

**HAFP-0079-Tennessee
Treasury Feedback for Resubmission of Plan**

Completeness

- Your plan lists Lindsay Hall as the Authorized Official, while the original application for HAF payments was signed by Ralph Perry. 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. **This has been corrected.**

Please revise the HAF plan by providing a response to the question(s).

**Homeowner Needs and Community Engagement
Data**

- Please explain why as part of your HAF planning process, you did not obtain or relay upon any data regarding risk of displacement due to utility arrearages or tax foreclosures.

This has been revised in the application.

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. **THDA staff has continually had on going conversations with our network of HUD counseling agencies across the state. These counselors have always been and continue to be our boots on the ground. In these discussions staff collaborated on what services were needed and how and when to incorporate these services into the HAF process. Early and continual intervention with housing counselors was decided upon. All applicants will be assigned a HUD counseling agency when their application is submitted. This will allow the counseling agencies to do early intervention, review loss mit options while THDA staff is processing the homeowner's application. In addition to counseling there is a specific online education piece that will be available. In addition, THDA hosted a board meeting the last Tuesday in July. HAF was put on the agenda and board materials are presented and housed on the THDA public access website. Time is allotted for public comment for agenda items at the board meetings. There was no public comments or questions other than by the board members during the presentation of the program.**
- 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. **On August 9, 2021 a public notice was place on the front page of THDA's website. This public notice provided an overview of the anticipated program. This was posted for a complete seven day period. There was very little response to the notice other than a handful of calls and emails from potential applicants requesting the timeframe of the program; there were no additional responses. THDA staff responded to all requests for information.**

Ongoing Assessment of Homeowner Need

- None

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. Based on the data reviewed mortgage delinquency, forbearances and unemployment provided a clear understanding of the level of homeowners in distress. Overlapping this information with minority and poverty level demographics provided a clear picture of those areas of concentration that should reach those populations that may be designated as socially disadvantaged. Mapping these areas of concentration assisted in the development of outreach and marketing efforts to come.

- 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)?

The application captures the mortgage delinquency status, if the applicant is in foreclosure or more than 90 days delinquent, the application can be prioritized to be reviewed ahead of other applications. Additionally, we are offering a recorded education video which explains loss mitigation options, budgeting and explains forbearance, partial claims and other terms the homeowner may have questions about. The recorded video will be followed up by contact with a counselor to answer any questions and to do a basic assessment of the homeowner's situation.

- 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 education video offered at submission is followed up with contact by an assigned counselor.**
 - the role housing counseling or legal services providers will play in supporting homeowners' efforts at engaging in loss mitigation. **Those homeowners who need loss mitigation will have an assigned counselor to help them navigate the loss mitigation process with their servicer.**
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- In situations where the HAF assistance includes or will be limited to payments for mortgage reinstatement, please explain whether and how you will assess whether a similar or more appropriate alternative loss mitigation option is available through the servicer. **Our program guidelines will utilize the housing ratio to assess affordability for the homeowner. Those homeowners whose housing ratio is at an affordable level will receive reinstatement only. Those homeowners whose housing ratio falls within a predetermined range and whose hardship appears to be temporary, will be eligible for a limited number of ongoing payments while they work with their assigned counselor to prepare to resume payments. Those homeowners whose housing ratio exceeds a certain threshold and whose hardship appears to be more permanent, will be reinstated and referred for loss mitigation with their servicer. They will have a counselor provided to assist with the loss mitigation process.**
- 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? **We feel that the process outlined above will allow for homeowners to get the appropriate assistance they need. They will be referred to the servicer for loss mitigation options when it is determined that there is an ongoing affordability issue.**
- 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 payment? **As outlined above, by calculating the housing ratio we will be able to better determine what type of assistance the homeowner needs in order to be able to successfully sustain the mortgage payments going forward.**
- Are you anticipating increased winter home energy costs and their potential impact on the homeowners that HAF will serve? **We will make available to homeowners a list of agencies offering utility assistance across the state to aid those in need.**

