# Mortgage Default Resolution Program

## Brief Description

The Arkansas Development Finance Authority (ADFA) will provide financial assistance to eligible homeowners for:

- Principal assistance to be combined with a loss mitigation option to eliminate past due payments and servicer-advances, reduce the rate of interest, recast or modify payment terms, as appropriate to result in a sustainable, affordable payment.

## Maximum Amount of Assistance Per Homeowner

Homeowners are eligible to receive a one-time mortgage benefit of up to $50,000 per household, to be used only for the homeowner’s primary residence.

Homeowners are ineligible for Mortgage Default Resolution assistance if they have previously received Mortgage Reinstatement assistance.

## Homeowner Eligibility Criteria and Documentation Requirements

- Homeowner has experienced a financial hardship after January 21, 2020 (including a hardship that began before January 21, 2020, but continued after that date), and provided an attestation describing the nature of the financial hardship
- Homeowner has incomes equal to or less than 150% of the area median income or 100% of the median income for the United States, whichever is greater
- Homeowner must be applying for assistance related to the dwelling that the homeowner owns and is the homeowner’s primary residence
- Property must be located within the state of Arkansas
- Property must not be vacant, abandoned or condemned
- Property must not be listed for sale or approved for a short sale or deed-in-lieu.
- Mortgage must be held by a lender/servicer with an NMLS number, which would include federally backed and privately funded mortgages. Private party mortgages are ineligible for assistance
- Identification for the Borrower & Co-borrower(s), as applicable
- Income documents for the Borrower & Co-borrower(s), as applicable, (e.g., federal tax return, W-2s, other wage statements, unemployment, short-term disability, social security statements, etc., unless exempt based on fact-specific proxy)
  - Household income will be determined based on Borrower & Co-borrower(s) income only, as those represent the individuals financially responsible for the mortgage
- Proof of homeownership, ONLY if cannot be determined by HAF based on publicly available ownership records
- Documents from mortgage servicer demonstrating delinquency. Documents should indicate the account number, payment amount, payment due date, total past due amount, type of loan, and payment remittance address (e.g., most recent mortgage statement, letters from mortgage holders, etc.)
- Original mortgage to determine if the unpaid principal balance of which was, at the time of origination, not more than the conforming loan limit
  - This will ONLY be required from applicant if cannot be determined by the program based on publicly available records or coordination with the servicers

**Additional documents that may be required based on individual situations:**
- Power of attorney or probate documents, if applicable
- Zero income attestation form, if applicable
- Self-employment attestation form, if applicable

**Documents to be completed within the system as part of application:**
- Third-party authorization form
- Financial hardship self-attestation form
- Acknowledgement of Program Terms and Conditions

**NOTE:** For program documents, if the applicant needs certain accommodations, the forms can be provided in other formats (e.g., paper application, additional languages, etc.)

<table>
<thead>
<tr>
<th>LOAN ELIGIBILITY CRITERIA SPECIFIC TO THE PROGRAM</th>
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<td>- Loan must delinquent by at least two payments, including any payments during a forbearance period.</td>
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## MORTGAGE REINSTATMENT PROGRAM

### BRIEF DESCRIPTION
The Arkansas Development Finance Authority (ADFA) will provide financial assistance for eligible homeowners to:

- Eliminate delinquent mortgage payments and other delinquent amounts, including payments in forbearance, on forward mortgage or loans secured by manufactured homes.
- Bring the loan fully current with no remaining delinquent amounts, and repay amounts advanced by the lender or servicer for property charges, including property taxes, property insurance, ground rents, condominium and cooperative maintenance fees, planned unit development fees, and other fees the servicer may have paid to protect the lien position.

### MAXIMUM AMOUNT OF ASSISTANCE PER HOMEOWNER
Homeowners are eligible to receive a one-time mortgage benefit of up to $50,000 per household, to be used only for the homeowner’s primary residence.

Homeowners are ineligible for Mortgage Reinstatement assistance if they have previously received Mortgage Default Resolution assistance.

### HOMEOWNER ELIGIBILITY CRITERIA AND DOCUMENTATION REQUIREMENTS

- **Homeowner statement of ability to resume monthly payments after reinstatement**
  - Homeowners who are not yet able to resume payments due to temporary income, such as unemployment, worker’s compensation, or short-term disability, are eligible for reinstatement and two (2) additional mortgage payments to prevent foreclosure as they work with their mortgage servicer and/or a housing counselor to stabilize their finances and/or regain employment sufficient to resume payments.
- Homeowner has experienced a financial hardship after January 21, 2020 (including a hardship that began before January 21, 2020, but continued after that date), and provided an attestation describing the nature of the financial hardship.
- Homeowner has incomes equal to or less than 150% of the area median income or 100% of the median income for the United States, whichever is greater.
- Homeowner must be applying for assistance related to the dwelling that the homeowner owns and is the homeowner’s primary residence.
- Property must be located within the state of Arkansas.
- Property must not be vacant, abandoned or condemned.
- Property must not be listed for sale or approved for a short sale or deed-in-lieu.
- Mortgage must be held by a lender/servicer with an NMLS number, which would include federally backed and privately funded mortgages. Private party mortgages are ineligible for assistance.
- Identification for the Borrower & Co-borrower(s), as applicable.
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<th>FORM OF ASSISTANCE</th>
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<td>PAYMENT REQUIREMENTS</td>
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