such as a homeownership loan statement or other evidence of housing cost delinquency. Documentation evidencing unemployment, such as unemployment benefits or affidavit of zero income. Documentation may be required to recertify income and eligibility status every three (3) months of assistance.

Loan eligibility criteria specific to the program

Delinquent by at least one payment, including any payments during a forbearance period. A payment will be considered delinquent one (1) day following the due date.

Eligible loans include those with a mortgage, deed of trust, or other consensual security interest on a principal residence and homeowners with consensual contractual agreements on a principal residence such as real estate contracts, lease-purchase contracts, mobile/manufactured home loans, chattel loans and/or land contracts.

Eligible properties include single-family residential properties, condominiums and townhomes, manufactured homes permanently affixed to real property and taxed as real estate, and mobile homes not permanently affixed to real property.

Home Equity Line of Credit (HELOC) loans are ineligible.

<u>Form of Assistance</u>	Assistance will be structured as a non-recourse grant. Assistance is not required to be repaid and the Participant will not collect or issue taxable income documentation such as W-9 or 1099 forms, except in case where the funds are be paid directly to an individual lienholder without an LLC or LLC. This may include private lienholders of homeownership contracts, lease to own contracts, manufactured home land/lot contracts, etc. Private contract lienholders will be required to opt into the program and provide their social security number or taxpayer identification number.
<u>Payment requirements</u>	MFA will disburse HAF assistance directly via check or electronic funds transfer to the mortgage lender/servicer, land contract holder, manufactured/mobile home lender and/or other housing provider as appropriate.

Property Charge Default Resolution (Insurance)

New Mexico Homeowner Assistance Fund – Property Charge Default Resolution (Insurance)

<u>Criteria</u>	<u>Program Terms</u>
<u>Brief description</u>	<p>The Property Charge Default Resolution (Insurance) program design element will provide up to \$20,000 per household to resolve any property charge default that threatens a homeowner’s ability to sustain ownership of the property. This program design element is intended to assist with property charges outside of a homeownership loan escrow or not covered under the Homeownership Loan reinstatement/loss mitigation or Homeownership Loan Payment Assistance program design elements (which will also pay property charges associated with homeownership loan escrows).</p> <p>HAF Funds may be used to pay past due property insurance premiums that threaten sustained ownership of the property and must be brought current by program assistance or resolved concurrently with the program design element providing assistance.</p> <p>Each household may receive funding for up to three years for insurance premiums including force placed insurance. Funds may also be used to pay property charges coming due in the 90 days following household application approval.</p>
<u>Maximum amount of assistance per homeowner</u>	<p>Each household will be eligible for up to \$20,000 of HAF funding with respect to the applicant’s primary residence. Each household may receive funding for up to three years of premiums, including force placed insurance. Funds may also be used to pay property charges coming due in the 90 days following household application approval.</p> <p>If a household is requesting assistance for multiple eligible housing costs such as property taxes or annual homeowner’s insurance premiums, whether in conjunction with delinquent payment assistance or separate and apart from a monthly homeownership payment structure, and/or is requesting assistance through other program design elements (with the exception of the utility assistance program design element), the per household award shall not exceed \$20,000. Utility assistance has a separate household maximum and is excluded from the \$20,000 household maximum benefit available for the pilot, homeownership loan reinstatement/loss mitigation, homeownership loan payment, property charge (insurance) default resolution and property charge (taxes) default resolution program design elements.</p>

<p><u>Homeowner eligibility criteria and documentation requirements</u></p>	<p>Homeowner households are eligible to receive property charge assistance under the NMHAF if they (1) attest that they experienced a financial hardship after January 21, 2020 associated with the COVID-19 health crisis, (2) provide income documentation and have incomes equal to or less than 150% of the area median income or 100% of the median income for the United States, whichever is greater, and (3) currently own and occupy a primary residence in New Mexico.</p> <p>In order to receive assistance, the applicant(s) will provide a self-attestation that the household is able to resume the monthly housing payment (where applicable) following receiving assistance.</p> <p>Homeowner household is at least one installment payment in arrears on one or more property charges including:</p> <ul style="list-style-type: none"> • Insurance: homeowner, hazard, flood, wind premiums <p>Indicate documentation requirements:</p> <p>Documentation requirements include a legally issued form of identification, documents needed to verify household income, and documentation needed to verify property charge delinquency such as an invoice or other evidence of property charges delinquency.</p>
<p><u>Loan eligibility criteria specific to the program</u></p>	<p>N/A</p>
<p><u>Form of assistance</u></p>	<p>Assistance will be structured as a non-recourse grant. Assistance is not required to be repaid and the Participant will not collect or issue taxable income documentation such as W-9 or 1099 forms.</p>