Eligibility

- Please provide the rationale for establishing the following additional eligibility requirements specified in your plan, including how you determined these requirements will not create unnecessary barriers to participation by eligible homeowners:
 - Homeowners that are in active bankruptcy obtain court permission submitted with initial application. **We have removed additional requirements for those in active bankruptcy. As long as the servicer will participate we will allow the homeowner to receive assistance if they meet all other guidelines.**

- Your plan indicates that you will not utilize fact-specific proxies as an alternative to documentation requirements for determining household income. Please explain how the program will serve eligible homeowners who may face challenges in producing the necessary documentation. **In the Pilot we have not encountered a lot of issues with homeowners obtaining necessary documentation and we have the ability to make exceptions to this if they do.**

Outreach

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

Outreach will be targeted to non-profit and community organizations in different local communities across the state who directly serve LEP populations (Hispanic/Latino, Islamic and Kurdish). Tennessee has at least one Hispanic/Latino non-profit in each of our grant divisions that provides services to a large share of the state's Spanish language population. THDA has created a HAF media outreach plan. The plan includes placing Spanish language content in both paid and earned media (print, radio, TV, minority, digital) in counties of the state where greater than 50% of the population earns 100% of AMI, greater than 10% of homes are owned/occupied by minorities and greater than 5% speak English less than very well. Language access is provided to HAF applicants and participants through a third party service provider using either telephonic or video remote oral interpretation. Important HAF program documents are available in the Spanish language, which is the most common language spoken in Tennessee, other than English. Translation of documents into languages other than English and Spanish will be considered where a sufficient need is demonstrated as the program progresses. Where an important document is not available in an LEP borrower's primary language, oral interpretation of the document is provided. Oral and written language assistance services are provided free of charge, and a language access notice in English and Spanish is placed in a visible location on the HAF Program website. For more information on language access, see THDA's Language Access Plan at <https://thda.org/pdf/Language-Access-Plan-Final.pdf>.

- Please explain how the program will provide culturally relevant marketing Prioritization

THDA will initially share advertisement and press release content and media distribution plans with targeted non-profit organizations that serve LEP, other minority and socially disadvantaged populations to receive feedback on creating content and utilizing media that resonates with targeted segments of borrowers. Advertisements (including social media) and press releases targeted to Hispanic/Latino populations will be translated into Spanish. Minority media outlets, including Spanish language media outlets, are included in the HAF media outreach plan. As the program progresses, metrics will be reviewed to determine whether additional efforts are needed to reach and serve target populations. If it is determined additional targeted marketing is needed, THDA will consider hiring a marketing partner that specializes in LEP and minority consumer audiences to ensure we are reaching borrowers that have historically been underserved by the conventional market.

- If your program intends to serve households who are over the 100% AMI threshold, how will your program prioritize Socially Disadvantaged Individuals? **THDA will monitor closely the number of households above the NMI and adjust marketing and guidelines as necessary to ensure that the majority of those are to socially disadvantaged households. Most counties in the state have median incomes that are well below the United States median income, many less than half. Based on this, we do not anticipate many applicants will exceed 100% NMI.**

Performance Goals

- Please explain how you intend to communicate your progress towards performance to the public. Quarterly dashboards will be posted on the THDA website which will indicate the penetration of funds disbursed by county.
- Please indicate which three metrics will serve as the best indicators of the success of your program.

The three main TNHAF program goals include reducing negative outcomes for mortgage holders (i.e. reducing mortgage delinquency, reinstating mortgage loans, avoiding foreclosures), targeting vulnerable populations, and reducing the debt burden of households under 60% of the national median income (NMI) (i.e. principal reductions of amortizing secondary financing mortgages). Research and Planning proposes the following metrics to determine positive outcomes for the program, based on these program goals.

Metric 1: A notable reduction in mortgage burden for homeowners at or below 100% NMI or homeowners who are deemed “socially disadvantaged,” as outlined in the Program Guide.

We propose that the comparison of 90 day delinquency rates pre-COVID to present delinquency rates throughout the lifetime of the program. This metric will help us assess if homeowners are better able to stay current on their mortgages (Black Knight, CoreLogic, HUD Neighborhood Watch).

