

## HAFP-0035-Idaho

### Treasury Feedback for Resubmission of Plan

Please revise the HAF plan by providing a response to the questions below.

Responses provided by Idaho Housing and Finance Association- 12/9/21

#### **Completeness**

- No questions

#### **Homeowner Needs and Community Engagement Data**

- No questions.

#### **Community Engagement and Public Participation**

- Have you posted your plan for public input? If not, how do you intend to obtain public input on the HAF plan?

##### **IHFA Answer:**

Yes. IHFA held a virtual public hearing on June 9<sup>th</sup> at 10:00 a.m. (MT). IHFA has recently posted the full HAF plan to our website at [www.idahohousing.com](http://www.idahohousing.com) we have included an email address where members of the community can reach out to provide public comment about the plan.

- Please explain how community engagement informed your plan's programmatic and outreach design.

##### **IHFA Answer:**

Prior to writing the HAF plan Idaho Housing and Finance Association staff reached out to numerous partners within the state of Idaho and beyond, to discuss the needs of homeowners and how to most effectively reach and serve homeowners in need. IHFA's partnership and outreach includes lenders, REALTORS®, housing counseling agencies, legal aid, social service organizations, and other non-profits serving the public. We have discussed HAF and the needs of Idahoans with members of each of these groups and used the input from these partnerships to formulate the HAF plan.

IHFA is also a master servicer wherein we service mortgage loans for six other state housing and finance agencies across the country. All of these SHFAs have received HAF funds. IHFA has been working closely with these states to gain insight on best practices and needs of homeowners and how to successfully build an HAF plan.

- Please provide an update indicating any public comments you have received since you submitted your HAF Plan, from which organization you received any such comment, and whether you have responded to the comments.

##### **IHFA Answer:**

At this time we have not received any public comment on the HAF plan. When we do, we will respond accordingly.

### **Ongoing Assessment of Homeowner Need**

- Please explain how the program will address changes in homeowner needs in the coming years.

#### **IHFA Answer:**

IHFA's plan calls for a lien rather than a grant to affected homeowners. This means that as funds are paid back, they may be re-deployed to help address the needs of additional homeowners. To ensure that there is no undue hardship, IHFA's plan includes a provision for loan forgiveness should a homeowner need to sell and there is not enough equity to cover the HAF lien. Additionally, IHFA works directly with low to moderate income borrowers on a daily basis. IHFA is able to closely monitor the needs of homeowners across Idaho and quickly identify any adjustments that may be needed to further assist Idahoans. IHFA will continue to administer the plan for others in the same way, and add to the plan as needed in order to save Idahoans homes from foreclosure. IHFA will monitor its original needs assessment and update this no less than annually. Should program adjustments be warranted, either through daily interaction with borrowers or through formal needs assessment, IHFA will make the adjustments to the plan. Any major plan updates will be provided to Treasury and the State of Idaho for approval, if required.

### **Program Design**

- Will there be a method in your HAF program, early in the process of engaging with a household, to evaluate immediate threats to the housing stability of applicants, which may need to be addressed under an expedited or prioritized timeline (e.g., HOA liens, tax delinquencies, utility shut off)?

#### **IHFA Answer:**

Yes, IHFA will evaluate immediate threats to housing stability of applicants. IHFA will do this through its application process and ask specific questions of homeowners' imminent needs including liens, delinquent taxes, and utilities shut off. IHFA plans on expeditiously working with these homeowners to help them maintain housing stability to the best of our ability. It is anticipated that the Idaho Legislature will authorize the appropriation of these funds during the 2022 Legislative session, which begins in January 2022. After legislative approval, IHFA will be ready to start working with homeowners within thirty days. Once the HAF plan is approved by the legislature, IHFA will provide servicer outreach campaigns, referrals to the website, marketing (television, radio, and print) to drive homeowners to more information about the program and to apply either online or over the phone.

- How will your program leverage resources available through a loss mitigation process to benefit eligible homeowners and how will your program avoid using HAF funds in ways that duplicate relief that available loss mitigation options might provide?

#### **IHFA Answer:**

Homeowners will be encouraged to use loss mitigation processes by the Servicers as their main source of relief. HAF funds can be used additionally to provide supplemental support for other expenses not covered by loss mitigation, such as lien extinguishment and utilities. IHFA will, however, not require exhaustion of loss mitigation prior to assisting with HAF. We hope to work hand in hand with the servicers and consumers to provide HAF funds as added assistance during and/or after loss mitigation to help create sustainable monthly payments, extinguish forbearance, and get Idahoans back on track with their mortgage payments. Each homeowner has a unique situation and will need to be reviewed individually. IHFA will make every effort to avoid duplicate relief.

- 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?

**IHFA Answer:**

Much of this will be determined through homeowner counseling. IHFA has HUD-certified housing counselors that will be able to determine if the hardship was temporary or permanent and whether or not the hardship has been resolved. If the homeowner states they will be able to resume making original monthly payments or has resumed making their payments, it is reasonable to assume that they will be able to make those payments in the future. At this point the counselor will recommend a reinstatement of the past-due balance. We will also ask homeowners to sign an attestation that they are able to resume making monthly mortgage payments.

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

**IHFA Answer:**

Yes, with Idaho's cold winter climate it is anticipated that home energy costs will be higher beginning in 2021 compared to the past few years. According to [www.eia.gov](http://www.eia.gov) Idaho's price of natural gas for residential consumers has risen by more than \$2.50, per thousand cubic feet, since January 2021. Idaho Power, which is one of Idaho's leading electricity providers, has filed for two rate hikes in 2021.

