

DEPARTMENT OF THE TREASURY**ASSISTANCE LISTING 21.026 HOMEOWNER ASSISTANCE FUND PROGRAM****I. PROGRAM OBJECTIVES**

The Homeowner Assistance Fund (HAF) program provides \$9.961 billion for the U.S. Department of the Treasury (“Treasury”) to make payments to states (defined to include the District of Columbia, Puerto Rico, US Virgin Islands, Guam, Northern Mariana Islands, and American Samoa), Indian tribes or their tribally designated housing entities, and the Department of Hawaiian Home Lands (collectively the “eligible entities” or “HAF Participants”) to mitigate financial hardships associated with the coronavirus pandemic, including for the purpose of preventing homeowner mortgage delinquencies, defaults, foreclosures, loss of utilities or home energy services, and displacements of homeowners experiencing financial hardship after January 21, 2020, through qualified expenses related to mortgages and housing.

II. PROGRAM PROCEDURES**A. Overview**

Section 3206 of the American Rescue Plan Act of 2021 (the “Act”), Pub. L. No. 117-2 (March 11, 2021), codified as 15 USC 9058d, established the HAF program and provides \$9.961 billion for Treasury to make payments to the eligible entities to provide the assistance to homeowners for qualified expenses related to mortgages and housing as described in 15 USC 9058d(c)(1) and Treasury’s HAF Guidance.

Pursuant to 15 USC 9058d(c)(2), at least 60 percent of the HAF participants’ award funds must be used to provide assistance with mortgage payments, homeowner’s insurance, utility payments, and other qualified expenses related to mortgages and housing to eligible homeowners within a certain target income. The law requires HAF participants to prioritize the remaining award funds to provide assistance to “socially disadvantaged individuals” (see also the section on “Targeting” in the HAF Guidance).

15 USC 9058d(d) prescribes that the HAF funding must be allocated as follows:

1. \$30 million for the US Virgin Islands, Guam, Northern Mariana Islands, and American Samoa (US territories);
2. \$498 million for the Department of Hawaiian Home Lands (DHHL) and Indian tribes or their tribally designated housing entities; and
3. the remainder for the 50 states, the District of Columbia, and Puerto Rico. Each state, the District of Columbia, and Puerto Rico will receive a minimum payment of \$50 million. Amounts that will be paid to states, the

District of Columbia, and Puerto Rico are based on homeowner need as it relates to unemployment and mortgage delinquencies or mortgage foreclosures in those jurisdictions.

Amounts paid to US territories are based on share of population, and amounts paid to tribal entities are based on a formula under 15 USC 9058d(f)(2).

Source of Governing Requirements

Section 3206 of the American Rescue Plan Act of 2021, codified at 15 USC 9058d.

As implemented by Treasury's HAF guidance available on Treasury.gov, including important version changes over time that can be found on the site.

Availability of Other Program Information

General information for the HAF program is available through the program website at <https://www.treasury.gov/HAF>. Information includes the following documents:

[HAF Guidance](#)

Provides guidance on HAF program purpose, definitions, Notice of Request for HAF payments, qualified expenses, homeowner eligibility, HAF plans, and reporting and monitoring as required under section 15 USC 9058d.

[HAF Reporting Frequently Asked Questions \(FAQs\)](#)

Provided answers to frequently asked questions on HAF reports.

[HAF Quarterly Report User Guide](#)

The User Guide contains detailed guidance and instructions for HAF participants in using Treasury's Portal for submitting the HAF Quarterly Report.

[HAF Annual Report User Guide](#)

Provides guidance on using Treasury's Portal to submit the required HAF Annual Report.

[HAF Guidance on Participant Compliance and Reporting Responsibilities](#)

Provides detail on HAF participants' compliance and reporting responsibilities under the HAF program, and should be read in concert with the [HAF Financial Assistance Agreement](#) the [HAF authorizing statute](#) (See pages 60-63), and the [HAF Guidance](#).

III. COMPLIANCE REQUIREMENTS

In developing the audit procedures to test compliance with the requirements for this federal program, the auditor must determine, from the following summary (also included in Part 2, “Matrix of Compliance Requirements”), which of the 12 types of compliance requirements have been identified as subject to the audit (noted with a “Y” in the summary matrix below), and then determine which of the compliance requirements that are subject to the audit are likely to have a direct and material effect on the federal program at the auditee. For each such compliance requirement subject to the audit, the auditor must use Part 3 (which includes generic details about each compliance requirement other than Special Tests and Provisions) and this program supplement (which includes any program-specific requirements) to perform the audit. When a compliance requirement is shown in the summary below as “N,” it has been identified as not being subject to the audit. Auditors are not expected to test requirements that have been noted with an “N.” See the Safe Harbor Status Discussion in Part 1 for additional information.

