

1. You have indicated revised budget amounts in your feedback response, which do not appear to have been entered in the HAF portal budget. We need these figures to be corrected in the portal itself. We have reopened your plan for you to do so.

This has been corrected in the Portal.

2. On p. 4 of the feedback response (attached), you note that “Our proposed program structure first asks if a homeowner has accepted a loss mitigation option from their servicer. If they have, they are not eligible for our program.” Could you clarify how this eligibility requirement will work, specifically addressing how the requirement will be conveyed to homeowners that may be in the process of considering loss mitigation and whether homeowners who accept a loss mitigation option but later have difficulty making their mortgage payments will be eligible under any circumstances.

Our pre-screening and application process differentiates homeowners considering loss mitigation from homeowners who have accepted loss mitigation. All borrowers considering loss mitigation continue to be eligible for HAF and will be further screened based on whether they can afford their monthly payment or if they are behind and cannot afford the regular monthly payment. In the latter case, they will be evaluated for the HAF loan modification track.

We are modifying our original response and have adjusted our HAF program policy for homeowners who have already accepted loss mitigation and once again find themselves delinquent on their mortgage payments due to ongoing COVID related financial issues. In these instances, the homeowner will be evaluated for HAF. We acknowledge, and want to support, homeowners who may have accepted loss mitigation but later have difficulty making mortgage payments and through HAF can be supported in order to continue to preserve homeownership, even if for a short period of time while they resolve their financial situation or prepare to sell their home.

As a result of modifying our policy in response to homeowners who have accepted loss mitigation and later have difficulty making their mortgage payments, we are adjusting our response to the Treasury question outlined in bold below. Our modified response is outlined in redline below the Treasury question.

- the role housing counseling or legal services providers will play in supporting homeowners’ efforts at engaging in loss mitigation.

As a result of the early and ongoing referrals we have been making to housing counseling, by the time the HomeHelpMN program launches, many homeowners will have been referred to housing counseling to support loss mitigation efforts. For those homeowners who have not directly engaged with their loan servicer or a housing counselor around loss mitigation, we expect to make referrals to housing counseling in

cases where additional support is needed to determine the household budget and whether the ongoing mortgage payment is affordable or not. All homeowners will ~~be assessed based on answers to key triage~~ answer a questions around whether they can afford to make ongoing mortgage payments (sustainability) ~~to assist with housing counselor referral. This information will not be used for HAF eligibility determinations. prior to using HAF funds to reinstate the borrower, or in cases where a borrower may be eligible for a loan modification.~~ to assist with housing counselor referral. This information will not be used for HAF eligibility determinations.

As a result of the policy recommendation to permit borrowers to access HAF provided the household has a source of income, demand for reinstatement will increase. The total direct financial assistance program budget for HomeHelpMN is \$108,613,356. We recommend increasing the budget allocation for reinstatement by just under \$22 million and decreasing the budget for loan modifications (principal write down reduction and interest rate reduction) by that amount. The recommended budget changes are outlined in red (decrease) and blue (increase) below.

TOTAL PGM BUDGET AVAIL	108,614,356			
	Original Budget	% total budget	Proposed Budget	% total budget
<b>Mortgage Reinstatement</b>	<b>42,175,000</b>	<b>39%</b>	<b>60,452,129</b>	<b>56%</b>
<b>Principal Write Down</b>	<b>36,000,000</b>	<b>33%</b>	<b>19,550,584</b>	<b>18%</b>
<b>Interest Rate Reduction</b>	<b>4,000,000</b>	<b>4%</b>	<b>2,172,287</b>	<b>2%</b>
Property Tax Delinquency	11,050,000	10%	11,050,000	10%
Homeowner's Insurance	11,700,000	11%	11,700,000	11%
HOA Fees/Liens	3,040,000	3%	3,040,000	3%
Downpayment Assist. Loans	649,356	1%	649,356	1%
	108,614,356	100%	108,614,356	100%

3. On p. 7, you indicate that the three best metrics would reflect your primary goals, and listed those goals. If possible, could you provide specific metrics that will measure your performance towards these three goals?
- Share of assisted households with income at or below 80% AMI: 75%
  - Share of assisted households who are SDI: 45%
  - Share of HAF funding expended/paid by 12/31/2024: 100%