

**FHAFP-0058 Rhode Island Department of Administration
Treasury Feedback for Resubmission of Plan**

Completeness

- **Your plan lists Dorothy Pascale as the Authorized Official, while the original application for HAF payments was signed by James Thorsen. 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.**

An email has been sent to the provided email address.

Homeowner Needs and Community Engagement

Data

- **Please explain how the plan's targeting and outreach reflect the data referenced in your plan.**

HAF-RI used data to identify where lower income homeowners live in Rhode Island. American Community Survey data from 2015 to 2019 identified just under 100,000 homeowners who earn \$75,000 per year or less (approximately 90% of AMI for a family of four) by zip code. Over one-third of these homeowners live in the cities of Providence, Warwick, Cranston and Pawtucket. Not surprisingly, these are the same four communities assisted most with the Hardest Hit Fund from 2016 through 2021. We then identified zip codes scoring the highest in four of the following six criteria: housing cost burden, concentration of non-white population, concentration of Hispanic population, foreclosure rate, homeowners earning less than \$75,000 per year, and mortgage delinquency. Zip codes in Providence, Warwick, Cranston, Pawtucket, West Warwick and Woonsocket scored the highest.

We will partner with community organizations, deploy marketing resources, and offer application assistance in municipal buildings.

Community Engagement and Public Participation

- **Your plan notes public input and community engagement in the plan development process. Please explain how community engagement informed your plan's programmatic and outreach design.**

During the public engagement process HAF-RI did a poll asking:

1. What do you see as the three greatest hardships Rhode Island Homeowners are currently facing?
2. What do you see as the three greatest barriers for a Homeowner participating in a homeowner assistance program?
3. What do you see as the three greatest barriers for a servicer to participating in a homeowner assistance program?

The poll results informed and confirmed our understanding that the most significant financial hardship suffered during the pandemic was the loss of jobs resulting in falling behind on property taxes, and/or being unable to pay off the amount forborne. We have designed the reinstatement program to allow payment of outstanding amounts accrued during forbearance, as well as property taxes that are not included in a homeowner's mortgage payment. If necessary, applicants can access both reinstatement and ongoing payment assistance.

The three greatest barriers to a homeowner participating in a homeowner assistance program were that the homeowner doesn't know about or understand the programs available, followed almost equally by language barriers, trouble utilizing an online application and applicant's servicer being unwilling to participate in the program.

We are targeting our outreach to include local community-based organizations. We have issued an RFP for outreach and community-based application assistance. In addition, we will have staff members located in low income and socially disadvantaged communities with tablets which will allow them to answer questions and assist homeowners without access or experience with the technology to apply.

The HAF-RI application will be available in 109 languages utilizing Google Translate, and we have a list of companies to use for translation and interpretation services as needed. In addition, 60% of our staff (and 84% of our Underwriters) are bilingual.

The primary concern about servicers not participating relates to homeowners who were behind on their mortgage prior to the pandemic and may not be eligible for a workout when they exit forbearance, or who would be unable to participate in an assistance program. We will be referring these borrowers to housing counseling to help negotiate a solution using HAF-RI funds if they are otherwise ineligible. HAF-RI will not be assisting with mortgage payments due prior to February 1, 2020.

- **Please describe any coordination with Tribes or Tribal entities**

HAF-RI has been speaking with the Indigenous Empowerment Manager of the Tamaquag Museum. We will be meeting with her and the Narragansett Tribes Housing Department to discuss the coordination of outreach within their community.

- **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.**

There have been no further comments.

Ongoing Assessment of Homeowner Need

No Questions

Program Design

- **Please explain how the sources of data listed in the section on Homeowner Needs informed the Program Design Elements included in your plan.**

Through our data we saw an increase in delinquency, forbearances, and continued unemployment. We believe at risk Rhode Island homeowners can greatly benefit from a reinstatement program to payoff arrearages and a monthly mortgage payment program to help those still seeking employment or the same level of employment they had prior to the pandemic. We are offering a mortgage resolution program as well because we know many homeowners are underemployed and may not be able to sustain the same mortgage payment they had before the pandemic. We have heard from homeowners that they have accepted modifications from their servicers when exiting forbearance that are not affordable or sustainable. A modification can help those homeowners avoid foreclosure in the future.

- **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)?**

HAF-RI will expedite the application of any homeowner who is at risk of immediate foreclosure. If a homeowner has received a foreclosure notice from their mortgage company, tax authority, condominium/homeowner's association, or any other foreclosable entity, and indicates this on their application, the software will "flag" the application and it will be moved to the front of the line to be reviewed immediately. If an underwriter discovers through conversations with the applicant that they are in immediate danger of losing their home, but they did not indicate this on their application, the underwriter will immediately prioritize the application.

