

## **HAFP-0080-Missouri**

### **Responses to Treasury Feedback for Resubmission of Plan**

#### **Completeness**

**Your plan lists Jennifer Schmidt as the Authorized Official, while the original application for HAF payments was signed by Luke Holtschneider. 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](mailto:HAF@treasury.gov)**

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

##### ***Data***

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

As identified in the Missouri Needs Assessment, Missouri encompasses almost a quarter of a million homeowners under the 100% US median income threshold and even more when considering that 17 of Missouri's counties have higher AMIs than the US median income. Highly represented within these households are socially disadvantaged individuals. The vulnerability of these populations was increased even more so by the pandemic, making it imperative that the Missouri Housing Development Commission (MHDC) have a clear strategy for reaching this need with the State Assistance for Housing Relief (SAFHR) for Homeowners program, created to administer the Missouri allocation of the Homeowner Assistance Fund (HAF).

##### **1. Income Targeting**

MHDC is committed to working in coordination with national and localized servicers to target portfolios made up of lower income homeowners. Based on the Needs Assessment, MHDC will utilize geographic targeting strategies to provide print and digital marketing materials, specifically in areas identified to have high levels of low income households with high delinquency rates and/or high forbearance rates. MHDC will also engage and educate community partners to further extend the reach of information. These community partners include Community Action Agencies, United Way 2-1-1, non-profit networks, childcare agencies, and other banks and institutions not solely limited to mortgage servicers.

##### **2. Targeting Socially Disadvantaged Individuals (SDIs)**

Similar to strategies in targeting lower income homeowners, MHDC will utilize a variety of opportunities to provide targeted communication and education around SAFHR for Homeowners for socially disadvantaged individuals. The Needs Assessment will be utilized to identify areas of greatest need of assistance. MHDC has begun outreach to partner with organizations and entities that specifically connect with some of the disadvantaged populations identified such as the Black Chamber of Commerce, Hispanic Chamber of Commerce, American Indian Council, Metro St. Louis Equal Housing

Opportunity Council, Empower Missouri, and more. As with income targeting, MHDC will utilize geographic targeting strategies here as well to provide print and digital marketing materials specifically to those counties identified as poverty-persistent and areas with majority-minority census tracts.

### 3. Statewide Targeting Partners

To effectively reach all targeted groups throughout the state, MHDC has engaged with a marketing firm to provide messages and run an advertising campaign that will align with all geographic and demographic methodology. In addition, MHDC is actively working with servicers to provide materials and assistance to reach out to delinquent portfolios aligning with targeted groups. MHDC is partnering with United Way 2-1-1 to extend the reach of information and preparation to homeowners statewide that may not have any other pathway to homeowner assistance resources.

### ***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.**

To best serve the state of Missouri and homeowners in need, public participation and community engagement in the development of this plan have been critical. The first step of engagement was to host informational webinars and feedback sessions for both housing counseling agencies and mortgage lenders and servicers represented in Missouri to learn from those on the front line regarding homeowner needs and the most significant opportunities to resolve delinquencies and prevent foreclosures. The resounding sentiment regarding most impactful program design was mortgage reinstatement.

The next step of MHDC was to assemble an advisory committee with representation from Mortgage Bankers Association of Missouri, entitlement communities, and housing counseling agencies. This committee met on a weekly basis since the beginning of May to strategize solutions in outreach and marketing, engagement of socially disadvantaged individuals, servicer coordination and more. MHDC specifically reached out to multiple entitlement communities to consult with them regarding the needs of eligible homeowners in Missouri and to identify strategic outreach efforts.

The final step of engagement was outreach to business, community and faith groups representing socially disadvantaged individuals. Connection through the establishments that have built trust with those MHDC seeks to serve will allow for the most effective deployment of the SAFHR for Homeowners 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.**

The Missouri Housing Development Commission has not received any substantive comments since submitting the HAF Plan outside of inquiries regarding the launch date of direct assistance for Missouri homeowners.

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

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

The Missouri Housing Development Commission has begun with a focus on reinstatement as a broad scale approach to remedy Missouri homeowner delinquency. As that program progresses, MHDC will assess homeowner denial reasons through the application portal, continue to engage with stakeholders through an established advisory committee, analyze delinquency data for the state, and process feedback from the engaged housing counseling and legal aid entities funded through Mortgage Assistance Counseling. This data and detail will allow MHDC to assess changes in homeowner needs to determine the necessity of additions or adjustments to program design elements.