A	B	C	E	F	G	H	I	J	L	M	N
Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment and Real Property Management	Matching, Level of Effort, Earmarking	Period Of Performance	Procurement and Suspension and Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	N	Y	N	Y	N	N	N	Y	Y	N

A. Activities Allowed or Unallowed

HAF participants may use their HAF award funds for qualified expenses related to mortgages and housing, including for the purpose of preventing homeowner mortgage delinquencies, homeowner mortgage defaults, homeowner mortgage foreclosures, homeowner loss of utilities or home energy services, and displacements of homeowners experiencing financial hardship after January 21, 2020. Please see pages 5 to 8 of the [HAF Guidance](#) for the full list of qualified expenses.

B. Allowable Cost / Cost Principles

HAF funds are considered “other financial assistance” and are administered by Treasury as direct payments for specified use.

1. Allowable Costs under the HAF program include the following:
 - a. mortgage payment assistance;

- b. 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;
- c. mortgage principal reduction, including with respect to a second mortgage provided by a nonprofit or government entity;
- d. facilitating mortgage interest rate reductions;
- e. payment assistance for: (a) homeowner's utilities, including electric, gas, home energy, water, and wastewater; (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 similar costs payable under a unit occupancy agreement by a resident member/shareholder in a cooperative housing development; and (e) down payment assistance loans provided by nonprofit or government entities;
- f. payment assistance for delinquent property taxes to prevent homeowner tax foreclosures;
- g. 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;
- h. reimbursement of funds expended by a state, local government, or applicable tribal 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 clauses (6), (7), (8), or (10) of this definition);
- i. payment of lot rent for a manufactured home, where such payment would promote housing stability and prevent the default of the resident of the manufactured home;
- j. 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 the date the participant received its initial HAF payment and ending on the date the participant received the balance of funds requested in the participant's HAF plan for a qualified expense consistent with the participant's approved HAF Plan (other than any qualified expense paid directly or indirectly by another federal funding source);

- k. payment assistance or principal reduction for Property Assessed Clean Energy (PACE) loans, where such expenditures would promote housing stability and prevent foreclosures or homeowner displacement.

Please see the HAF Guidance on the HAF program page on Treasury.gov for the latest guidance regarding the eligible uses of HAF funds.

E. Eligibility

1. Eligibility for Individuals

HAF participants were expected to establish and adhere to reasonable policies and procedures for evaluating homeowners' applications in accordance with the HAF Guidance which permits HAF participants to reasonably rely on self-attestation.

Testing of individual homeowner eligibility-related documentation can be limited to material already collected by the HAF participant in the application as much as possible to avoid imposing undue burden on homeowners that are experiencing financial hardships.

The HAF Guidance documents the full eligibility considerations for HAF participants to extend financial assistance to vulnerable populations without imposing undue documentation burdens. HAF participants must require all applications for assistance to include an attestation from the applicant homeowner that all information included is correct and complete. In addition, HAF participants are expected to have policies and procedures to determine homeowner eligibility in the following two criteria:

Financial Hardship: HAF participants may rely on homeowners' attestations that they experienced financial hardship after January 21, 2020 (including a hardship that began before January 21, 2020 but continued after that date). The attestation must describe the nature of the financial hardship (for example, job loss, reduction in income, or increased costs due to healthcare or the need to care for a family member).

Income Determination: HAF participants may take one of two approaches to income verification: (1) the homeowner may provide a written attestation as to household income together with supporting documentation such as paystubs, W2s or other wage statements, IRS Form 1099s, tax filings, depository institution statements demonstrating regular income, or an attestation from an employer; or (2) the homeowner may provide a written attestation as to household income and the HAF participant may use a reasonable fact-specific proxy for household income, such as reliance on data regarding average incomes in the household's geographic area. To be eligible for HAF assistance, the homeowner must have income equal to or less than 150 percent of the area median income (AMI) or 100 percent of the median income for the United States, whichever is greater. When

determining area median income with respect to Tribal citizens, Tribal governments and TDHEs may rely on the methodology authorized by HUD for the Indian Housing Block Grant Program as it pertains to households residing in an Indian area comprising multiple counties (see HUD Office of Native American Programs, Program Guidance No. 2021-01, June 22, 2021).

For additional information, please see Treasury's HAF Guidance at: <https://home.treasury.gov/system/files/136/HAF-Guidance.pdf> (See pages 5 - 6).