Overall we anticipate that homeowners' utility costs into 2022, will impact their budgets and impact their ability to rebound from financial hardships endured due to the pandemic. We plan to use HAF funds to stabilize housing and assist homeowners in need with utilities if the costs are threatening their ability to keep their home, forcing displacement, or creating an unsafe or unsanitary environment. IHFA has revised its term sheet to include utility payments for homeowners without a mortgage or that have a reverse mortgage and are behind on utilities due to circumstances related to the COVID-19 pandemic. Funds may be used to help homeowners resolve delinquent payments for utilities (power, sewer, trash, gas, water) only if the outstanding past due amount is deemed to be a barrier to the homeowner maintaining

their home, being displaced, or creating an unsafe or unsanitary environment. All other eligibility requirements must be met.

### **Eligibility**

- Please provide the rationale for not using a fact-specific proxy as one method for establishing eligibility under your plan, including how you determined that without such a proxy, your program can avoid unnecessary barriers to participation by eligible homeowners.

#### **IHFA Answer:**

For eligibility based on income determination, IHFA looked at developing a fact-specific proxy and was unable to determine a viable approach. IHFA has opted for utilizing Treasury's second option for income determination and will require a self-attestation to be accompanied by supporting documentation. IHFA is accepting numerous forms of documentation and will be as broad and flexible as possible to ensure there are minimal barriers to participation.

IHFA is using the same process currently for our emergency rental assistance program and this is working well. We have also determined that the requirement for documentation will help cut down on fraud.

### **Outreach**

- Please explain how the program will target outreach and provide access to homeowners with limited English proficiency.

#### **IHFA Answer:**

IHFA will make significant efforts to target outreach and provide access to homeowners with limited English proficiency. According to [www.LEP.gov](http://www.LEP.gov), as of 2015, Idaho's total LEP population was less than four percent of the total population of Idaho. Of LEP Idahoans, 78% speak Spanish. IHFA will provide full access to outreach and application in both English and Spanish. We will use the Language Line to provide support and access to anyone speaking other languages.

IHFA works closely with the Idaho Office for Refugees and the International Rescue Committee. IHFA will ensure that outreach is made to both of these organizations and we will coordinate with them on the best ways to offer outreach to LEP homeowners who speak languages other than English and Spanish.

- Please explain how the program will engage in culturally relevant marketing.

#### **IHFA Answer:**

IHFA utilizes professional marketing firms within the state that have experience in creating materials that are engaging and culturally relevant. We will be working with these professional marketing firms to create our outreach and advertising for this program. We will rely on their expertise in the subject matter to ensure that all material is culturally relevant.

### **Prioritization**

- No questions.

### **Performance Goals**

- Please explain how you intend to communicate your progress towards performance to the public.

#### **IHFA Answer:**

IHFA has already created a consumer facing site at [www.backontrackidaho.org](http://www.backontrackidaho.org) to answer homeowner questions about exiting forbearance and obtaining housing counseling and support. IHFA plans on using this site for our application and all relevant information about the program. Once the program is up and running we will include a tableau with performance related information and program performance, which will be available to the public. We plan to update this monthly.

- Please indicate which three metrics will serve as the best indicators of the success of your program.

#### **IHFA Answer:**

1. Number of homeowners assisted
2. Amount of money disbursed
3. Overall foreclosure rates in Idaho

- Please indicate whether you intend to disaggregate metrics by income, race, gender, etc.

#### **IHFA Answer:**

Yes, IHFA plans to disaggregate metrics by income, race, gender, etc.

- Please consider including as an additional metric the number of homeowners assisted/foreclosures prevented solely through counseling or legal services without payment of HAF funds to resolve the homeowner's defaults or delinquencies.

#### **IHFA Answer:**

Yes, we will include this additional metric.

### **Readiness**

- Please provide the most recent available information about your program's readiness, including staffing, contractors, etc.

#### **IHFA Answer:**

Upon acceptance of the Plan by Treasury and funding authority from the State (which is anticipated during the 2022 Legislative session which begins in January 2022), IHFA anticipates it will take no longer than thirty days to complete the online application and train staff. IHFA has software available to create an online application that will allow applicants to upload all of their supporting documents to the application portal. The system time stamps when the application and data are received. IHFA has experienced staff that will administer this program. The use of software will aid in efficiency and ensure program success.

We anticipate the need to hire some additional staff but we will not do so until we have approval by the legislature.

- Is your program prepared to launch upon approval and, if not, by what date will you be ready to launch following approval?

**IHFA Answer:**

It is anticipated that the Idaho Legislature will authorize the appropriation of these funds during the 2022 Legislative session, which begins in January 2022. After legislative approval, IHFA will be ready to start working with homeowners within thirty days.

- Please provide updated information about your progress in spending the initial 10% payment from your jurisdiction's full allocation and the status of any pilot assistance already offered or made available to homeowners.

**IHFA Answer:**

IHFA has not received legislative approval to use HAF funds. None of the allocation has been used for program costs or a pilot program at this time. It is anticipated that the Idaho Legislature will authorize the appropriation of these funds during the 2022 Legislative session, which begins in January 2022. After legislative approval, IHFA will be ready to start working with homeowners within thirty days.

**Budget**

- No questions

**IHFA Answer:**

Although there were no questions regarding the budget, we have elected to modify the budget to account for the expenses of adding homeowner utility costs for those with reverse mortgages or those without a mortgage.