### **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)?**

Upon program launch, Missouri's application portal will request each homeowner applicant to attest whether or not they are facing foreclosure, allowing MHDC to quickly identify the immediate threat, validate by requesting a copy of the foreclosure notice, and expedite the process for the homeowner at risk. Due to the nature of the reinstatement design, MHDC will not be assessing other threats such as HOA liens, tax delinquencies, or utility shut offs but will provide advertising and referrals to HUD-certified housing counseling agencies to work with homeowners on action plans, budgeting, and additional resources.

Recognizing the immediacy of homeowner needs across the state, MHDC has launched the Mortgage Assistance Counseling (MAC) program to support housing counseling and legal services ahead of direct assistance launch to help homeowners evaluate available options for mitigating loss and avoiding foreclosure as they navigate the threat of housing instability.

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

Due to the need to address statewide delinquency, the Missouri Housing Development Commission has begun with a focus on reinstatement as a broad scale approach. This determination was made in an effort to address the highest and largest need statewide, and was determined through community feedback. As that program progresses, MHDC will assess the need for possible program design additions or inclusions through the assessment of applicant denial reasons, stakeholder input, feedback from the network of engaged non-profit agencies, and the analysis of delinquency data.

**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.**

MHDC has launched a Mortgage Assistance Counseling (MAC) program to provide funding to HUD-Certified housing counseling agencies and legal aid entities across Missouri to walk homeowners in need through loss mitigation efforts before Homeowner Assistance Fund dollars are available for direct assistance. Upon Treasury approval, MHDC will launch the direct assistance program for homeowners, while remaining engaged with MAC agencies across the state to provide housing counseling, legal services, and application support. MHDC will communicate through both a public-facing and promoted website, [www.mohousingresources.com](http://www.mohousingresources.com), the landing page for the application portal, and through pre-screening questions for homeowners to receive referrals to HUD-certified housing counseling agencies. These MAC agency services will also be promoted as a part of the overall Missouri homeowner assistance marketing campaign.

**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?**

With loss mitigation, MHDC recognizes that the experts are the servicers and the housing counseling agencies that engage with homeowners to assist. MHDC will consistently guide homeowners through advertising, communication, and built-in referrals to these partners that can best advise the homeowner of the options that will best serve them. MHDC believes that it is the role of the HAF grantee to provide and support connection to those industry experts who hold the loss mitigation options.

**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?**

MHDC's program is designed to open up and provide statewide assistance quickly by first offering reinstatement services. The direct assistance program, along with the Mortgage Assistance Counseling (MAC) program, which utilizes HUD Housing Counseling agencies, will effectively allow homeowners to be able to quickly avoid foreclosure, and gain access to counseling services to evaluate the best future options. As the program progresses MHDC will continue to evaluate needs across the state, and adjust the program to add additional services as necessary. MHDC's assistance program, and the work done with outside community partners is designed to move quickly and adapt over time in order to most effectively and efficiently assist homeowners in attaining housing stability.

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

MHDC recognizes the upward trend of home energy costs that will impact Missouri residents this winter. While MHDC provides the opportunity for reinstatement to delinquent homeowners in the state, the agency will look to partner with other services and assistance programs across the state to address these needs.

***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.**

The Missouri Housing Development Commission has been intentional in its initial program design so as to offer the most effective and needed service first to prevent as many foreclosures as possible. The program design allows MHDC to continue to assess any potential barriers presented through the administration of this program and adapt over time.

***Outreach***

**Please explain how the program will target outreach and provide access to homeowners with limited English proficiency, including those that are not Spanish speakers.**

In an effort to prevent as many foreclosures as possible, the Missouri Housing Development Commission has designed its program to go into operation as quickly as possible, and to ensure those services cover as much of Missouri's population as possible. The overwhelming majority of the population in Missouri speak either English or Spanish. Print and digital marketing is currently being developed to be made available in both English and Spanish. However, MHDC will ensure that other languages are offered, and that all eligible homeowners in need of assistance may receive it. For additional languages represented in Missouri, MHDC has already begun to engage a network of non-profits for the Mortgage Assistance Counseling program to expand its ability to reach and serve those homeowners in need, despite any language barrier. In addition, MHDC has ensured that all of the landing pages on the application portal

explaining the program, required documents, frequently asked questions, and more have a plug-in that provides translation into over 100 languages.