2. Eligibility of Group of Individuals or Area of Service Delivery

Not Applicable

3. Eligibility for Subrecipients

Not Applicable

G. Matching, Level of Effort, Earmarking

1. Matching

Not Applicable

2. Level of Effort

Not Applicable

3. Earmarking

- a. Counseling or educational efforts by housing counseling agencies approved by HUD, tribal government (including such efforts by in-house housing counselors who are HUD certified or tribally approved), or legal services, targeted to households eligible to be served with funding from the HAF related to foreclosure prevention or displacement, in an aggregate amount up to 5 percent of the funding from the HAF received by the HAF participant.
- b. 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 percent of the funding from the HAF received by the HAF participant. If the HAF participant has only received the initial 10% of its allocation, no more than 50% of the initial payment is permitted to be used for the expenses mentioned here.

- c. Participants are providing not less than 60% of funds to homeowners with income less than 100% AMI or 100% of U.S. median income.
- d. Participants target homeowners that are classified as Socially Disadvantaged Individuals (SDI) and 100 percent AMI or less.

L. Reporting

1. Financial Reporting

- a. *SF-270, Request for Advance or Reimbursement* – Not Applicable
- b. *SF-271, Outlay Report and Request for Reimbursement for Construction Programs* – Not Applicable
- c. *SF-425, Federal Financial Report* – Not applicable
- d. *Other: Quarterly Report (PRA 1505-0269))- Quarterly*

Authoritative Requirement: 2 CFR 200.328

Report Instructions:

https://home.treasury.gov/system/files/136/HAF_QuarterlyReportUserGuide.pdf.

Note: HAF Participants, except for Tribal governments with a HAF award that is less than \$5 Million and the Department of Hawaiian Home Lands, are required to submit a Quarterly Report each quarter. For Tribal governments with a HAF award that is less than \$5 Million and the Department of Hawaiian Home Lands, a Quarterly Report is submitted once-a-year.

Report Corrections: The Office of Recovery Program's (ORP) reporting portal has built-in functionality to reopen a report and allow HAF participants to make edits after the reporting deadline. However, it is ORP's policy that HAF participants may only make revisions if authorized by Treasury staff for a period of up to 60 days after the reporting deadline. After the revision period ends, the report is final. A resubmitted report becomes a HAF participant's final report within ORP's reporting portal. HAF participants can generate PDFs of this reports at any time.

Key Line Items –

1. *Administrative Expenses-* Quantifiable Objective Criteria: Obligations and expenditures do not exceed 15% for admin expenses in the Budget Reporting section, as noted on page 4 of the [HAF Guidance](#) (See item #10).
2. *Services, Counseling & Education-* Quantifiable Objective Criteria: Obligations and expenditures do not exceed 5% for legal services, counseling, and education in the Budget Reporting section, as noted on page 4 of the [HAF Guidance](#).

2. Performance Reporting

Title of Report: *Annual Performance Report*

PRA Number: 1505-0269

Reporting Cycle: Annual

Authoritative Requirement:

home.treasury.gov/system/files/136/HAF_AnnualReportUserGuide.pdf

Blank Copy of the Report (see pages 7-20 for screen shots of blank pages of the report):

https://home.treasury.gov/system/files/136/HAF_AnnualReportUserGuide.pdf

Report Instructions:

https://home.treasury.gov/system/files/136/HAF_AnnualReportUserGuide.pdf

Report Corrections: The Office of Recovery Program's (ORP) reporting portal has built-in functionality to reopen a report and allow HAF participants to make edits after the reporting deadline. However, it is ORP's policy that recipients may only make revisions if authorized by Treasury staff for a period of up to 60 days after the reporting deadline. After the revision period ends, the report is final. A resubmitted report becomes a HAF participant's final report within ORP's reporting portal. HAF participants can generate PDFs of this reports at any time.

Key Line Item(s)

1. *Socially Disadvantaged Individuals-* Quantifiable Objective Criteria: Participants are providing not less than 60% of funds to homeowners with income less than 100% AMI or 100% of U.S. median income. This key line item can be found in question 8 of the Programmatic Information section of the report.
2. *Area Median Income-* Quantifiable Objective Criteria: Participants target homeowners that are classified as SDI and 100 percent AMI or less. This key line item can be found in question 7 of the Programmatic Information section of the report on page 6 of the [HAF Guidance](#).

3. Special Reporting

Not Applicable

4. Special Reporting for Federal Funding Accountability and Transparency Act

Although reporting on subaward information is applicable to HAF participants pursuant to the award term set forth in Appendix A to 2 CFR Part 170, which is incorporated by reference in the HAF Financial Assistance Agreement, HAF participants' compliance with these reporting requirements is not subject to audit.