



Program Design

General Program Information

Overview

The state will take a phased approach to the programs it intends to implement with its HAF allocation. The state recognizes and appreciates the flexibility built into the Treasury guidance to allow for a wide array of impactful program benefits. Providing Louisiana residents with support to remain in their homes after the resulting negative financial consequences of the COVID-19 pandemic is paramount. As such, OCD is proposing a priority mortgage assistance program to prevent housing instability in the form of foreclosure, forbearance and delinquency. This program will provide payments to servicers to bring mortgages current and avoid foreclosures.

In addition to the mortgage assistance program, OCD is taking a holistic approach to supporting Louisiana homeowners with additional housing services. Several programs are under consideration and described below. The availability of these programs will be dependent upon available funding and further needs assessment following the launch of the priority mortgage assistance program. Further analysis and stakeholder engagement may reveal the need for programs not currently contemplated, and the plan and budget will be updated accordingly to reflect OCD's HAF program implementation.

Eligibility Requirements

Homeowner Eligibility

The following requirements apply to applicants under any and all programs to be funded under Louisiana's HAF program:

- The applicant must currently own and occupy the property as their primary residence.
- The property must be located in Louisiana.
- Household income cannot exceed 150% of the Area Median Income (AMI) based upon U.S. Department of Housing and Urban Development income data.
- Homeowners must describe and attest to financial hardship after January 21, 2020, such as job loss, a reduction in household income, incurred significant costs for health care or experienced other financial hardship due, directly or indirectly, to the Covid-19 outbreak.

Property Eligibility

To be eligible for HAF assistance, properties must be located in Louisiana, and must be owner-occupied, or in the case of a land contract or contract for deed, occupied by the documented buyer, and may include:



LOUISIANA
Homeowner
Assistance Fund

- Single-family (attached or detached) properties;
- Condominium units;
- 1 to 4-unit properties where the homeowner is living in one of the units as their primary residence;
- Manufactured homes permanently affixed to real property and taxed as real estate; or
- Mobile homes not permanently affixed to real property.

It is the state's intent to use third party data to verify eligibility requirements. If third party verification is not possible, the state may require the collection of additional documentation from the applicant in addition to applicant self-certifications. In the case of documenting occupancy, should third party verification not be possible, it may be determined based on a self-certification and additional documentation provided by the homebuyer, to include any one of the following: driver's license or state ID, utility bill, phone or internet bill, bank statement, mortgage statement, property tax bill, tax return, deed, or any government issued document that includes name and address. Additionally, the state will explore the use of fact-specific proxy pending further Treasury guidance.

Priority Program: Louisiana COVID-19 Mortgage Assistance Program

The Mortgage Assistance Program is targeted for eligible low- and moderate-income residents. Assistance will be prioritized in accordance with the parameters outlined in the "Targeting HAF Funding" Section of this plan.

The program will consider three main populations of need:

- loans in forbearance;
- loans not in forbearance but delinquent; and,
- loans in foreclosure.

These populations will have their unpaid balance and associated fees (if applicable) paid to bring the loan current and for foreclosures to reinstate.

Assistance provided through the program will be applied in the following order of priority:

- Mortgage/housing loan reinstatement (including escrows) or payments to make loan current, with possible advance payments available
- Property taxes and homeowner's insurances (hazard and mortgage), if escrowed
- Condominium/homeowners' association fees, if escrowed
- For those in foreclosure, legal services will be provided if legal representation has not been retained



Connection to Needs Assessment

The needs assessment provided in this plan, along with guidance from U.S. Treasury, highlights the need for the state to prioritize mortgage assistance with its HAF allocation. The needs assessment found that, at a minimum, 13,910 loans are either in forbearance or delinquent (this number is based on the Treasury data sample). Additionally, survey data found that 37,693 Louisiana homeowners reported they had no confidence in their ability to make next month’s mortgage payment and 80,496 reported only slight confidence. To address the needs of these homeowners, the state proposes the following Mortgage Assistance Program to be funded with the state’s HAF allocation.