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

MHDC is working with a broad number of community partners to provide culturally relevant outreach through entities that have established community relationships across the state in rural, suburban, and urban communities. In addition to this network of agency partners, MHDC is also engaged with a marketing firm that developed the state's marketing of ERA. Further marketing efforts will build on those existing efforts for both combined marketing and advertising as well as homeowner-specific advertising efforts.

***Prioritization***

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

MHDC has worked closely with a contracted software solutions company for the ability to identify each homeowner applicant's demographic data to determine and therefore prioritize majority-minority census tracts, poverty persistent counties, homeowner applicants with limited English proficiency and homeowner applicants that are members of a group that has been subjected to racial or ethnic prejudice or cultural bias within American society.

**Performance Goals**

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

MHDC has established a public-facing dashboard on [www.mohousingresources.com](http://www.mohousingresources.com) for other COVID relief performance metrics and will incorporate HAF performance and progress metrics.

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

The three metrics which will serve as best indicators of the success of Missouri's program are:

1. Percent of targeted populations served (at or below 100% AMI or SDIs)
2. Number of foreclosures prevented
3. Geographic distribution of funds

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

MHDC does not intend to disaggregate metrics on its public-facing dashboard by income, race, gender, etc. but does have the ability to report on these disaggregated metrics, if necessary.

**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.**

MHDC is open to all possibilities and will continue to assess this over time.

## **Readiness**

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

### *Staffing*

MHDC will utilize the full organizational financial department and executive staff to aid in the sustainability of the program. Additionally, MHDC has key staff that are actively working on program development with plans to increase those positions to meet additional needs as they arise. The current staffing structure includes:

- Director of Operations
- Division Director
- Department Manager
- Departmental Supervisor(s)
- Program Administrators
- Compliance staff
- Organization data and reporting staff
- Departmental data and reporting staff
- Departmental financial staff

### *Contractors*

MHDC has contracted with Customer Direct for contact center services and is currently establishing call scripts and providing training on application software for general application support.

MHDC has contracted with AmeriNat to conduct all application processing and underwriting. Together MHDC and AmeriNat have established review and underwriting checklists and are conducting training on application software for clear understanding of use for all processing.

MHDC has contracted with HOTB Software Solutions to utilize their Counselor Direct software. The application portal has been crafted to all Missouri specific criteria and information in preparation of homeowners interacting with it. Both MHDC and the software company have prepared to launch the live application portal on January 3<sup>rd</sup>, 2022.

To ensure effective program compliance, MHDC has also engaged with an outside legal firm for the duration of this program. MHDC engages annually with an external auditing firm to conduct annual program audits. Lastly, MHDC has engaged with an external consulting firm to assist program staff and internal compliance department in the development of policies, procedures, and internal controls.

#### *Servicers*

MHDC has conducted outreach to formally engage servicers through a servicer participation agreement and packet. This outreach went out to over 300 servicers. MHDC will utilize the Common Data File as the key conduit in program delivery for mortgage servicer coordination. MHDC is working with engaged servicers to set up

#### *Housing Counseling and Legal Aid Entities*

MHDC has established the Mortgage Assistance Counseling program for HUD-Certified Housing Counseling agencies and Legal Aid entities to provide supportive services to struggling homeowners leading up to and during the SAFHR for Homeowners program. These entities will be used as an administrative entry point for many program participants to assist in the effective delivery of SAFHR for Homeowners. MHDC recognizes that these counselors have the experience and resources necessary to navigate loss mitigation processes and other options that can lead to permanent housing affordability.

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

MHDC is prepared to launch as early as Monday, January 3<sup>rd</sup>, 2022, following 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.**

MHDC has utilized a portion of the initial 10% payment in preparation of program launch, engaging the necessary vendors, creating marketing materials, and launching the Mortgage Assistance Counseling (MAC) program for HUD-certified housing counseling agencies and legal aid entities. MAC agencies have already begun to engage homeowners to support them in the navigation of loss mitigation options and other housing stability planning.

MHDC has not extended any pilot assistance in the form of direct assistance to homeowners.

### **Budget**

#### **Your plan indicates that mortgage reinstatement is the only program design element with a budget allocation. Please confirm.**

MHDC confirms this as the only design element with a budget allocation.