

HAFP-0040-Vermont
Treasury Feedback for Resubmission of Plan

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

Completeness

- Your plan lists Josh Hanford as the Authorized Official, while the original application for HAF payments was signed by Lindsey Kurrle. To ensure prompt payment upon approval, the Authorized Official needs to be the same as the signatory on the original application for HAF payments. If you need to establish a new authorized representative for HAF payments, a request should be submitted by email to HAF@treasury.gov.

Response: Secretary Lindsay Kurrle will be listed as the Authorizing Official.

Homeowner Needs and Community Engagement

Data

- No questions.

Community Engagement and Public Participation

- 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.

Response: Since submitting the HAF plan in August, we received comments from community-based organizations about ways to make the application process user-friendly and accessible for Vermont homeowners. Many of these recent comments stem from experiences of organizations involved helping applicants to Vermont's Emergency Rental Assistance Program.

Specific comments can be grouped into the following categories:

1. General needs (re expected program demands) which do not require response.
 - There is a high volume of homeowners already queuing up to use the program including those in mobile home parks
 - High volume of clients who need help with rental applications are taxing the capacity of some community organizations who will likely also serve homeowners through this program.
 - Travel is needed to assist residents of mobile home parks with their applications.
2. Technical program requests which are under discussion, a planned activity, completed, or not planned.
 - There is limited access to computers among mobile home park residents, so applications must be available and accessible to non-computer users.
 - Response: Planned activity -- paper applications are in process of being created
 - There is a need for a single point of contact regarding the HAP program for organizations to use for questions.
 - Response: Planned activity.

- There is a need for a streamlined application and document upload process so organizations can focus on counseling and other assistance.
 - Response: Completed.
- The application needs to be available in languages besides English.
 - Response: Planned activity.
- There is a need for an online program checklist and guide.
 - Response: Planned activity.
- There is a need for training on the application process for community-based organizations.
 - Response: Planned activity.
- Partners requested an option to test the application and provide feedback.
 - Response: Completed.
- Requested meeting with VHFA 3-6 months after launch to provide feedback and opportunity to make process improvements.
 - Response: Planned activity

Comments were provided through meetings we had this fall with representatives from the state’s HUD-approved housing counseling agencies, community action program agencies, and organizations that work directly with underserved homeowners including people with disabilities, BIPOC populations and residents of mobile home parks, including:

- Downstreet Housing and Community Development
- Champlain Valley Office of Economic Opportunity
- Opportunities Credit Union
- Windham and Windsor Housing Trust
- Neighborworks of Western Vermont
- US Committee for Refugees and Immigrants (USCRI-VT)
- BROCC Community Action
- Vermont Legal Aid
- Champlain Housing Trust

VHFA has responded to comments from these representatives by revising application questions and organization, removing unnecessary questions and adding an 11th language to the options available through the web-based application portal. We have also designed a support system for agencies who will be helping customers with applications that reflects the suggestions these agencies provided this fall, including reimbursement for travel and translation expenses, staff time and having a dedicated VHFA staff person (in addition to the general helpline to be provided by our HAF program vendor) available for questions from these organizations. We have also developed a document checklist and program summary to make available online when the program launches.

Ongoing Assessment of Homeowner Need

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

Response: Every 12 months, we will analyze and report on Vermont’s HAF program activity relative to initial projections and performance goals. Specifically, we will compare the HAF assistance provided to Vermont homeowners with our initial demand projections to identify areas in which homeowner needs may have shifted. By confirming HAF usage trends with broader quantitative data sets available through

mortgage servicers, the National Delinquency Survey, the Federal Reserve Bank of Atlanta, Vermont's largest utility providers, and the Census Bureau, we will propose any changes warranted to our HAF plan. For example, if the demand for utility assistance through Vermont's HAF program during the first year falls short of initial projections, we will explore why this is occurring and if we confirm that needs have declined, we may submit a HAF plan change request to offer an additional type of assistance not in our original plan, such as help with home repairs.

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)?

Response: The application asks homeowners to indicate if they are at risk of losing their home or of utility shut off within the next 30 days. If they answer "Yes", their application will be prioritized with the intent of keeping them in their home with as minimal utility service interruption as possible.