- 1. Percent reduction in 90-day delinquency rates for homeowner recipients

Metric 2: Index Measure of NMI and Social Disadvantage as outlined in the Program Guide

Metric 2 covers Phase 1 and the Pilot stage of TNHAF and aims to measure whether TNHAF is disbursed to targeted populations as defined Treasury’s requirement to ensure that at least 60% of the funds are allocated towards homeowners who are at or below 100% NMI, and the remaining disbursed to homeowners who meet the criteria of “social disadvantage” and are at or below 150% NMI.

We propose 5 components within this index aligned to NMI and the four measures of social disadvantage as outlined in the HAF Program Guide (listed below). For each measure, we intend to compare the percentage of recipients with the composition of the county, data which will be acquired from the 2015-19 ACS 5 year estimates. Metrics 2a – 2d will be rolled up into an index for each county, and for the state overall. Metric 2e will be measured only at the state level. Each index will cover up to 100% NMI as well as up to 150% NMI. A county level analysis will allow us to determine whether the funds are being appropriately targeted to counties given their demographic compositions, in alignment with the included THDA marketing strategy. Finally, a state-level analysis will allow for determination of whether TNHAF has met its overall homeowner targets.

- 2a. Percent of applicants and recipients who are below 100% NMI or 150% NMI
- 2b. Percent of applicants and recipients of each racial and ethnic group by NMI (100% NMI and 150% NMI)
- 2c. Percent of applicants and recipients who received language assistance, and are thereby presumed to be of limited English proficiency by AMI (100% NMI and 150% NMI)
- 2d. Percent of applicants and recipients who are from majority/minority or >= 20%

poverty census tracts by AMI (100% NMI and 150% NMI)

- 2e. Percent of applicants and recipients from “persistent poverty” counties (state-level estimate, only) by NMI (100% NMI and 150% NMI)

Metric 3: A measure of NMI and debt reduction for vulnerable populations for Phase 2, only

This metric is intended for Phase 2 specifically, as it targets homeowners under 60% of the NMI. We should expect to see a higher percentage of applications from the counties with more of the population falling under 60% of the NMI in Phase 2 of TNHAF. The number of applications from the highest 20 counties will be compared to the overall averages to determine if those higher risk counties are being adequately served. Additionally, applicants will self-report if they had a reduction in their household debt ratios.

- 3a. Percent of applicants and recipients who are at or below 60% NMI from the 20 counties with the highest concentration of these applicants.
 - 3b. Percent of applicants who had a 10% or more reduction in household debt ratios.
- Please indicate whether you intend to disaggregate metrics by income, race, gender, etc.
Yes.
- 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. The education that we offer to all applicants and require for those receiving assistance is imbedded in our software system and will allow reports on how many took the education.

Readiness

- Please provide the most recent available information about your program's readiness, including staffing, contractors, etc.. We have been running our pilot program for over three months. The pilot is set up to mirror how we expect the full program rollout to operate. This has allowed us to adjust
- Is your program prepared to launch upon approval and, if not, by what date will you be ready to launch following approval? Upon approval THDA will complete the final testing of the software program as it has been developed and updated throughout the pilot. In addition earned media will begin immediately and the THDA HAF website will be published providing the access link for homeowners to apply. Servicers have already been provided the Servicing Collaboration Agreement and several have returned those agreements. THDA will continue to allow servicers to participate in the program throughout the length of the program or until funds have expired.
- 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.

As of November 19, 2021 we have paid \$708,214.15 in mortgage payments for homeowners. This figure does not include ongoing future payments and funds approved and still in the disbursement process.

Budget

- Your plan provides a total budget amount of \$167,825,831.50, less than your full allocation amount of \$168,239,035.00. Our records indicate that you have \$151,415,131.50 remaining from your allocation, after deducting your initial 10% payment. Please indicate whether, upon approval, you wish to receive your entire remaining allocation, and if not, the amount you wish to receive. **Application has been updated with revised budget.**