

*Explain all homeowner, mortgage, property, or other eligibility criteria for the program design element (other than the mandatory eligibility requirements set forth in the HAF guidance).*

**DHCD does not intend to include any eligibility requirements in addition to those set forth in HAF guidance - with one exception. The Maryland HAF grant program is intended to be capped at 100% of Area Median Income (AMI) rather than 150% of AMI as the limit is set for the MD HAF loan program. This distinction was put in place to match the lower amount of assistance and the emergent nature of the defaults covered by the grant program as well as to assist Maryland with reaching the target populations outlined in US Treasury guidance.**

*In addition, list any documentation that will be required from homeowners to establish such eligibility.*

**DHCD intends to require the minimum allowable documentation to establish eligibility. Specifically, these are delineated below:**

**An applicant can document income by providing any one of the following: a tax return or tax transcript; paystubs, W-2s or other wage statements; bank statements demonstrating regular income; a self-employed or small business person's profit & loss statement; benefits statements for public assistance or Social Security; pension statements; a letter from an employer; a letter from a caseworker or other professional with knowledge of a household's circumstances certifying that an applicant's household income qualifies for assistance; or documentation showing that the applicant qualifies for income-based benefits such as SNAP, Medicaid or an equivalent state or local program. The Department will rely on a self-attestation without further documentation of household income to accommodate disabilities, extenuating circumstances related to the pandemic, a lack of technological access or households that are unbanked or receive income in cash. Income determinations will be made based on either 2020 AGI or the most recent two months of income, at the homeowner's election. The applicant will also be required to prove homeownership with a copy of the Deed of Trust and Borrower Affidavit attesting that the subject property is their principal residence. If they do not have the Deed of Trust readily available DHCD will be able to validate homeownership through other means. Last but not least DHCD will assess the affordability ratio (PITI over household income) which is not to exceed 40%.**

Wages from  
employment

Two most recent paychecks or paystubs or letter from employer including pay and hours or 2020 tax return or transcript

Self-employment  
income

YTD or most recent quarterly profit and loss statement for current year and three months personal and bank statements or 2020 tax return or transcript

Pension or Annuity

Pension or annuity benefits statement.

Social Security benefits award letter or annual notice of benefits or 2020 SSA-199 statement

Social Security  
(SSI/SSDI)

Worker's Compensation      Worker's Compensation benefits statement

Rental or boarder income      Current lease and two months of bank statements showing rental income deposits

Alimony or child support      Court order or written agreement and two months of bank statements showing support income deposits

Unemployment income      Unemployment benefits statement

Income-based benefits      SNAP, Medicaid or state program benefits statement or a letter from a caseworker or other professional with knowledge of the applicant's household circumstances certifying that an applicant's household income qualifies for such assistance

*Provide a justification for each additional eligibility or documentation requirement beyond those required under the HAF guidance, including an explanation of how the Participant determined that such requirement will not create barriers to participation for eligible households.*

**This does not apply.**

*Indicate payment requirements, including to whom payments will be made and any additional requirements necessary to complete a payment.*

**DHCD intends to make payments on behalf of homeowners to cure mortgage and other non-mortgage housing related delinquencies. To accomplish this, DHCD will make payments to mortgage servicers but also to entities such as local jurisdictions (to cure tax delinquencies), insurance companies, homeowners associations, or any other entity that has an obligation owed to them that might trigger a displacement of the homeowner.**

**DHCD does have certain requirements that will allow, from a procedural perspective, payments to be made. Specifically, those requirements include:**

**DHCD will require, for internal control and fraud mitigation purposes, for all payees and recipients of payments on behalf of borrowers and or grantees to be registered vendors with the State of Maryland through the provision of a current W-9 and a letter signed by their respective financial institution's representative confirming their accounts and routing numbers. Furthermore, all submitted documents including the department's seal of approval of all applications will be included and reviewed as supporting documentation before any payment is issued.**

*Please describe how your program will utilize housing counselors or legal services to assist homeowners in evaluating loss mitigation options available for their mortgage. Your description should include: whether your program will connect homeowners with housing counseling or legal services early in the process; the role housing counseling or legal services providers will play in supporting homeowners' efforts at engaging in loss mitigation.*

**DHCD will be making HAF funding awards to housing counseling agencies and legal services entities imminently. This will facilitate a much needed increase in capacity in both sectors. Applications for this funding have been received and allocation recommendations are being finalized. It is anticipated that in the first year of the program, we'll be allocating up to \$5million in awards to nonprofit housing counseling and legal services. We provided the Treasury with more detail on this grant-making process in a prior communication.**

**This capacity development is critical because housing counseling and legal services are critical to the success of our program. We will, at every step of the HAF process --- from outreach and marketing, to the application portal, to the loss mitigation process, to closing and post-closing --- encourage that homeowners seek housing counseling and legal services. As we stated in our original plan submission, we are concerned that requiring housing counseling pre-application for HAF assistance could be a barrier to some homeowners. Nevertheless, we encourage every homeowner to seek that assistance.**

**We view the HAF program as part of a wider state response to mortgage delinquency. We are participating in calls meant to organize the Maryland court system, mediators, legal services and advocates to respond to a potential increase in foreclosure filings. The marketing and outreach associated with HAF will direct homeowners seeking assistance to a web site and call center that is geared up to act as a triage and referral system for all homeowners regardless of presumed HAF eligibility. The call center and web site will funnel homeowner to the HAF application portal but will also and simultaneously make referrals to all resources available to them including housing counseling, legal services, their mortgage servicer, even the CFPB web site, and others.**

**The web site link is [homeownerassistance.maryland.gov](http://homeownerassistance.maryland.gov).**

*Please explain what steps, if any, your program will take to assist the homeowner in determining whether a HAF-resolution will result in a sustainable monthly payment?*

**DHCD will use standard mortgage affordability calculations to determine whether a mortgage payment is sustainable. Specifically, we will use a 40% threshold of the monthly household income to mortgage payment ratio.**

*Are you anticipating increased winter home energy costs and their potential impact on the homeowners that HAF will serve?*

**No. DHCD has worked with other state of Maryland agencies to ensure that utility assistance is available to homeowners and we will make referrals to those programs to increase stability and sustainability. In addition, we will make referrals for HAF participants to our rehabilitation, energy**

**and weatherization programs so that homeowners who are stabilizing their financial housing situation with HAF assistance may also employ these programs to stabilize their physical housing situation.**