

Question (p.2)

- 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)?

SDHDA is prepared to hit the ground running with an aggressive marketing campaign. The on-line applications will be processed in the order received but because of the harsh winter months in South Dakota, we will plan to prioritize utility shut off's first. SDHDA has recently sent over 1,000 marketing flyers to businesses were a potential homeowner may frequent, i.e; daycare providers, after-school programs, public libraries, church-based, and other community and school organizations in an effort to reach families that may need assistance. The HAF program will be a continuation of existing housing assistance for homeowners, it is not anticipated that there will be many households requiring the expedited or prioritized timeline.

We are adding a question to the application to ask the applicant if they have received foreclosure notices. We will then be able to pull reports identifying applicants so we can prioritize their applications.

Question (p.3)

- Please confirm your exclusion of reverse mortgages and explain what steps you have taken to assess the needs of homeowners with reverse mortgages. Please summarize any community feedback or data on which you have based this decision.

~~*SDHDA has excluded, at least initially, the reverse mortgage borrower. SDHDA believes by the very nature of this type of product that there is very low risk to these borrowers losing their home. If these homeowners do need assistance for delinquent taxes and other mortgage related fees, SDHDA would consider using HAF funds.*~~

SDHDA has re-evaluated the exclusion of reverse mortgages. If the homeowner is in need of assistance for delinquent taxes and other mortgage related fees, SDHDA would consider using HAF funds. This will be added to SDHDA's Administrative Plan/Guide.

Question (p.6)

- 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?

~~*As stated above, mortgage servicers will be encouraged to use HAF funds only to supplement other loss mitigation options offered by the servicer under investor requirements. SDHDA is considering a servicer affidavit to that affect.*~~

As part of the application process and consideration for assistance, we see the role of the caseworker as also facilitating the conversation between the homeowner and their mortgage servicer so that the homeowner understands their options and can make the best decision for their situation.

The Mortgage Servicer should be providing some form of documentation such as a "No Help Letter" (sample in Exhibit C) that would explain how the Mortgage Servicer has explored other loss mitigation options and if those options are not available to the borrower, then the borrower(s) should be directed to potential help under the Homeowner Assistance Fund (HAF) program.

Question (p.10)

- Your plan indicates \$1,743,000 in excess funding for "either additional direct funding or for unexpected administrative expenses." Please explain the considerations for placing these funds in the administrative allocation and whether you plan to use the funds for additional direct assistance.

~~*It is SDHDA's hope that the remaining \$1,743,000 will be available for additional funding for recipients. We believe, as with any new program there is an element of unknown. We also believe, as presented, the budgeted Administrative Costs should cover most of the expenses of running the program going forward. The \$50,000,000 was a small state minimum and this may be more than what is needed to help South Dakotans. SDHDA may utilize more that the \$150,000 for reimbursement of SDHDA funds already expended.*~~

SDHDA has further reviewed and adjusted the proposed budget items and believes there may not be an excess in the \$50,000,000 small state minimum that was awarded as previously determined.