- **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.**

HAF-RI intends to use housing counseling to obtain the best possible outcomes for homeowners. We will provide homeowners with information on how to access housing counseling regardless of their ability to qualify for HAF-RI funding. HAF-RI will require applicant homeowners to engage with housing counseling under a few scenarios:

- If a homeowner was delinquent on their mortgage before February 2020, we will not be able to use HAF funds to fully reinstate. We will require this homeowner to meet with a housing counselor to work with their servicer to help find a solution that will fully clear the arrearage.
- If a homeowner is employed but still struggling to make their mortgage payment, they might benefit more from a modification rather than just receiving HAF funds. HAF funds can be utilized to help bring the payment down to an affordable amount.
- If a homeowner requires more assistance than the \$50,000 or 24 months offered under our program guidelines.

HAF-RI underwriters will be trained to review the date of hardship and the arrearage amount early in the process to identify the needs for housing counseling as soon as possible and direct homeowners to options for housing counseling. Statewide information on how a homeowner can access housing counseling resources will be posted on our website.

In Rhode Island, there are two agencies actively offering HUD Housing Counseling focused on foreclosure prevention. One agency is the RI Housing HelpCenter. The RI Housing HelpCenter is located at RI Housing's headquarters and will be part of the team who will provide application assistance to HAF-RI applicants. The RI Housing HelpCenter is currently receiving housing counseling funding through the Housing Stability Counseling

Program available through the American Rescue Plan Act of 2021 and administered by NeighborWorks America. We will not be using HAF-RI funds to support the application assistance and housing counseling offered by the RIHousing HelpCenter. NeighborWorks Blackstone River Valley was selected as a partner through the Request for Proposal process and will assist with application assistance and receive compensation for their services under our budget's Application Assistance and Outreach line item.

Rhode Island is a non-judicial foreclosure state. We found during the Hardest Hit Fund program that homeowners benefited from legal services as a last resort to delay losing their homes by filing for bankruptcy. We plan to refer applicants to legal services if the homeowner cannot be helped through HAF-RI, housing counseling, or their servicer.

- **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?**

HAF-RI will post a statement on our website referring all applicants to housing counseling and recommend they discuss options with their servicer prior to applying. We will request a copy of any correspondence a homeowner has had with their servicer for HAF-RI review.

We have designed a process with the RIHousing servicing department that will include HAF-RI funds when they review loss mitigation options if the borrower has stated they cannot sustain their current payments. We will be communicating regularly on the status and work together to determine the level of borrower need. Once we are comfortable the process works, will offer the program to any servicer willing to participate.

- **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?**

Our application requires the homeowner to attest to the ongoing sustainability of assuming their previous mortgage payments, or that they will need further assistance. While we will not be underwriting the sustainability of the payment, the underwriter may have discussions with the applicant during the process. If there are continued concerns over sustainability, they will again be referred to a housing counseling if needed.

- **Please explain why you chose not to include utility payments in your program other than for households that were approved for the various mortgage relief programs you are offering.**

HAF-RI's primary goal is to assist applicant in keeping their homes. We have decided that we need to focus our limited resources on mortgage and mortgage-related expenses (outstanding expenses that may result in a lien and foreclosure). In addition, assisting homeowners who are in danger of losing their homes is very time sensitive and we do not want to delay the process by providing assistance for utilities, as there are other programs available that would be able to provide assistance.

Eligibility

No Questions

Outreach

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

We have contracted with a marketing firm to assist HAF-RI in developing and implementing a targeted outreach program and have issued an RFP for Homeowner Assistance Support Services which includes a requirement for bilingual or multi-lingual accommodation to convey eligibility requirements and assist persons with Limited English proficiency during the application process. The RFP seeks community-based partners to help develop and execute outreach efforts to traditionally underserved and difficult to reach

communities and populations that may face additional barriers to accessing our program. As previously stated, we will have bilingual staff in designated socially disadvantaged communities, as well as translation and interpretation services available.

HAF-RI is not only learning from our Rental Assistance Program about what outreach and marketing is working, we will be able to work in conjunction with them to increase our efficiency and improve our outcomes.

- **Please explain how the program will provide culturally relevant marketing.**

We have hired a marketing firm who will be helping us develop a marketing plan that includes utilizing community-based media. We will be providing our community-based partners marketing materials in the language(s) of that community.

Prioritization

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

Firstly, with targeted outreach into Qualified Census Tracts – Majority Minority census tracts and/or census tracts with AMIs of less than 80% as to increase applications from that sector. The software application will automatically flag any applicant who is in one of the Qualified Census Tracts as well as any applicant who self-identifies as a race or races other than white or as Hispanic. Underwriters will be able to add flags if they determine during the underwriting process that the applicant is at 100% or less AMI or may be considered socially disadvantaged.