- 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.

Response: For both legal and housing counseling, the HAF application will describe the potential benefits of these services and provide several opportunities throughout the application to request them. This will include a section that asks the applicant whether they expect to be able to afford their housing payments in the long run, given their expected future income. To the extent that they have concerns about this, the application will encourage them request housing counseling.

Vermont's HAF program will connect dedicated staff at the Vermont Legal Aid Office of every applicant who indicates a need on their application for legal services. Similarly, the program will notify a HUD-approved housing counseling agency when an applicant requests counseling services. As needed, housing counselors and Vermont Legal Aid attorneys will support HAF applicant engagement with mortgage servicers regarding loss mitigation.

Vermont's providers of housing counseling have limited capacity. For this reason, we are also in the process of arranging for the option of phone counseling via a national HUD-approved housing counseling provider.

- 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?

Response: The VT HAF application will advise applicants requesting mortgage assistance of the availability of loss mitigation options and ask them to describe their communication with mortgage servicers including the status of options the servicer has offered. This information will be used by providers of housing counseling and legal services who will facilitate applicant engagement with

mortgage servicers regarding loss mitigation as appropriate.

- 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?

Response: The VT HAF application will encourage applicants who are uncertain about the affordability of their monthly payments in the long run to seek housing counseling and will connect applicants requesting counseling with HUD-approved counseling agencies. Vermont's housing counselors are well equipped to help each homeowner they work with to make the adjustments needed to ensure that their housing is stable and their monthly housing expenses affordable and sustainable in the long run.

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

Response: Since we submitted the draft HAF plan, estimates of the costs of heating fuel have increased significantly. The U.S. Energy Information Administration's short term outlook estimates increased costs for northeastern Vermont by 10-40% this winter alone. For this reason, we would like to increase the total amount of assistance provided through the VT HAF program from \$20,000 to \$30,000. This will enable the HAF assistance to more adequately cover overdue utility bills for qualified applicants.

In addition, to help with ongoing expenses, we have added information to the HAF application portal and website list of other resources to include Vermont's seasonal fuel assistance program funded through LIHEAP.

Eligibility

Your programs set \$20,000 as the maximum amount of assistance per homeowner. Please explain how you determined this amount will be sufficient to resolve housing-related delinquencies and whether the cap will be sufficient in areas with higher housing costs?

Response: Prior to developing the HAF Plan, we prepared estimates of the amount of assistance needed by low- and moderate-income homeowners with financial hardship stemming from the pandemic. For the average Vermont homeowner eligible for HAF who needed help in all four assistance areas (mortgage, property tax, utility and association fees/common charges) the amount of assistance needed totaled an estimated \$20,000.

Since that time, we have determined that the amount of assistance needed in 2022-2024 to cover past due utility bills, especially home heating fuel costs, is likely to be higher than our original estimates. This is based on information on the utility expenses of renters applying to Vermont's Emergency Rental Assistance Program in recent months and the U.S. Energy Information's short-term outlook estimates about likely costs in the coming winter months. For this reason, we plan to raise the total amount of assistance cap to \$30,000.

Outreach

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

Response: 98% of Vermont residents speak only English or speak English very well in addition to another language. That said, there is a growing population of people with limited English proficiency in Vermont due to a robust Refugee Resettlement program.

Vermont's HAF program will target outreach and provide access to homeowners with limited English proficiency through a multi-pronged approach: (1) bringing in as HAF program affiliates the two community-based organizations that most closely serve new Americans in VT: Vermont Association of Africans Living in Vermont (AALV) and the U.S. Committee on Refugee and Immigrants (USCRI-VT) who will ask ambassadors to share information about the HAF program with LEP communities; (2) building a relationship with the Ethiopian Community Development Council branch that just opened in VT; (3) translating program marketing materials into the top 10 non-English languages spoken in Vermont including digital search and display advertising, short videos, and program flyers; (4) translating application portal content, paper applications in 10 languages and providing Call Center operators in all languages; and (5) monitoring applications to add promotional activities for towns and population segments that are under-represented.

