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 US 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) 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 section 3201(c)(1) of the Act and Treasury's HAF Guidance.

Pursuant to section 3206(c)(2) of the Act, at least 60 percent of the HAF participant's 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).

Section 3206(d) of the Act 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 section 3206(f) of the Act.

Source of Governing Requirements

- Section 3206 of the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (March 11, 2021) and codified as 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 www.treasury.gov/HAF. Information includes the following documents:

- HAF Guidance

- HAF Interim Reporting Guidance

- HAF Reporting Frequently Asked Questions (FAQs)

- Data and Methodology for State and Territory Allocations

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/ Real Property Management	Matching, Level of Effort, Earmarking	Period Of Performance	Procurement Suspension & Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	Y	Y	N	N	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 the HAF Guidance for the full list of qualified expenses.

B. Allowable Cost/ Cost Principles

HAF funds are considered "other financial assistance" per 2 CFR 200.1 and are administered by Treasury as direct payments for specified use. Refer to 2 CFR Part 200, Subpart E regarding the Cost Principles that apply to the use of funds under this program.

Allowable Costs under the HAF program include the following:

1. mortgage payment assistance;

2. 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;

3. mortgage principal reduction, including with respect to a second mortgage provided by a nonprofit or government entity;

4. facilitating mortgage interest rate reductions;

5. payment assistance for: (a) homeowner's utilities, including electric, gas, home energy, and water; (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 (e) down payment assistance loans provided by nonprofit or government entities;

6. payment assistance for delinquent property taxes to prevent homeowner tax foreclosures;

7. 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;

8. 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;

9. 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);

10. 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; and

11. 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.

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

C. Cash Management

See Part 3, Section C, "Cash Management" for a general description of the compliance requirements, the related audit objectives, and suggested audit procedures.

E. Eligibility

Treasury expects auditors to test the eligibility of homeowners to receive HAF assistance and to focus on whether HAF participants established and adhered 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 should 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 three 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: 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 or 100 percent of the median income for the United States, whichever is greater.

For additional information, please see Treasury’s HAF Guidance at: https://home.treasury.gov/system/files/136/HAF-Guidance.pdf

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

2. Performance Reporting

Not Applicable

3. Special Reporting

- **Interim Reports (1505-0269):** State, and territorial HAF participants that received HAF awards are required to submit a one-time Interim Report. Treasury is requiring these HAF participants to submit this one-time Interim Report covers the reporting period beginning on the date of issuance of the HAF award and ending on January 31, 2022. HAF participants must submit the Interim Report via Treasury's portal in calendar by March 4, 2022. HAF participants may download copies of their Interim Reports for evaluation by auditors.

  The key line items in the report include the following:

  a. Number of unique Homeowners that received HAF assistance and subset (s) that are classified as Socially Disadvantaged and 100 percent Area Median Income (AMI) or less.

  b. Homeowners that received HAF assistance disaggregated by Program Design Element.

  f. Amount of assistance provided to Homeowners disaggregated by Program Design Element.

- **Quarterly Reporting (1505-0269):** Treasury will begin receiving HAF Quarterly Reports following the first quarter of calendar year 2022. HAF Reporting Guidance can be accessed on the HAF website.

4. Special Reporting for Federal Funding Accountability and Transparency Act

See Part 3 of the 2022 OMB Compliance Supplement for audit guidance.

M. Subrecipient Monitoring

All HAF participants and their subrecipients must be registered in SAM.gov. HAF participants must monitor and manage their subrecipients in accordance with 2 CFR 200.332 to ensure their subrecipients are administering the subawards in compliance with the terms and conditions of the subawards.

IV. OTHER INFORMATION

If there are specific questions regarding the HAF program, the Office of Recovery Programs may be contacted by e-mail at HAF@Treasury.gov.