<u>Payment requirements</u>	MFA will disburse HAF assistance via check or electronic funds transfer directly to the eligible entity to which the housing cost is due.
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Property Charge Default Resolution (Taxes)

New Mexico Homeowner Assistance Fund – Property Charge Default Resolution (Taxes)

<u>Criteria</u>	<u>Program Terms</u>
<u>Brief description</u>	<p>The Property Charge Default Resolution (Taxes) program design element will provide up to \$20,000 per household to resolve any property charge default that threatens a homeowner’s ability to sustain ownership of the property. This program design element is intended to assist with property charges outside of a homeownership loan escrow or not covered under the Homeownership Loan reinstatement/loss mitigation or Homeownership Loan Payment Assistance program design elements (which will also pay property charges associated with homeownership loan escrows).</p> <p>HAF Funds may be used to pay past due property taxes that threaten sustained ownership of the property and must be brought current by program assistance or resolved concurrently with the program design element providing assistance.</p> <p>Each household may receive funding for up to three years of delinquent taxes. Funds may also be used to pay property charges coming due in the 90 days following household application approval.</p>
<u>Maximum amount of assistance per homeowner</u>	<p>Each household will be eligible for up to \$20,000 of HAF funding with respect to the applicant’s primary residence. Each household may receive funding for up to three years of delinquent taxes. Funds may also be used to pay property charges coming due in the 90 days following household application approval.</p> <p>If a household is requesting assistance for multiple eligible housing costs such as property taxes or annual homeowner’s insurance premiums, whether in conjunction with delinquent payment assistance or separate and apart from a monthly homeownership payment structure, and/or is requesting assistance through other program design elements (with the exception of the utility assistance program design element), the per household award shall not exceed \$20,000. Utility assistance has a separate household maximum and is excluded from the \$20,000 household maximum benefit available for the pilot, homeownership loan reinstatement/loss mitigation, homeownership loan payment, property charge (insurance) default resolution and property charge (taxes) default resolution program design elements.</p>

<p><u>Homeowner eligibility criteria and documentation requirements</u></p>	<p>Homeowner households are eligible to receive property charge assistance under the NMHAF if they (1) attest that they experienced a financial hardship after January 21, 2020 associated with the COVID-19 health crisis, (2) provide income documentation and have incomes equal to or less than 150% of the area median income or 100% of the median income for the United States, whichever is greater, and (3) currently own and occupy a primary residence in New Mexico.</p> <p>In order to receive assistance, the applicant(s) will provide a self-attestation that the household is able to resume the monthly housing payment (where applicable) following receiving assistance.</p> <p>Homeowner household is at least one installment payment in arrears on one or more property charges including:</p> <ul style="list-style-type: none"> • Property taxes <p>Indicate documentation requirements:</p> <p>Documentation requirements include a legally issued form of identification, documents needed to verify household income, and documentation needed to verify property charge delinquency such as a tax statement, invoice, or other evidence of property charges delinquency.</p>
<p><u>Loan eligibility criteria specific to the program</u></p>	<p>N/A</p>
<p><u>Form of assistance</u></p>	<p>Assistance will be structured as a non-recourse grant. Assistance is not required to be repaid and the Participant will not collect or issue taxable income documentation such as W-9 or 1099 forms.</p>

<p><u>Payment requirements</u></p>	<p>MFA will disburse HAF assistance via check or electronic funds transfer directly to the eligible entity to which the housing cost is due.</p>
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