Please explain how the program will provide culturally relevant marketing.

Response: VHFA has started and will continue to obtain regular feedback on HAF marketing approaches through its network of 17 community-based organizations serving socially disadvantaged individuals, homeowners with limited English proficiency and homeowners with low incomes. In addition to helping homeowners with applications, these organizations will use their networks and proven outreach strategies to disseminate HAF program information in culturally relevant ways. In addition, VHFA has developed connections to several hundred other statewide and local organizations that will use platforms and networks tailored to their mission and customers to share HAF program information.

Prioritization

- If your program intends to serve households who are over the 100% AMI threshold, how will your program prioritize Socially Disadvantaged Individuals?

Response: Although we plan to launch the program with eligibility up to 150% AMI, we will continually monitor the portion of approved grant amounts paid on behalf of applicants above 100% AMI. If this reaches 30%, we will reduce affordability to 100% AMI for applicants who are not socially disadvantaged as a way of ensuring we will remain within program limits. In addition, applications from Socially Disadvantaged Individuals will be prioritized to ensure that grants to these homeowners are paid as quickly as possible.

Performance Goals

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

Response: We will display a live web-based dashboard of program activity and impact metrics on the program website. For a similar mortgage assistance program funded with CARES Act funding in 2020 and 2021, this dashboard was available online and updated weekly. You can see that site here: <https://www.vhfa.org/partners/initiatives/program-impacts/map>

In addition, we will prepare annual reports on the impact of Vermont's HAF program relative to performance goals and community wide trends. The Vermont Agency of Commerce and Community Development will also out on Vermont's progress toward HAF performance goals.

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

Response:

1. Households assisted by income level (<50% AMI, 50-80% AMI, 80-100% AMI, 100-150% AMI) in comparison to homeowner households statewide by income level.
2. Distribution of households assisted by county relative to distribution of total population of homeowners.
3. Portion of households assisted who are BIPOC as compared to portion of all VT BIPOC homeowners.
 - Please indicate whether you intend to disaggregate metrics by income, race, gender, etc.

Response: We plan to disaggregate metrics by a variety of demographic characteristics including income, race, ethnicity, veterans status, age of applicant, household size and property type.

- 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.

Response: We will add this to our annual HAF report as a distinct metric along with the total number of HAF applicants that received housing counseling and legal services.

Readiness

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

Response: VHFA has chosen a vendor for development of an application portal and application management, and we have been working with them to develop systems and processes. VHFA has assigned various existing staff members to its Homeowner Assistance Program team and has hired one dedicated staff member for the program. Additional staff may be hired as needed. We are actively negotiating agreements with outreach partners, legal services, and HUD-approved housing counseling agencies. We have met with the state's largest utility provider to plan out the utility arrearage payment process, and have closely followed the national discussions with major servicers and plan to adopt the standardized process agreed upon by state housing agencies and loan servicers.

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

Response: As noted above, VHFA and its vendor have been working on developing an application portal and develop systems and processes for managing the program. We expect that we should be able to launch within thirty days after approval.

- 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.

Response: So far, the 10% payment has been used for payments to our vendor for development of the application portal and for development of systems and processes to manage the program and for staff planning and program development. As of this time, \$1,057,315 has been spent for these purposes. Because VHFA had just completed a round of CARES Act funded mortgage assistance which

closed in June 2021, no pilot program was offered using Homeowner Assistance Fund money to allow for the Agency to focus on developing the Homeowner Assistance Program. Additionally, the state used CARES Act funds to provide well over \$15 million in utility arrearage funding to households and businesses through a program that was open through October 2021.

Budget

- Your plan provides a total budget amount of \$54,945,864, an amount greater than your full allocation amount of \$50,000,000. Please revise your budget to reflect this allocation amount. Our records indicate that you have \$45,000,000 remaining from your allocation, after deducting your initial 10% payment.

Mortgage reinstatement	18,827,692
Utilities	10,581,457
Association fees	4,539,078
Property taxes	7,168,590
Subtotal	41,116,817
Counseling	560,000
Legal Services	821,000
Subtotal	1,381,000
Admin expenses	7,500,000
Total	49,997,817