We will be monitoring all applications in process, as well as applications with a terminal decision for confirmation that the majority of homeowners we are assisting, at least 60%, are below 100% of AMI and that our outreach is reaching those homeowners considered Socially Disadvantaged Individuals.

Performance Goals

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

HAF-RI will have a frequently updated Dashboard on our website as well as information posted on social media sites to regularly communicate the program's progress to the public.

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

We believe the best indicators of the short-term success of our program will be the number and percentage of homeowners at 100% of AMI or less and/or considered socially disadvantaged, the total number of homeowners who were reinstated and able to continue their mortgage payments, and the percentage of homeowners assisted with FHA loans.

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

We intend to disaggregate our information by income, race, gender, household size and socially disadvantaged applicants.

- **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.**

We will do so as much as possible. Although it may be difficult to track, we have close relationships with the two housing counseling agencies that assists the majority of homeowners in need of housing counseling in the

state. We will work with them to develop a way to track this outcome.

Readiness

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

HAF-RI has contracted with HOTB Software Solutions to provide a software program for electronic applications, underwriting technology, records management, and reporting. HOTB Software Solutions was previously used by the Hardest Hit Fund and provided attentive customer service. The HAF-RI managers have great relationships with the senior leadership team at the company and communicate with them regularly. While the software is an “off the shelf” product, we have made numerous edits to better serve RI homeowners. Edits to the software will be completed by the end of November.

HAF-RI has hired the internal staff necessary to efficiently operate the program. Staff consists of a Senior Program Manager, a HAF Manager, six HAF Underwriters, an Administrative Assistant, an Operations Specialist, and three Accounting staff members. Five RI Housing first mortgage underwriters are available to assist the program, specifically for the initial rush of applications received when the program launches. Additionally, we intend to engage three to four temporary staff to provide application assistance in socially disadvantaged communities at city halls, community centers, libraries, etc.

HAF-RI has posted an RFP to engage local organizations to provide application assistance and community outreach to connect with homeowners across a range of populations, language groups and cultures.

HAF-RI has engaged Advocacy Solutions to provide Multi-Channel Marketing and Public Awareness Campaign Services. This agency will plan a launch event, host key information sessions, develop English and Spanish radio scripts, manage placement of media buys, and manage any types of outreach.

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

Yes, HAF-RI is prepared to launch upon Treasury approval. We are working to prepare as much as possible and anticipate opening the program to applications within two weeks from when approval is received.

- **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.**

HAF-RI decided to not administer a pilot program. Therefore, very little of the initial 10% payment has been used. We have used \$90,000 to engage HOTB Software Solutions to build the software program for electronic applications, underwriting technology, records management, and reporting. This \$90,000 includes the first year of service including all homeowner applications. We have also used funds for tablets and MiFi technology to provide internet to staff that will be stationed in the community to assist homeowners with applications. Program stationery and office supplies have also been purchased.

Budget

- **Your plan indicates the following program design elements may be offered to people who qualify for mortgage relief with no corresponding budget allocation. Please provide a budget allocation by each program design element. Alternatively, you may group similar types of program design elements, i.e., mortgage-related program design elements (i.e., payment**

assistance, principal reduction, or reinstatement), taxes and insurance (outside of mortgage), etc.

- **payment assistance for homeowner’s utilities, including electric, gas, home energy, and water**
- **payment assistance for homeowner’s insurance, flood insurance, and mortgage insurance Property tax assistance**
- **payment assistance for delinquent property taxes to prevent homeowner tax foreclosures**
- **payment assistance for homeowner’s internet service, including broadband internet access service, as defined in 47 CFR 8.1(b)**

HAF-RI plans to include payment assistance for utilities, internet, insurance, and real estate taxes in our reinstatement program allocation. We consider these arrearages to be reinstatements to put the homeowner back on steady ground. Monthly payment assistance will not be offered for these types of expenses. The software we are using will allow us to track each of these expenses separately allowing for specific reporting of each type of assistance. Grouping these expenses with the Reinstatement Program allows for maximum flexibility to target Rhode Island homeowners most in need. We do not anticipate the funds for payment of past due utilities, internet, insurance, and real estate taxes will exceed 5% of the total allocation.

- **Please explain what the budget line item “state oversight” includes.**

The State of Rhode Island has a centralized grant management and pandemic recovery office that administers and monitors the use of federal funds, including stimulus funds. The budget line item “state oversight” references the state resources to provide subrecipient monitoring of Rhode Island Housing and reporting; including reporting to US Treasury.