Program Design Element – Mortgage Reinstatement Program

Criteria	Terms
<u>Brief description</u>	<p>Provide funds to eliminate or reduce past due payments and other delinquent amounts, including payments under a forbearance plan, on forward mortgages, reverse mortgages, loans secured by manufactured homes, or contracts for deed.</p> <p>HAF Funds may be used to bring account fully current, with no remaining delinquent amounts, and to repay amounts advanced by the lender or servicer on the borrower’s behalf for property charges, including property taxes, hazard insurance premiums, flood or wind insurance premiums, ground rents, condominium fees, cooperative maintenance fees, planned unit development fees, homeowners’ association fees or utilities that the servicer advanced to protect lien position. Payment may also include any reasonably required legal fees.</p> <p>HAF funds will be used only to supplement other loss mitigation options offered by the servicer under investor requirements or where, without HAF funds, the homeowner would not qualify for that loss mitigation option.</p>
<u>Maximum amount of assistance per homeowner</u>	<p>Each Homeowner will be eligible for up to \$25,000 through this program to be used only for the homeowner’s primary residence. Program policy will define a process for exceptions to the maximum assistance.</p>



Criteria	Terms
<p><u>Homeowner eligibility criteria and documentation requirements</u></p>	<p>Same as General Eligibility Requirements plus:</p> <ul style="list-style-type: none"> • Statement of current ability to resume any required regular payments after account is reinstated (OR) Ability to resume any required regular payments with assistance from Grantee Mortgage Payment Assistance Program. • For reverse mortgages, Homeowner has entered a repayment plan and homeowner otherwise qualifies. <p>Documentation Requirements:</p> <ul style="list-style-type: none"> - Applicant identification—required upon application submittal - Primary residence - LA uses 3rd party state tax commission data for ownership and occupancy verification - Release of Information Authorization Form - LA include forms with the electronic grant application submittal which is signed electronically through DocuSign - Income documentation - LA has multiple tier source of 3rd party data verification: <ol style="list-style-type: none"> 1. Louisiana Workforce Commission 2020 reported income and unemployment benefits; 2. SNAP eligible applicants paid through DCFS; 3. Proxy methodology using census tract data; 4. In the event 3rd party data is not available for verification in grant management system then applicant required to provide tax form or current paystubs. - Mortgage holder - LA obtains this information through the application and then verified with CDF (Common Data File) from lenders which is integrated within the grants management system (Counselor Direct) <p>In the event third-party data verification is not available, the applicant may be required to submit additional supporting documentation.</p>
<p><u>Loan eligibility criteria specific to the program</u></p>	<p>Delinquent by at least one payment, including any payments during a forbearance period.</p>
<p><u>Form of assistance</u></p>	<p>Assistance will be structured as a non-recourse grant.</p>



Criteria	Terms
<u>Payment requirements</u>	Payments may be made directly to the lender or servicer, as appropriate.

Program Design Element– Mortgage Payment Assistance

Criteria	Terms
<u>Brief description</u>	<p>Provide full or partial payment assistance to homeowners unable to make full mortgage payments due to a continuing financial hardship associated with the Coronavirus pandemic.</p> <p>HAF funds may be used to reduce a homeowner’s monthly mortgage/loan payments for up to three months (advance payments), plus an additional three months pending re-certification (6 months total), or until the Maximum Amount of Assistance is reached.</p> <p>HAF funds will only be used to supplement other loss mitigation measures offered by the servicer or where HAF funds are necessary for the homeowner to qualify for other such loss mitigation measures.</p>
<u>Maximum amount of assistance per homeowner</u>	Each Homeowner will be eligible for up to three months of assistance, plus an additional three months pending re-certification (6 months total), up to the overall program cap of \$25,000, with respect to the applicant’s primary residence, including a dwelling to be made habitable so it may serve as the homeowner’s primary residence. Program policy will define a process for exceptions to the maximum assistance.
<u>Homeowner eligibility criteria and documentation requirements</u>	<p>Same as General Eligibility Requirements plus</p> <ul style="list-style-type: none"> - Statement of current inability to resume mortgage payments due to unemployment, underemployment or other continuing hardship. <p>Documentation Requirements:</p> <ul style="list-style-type: none"> - Applicant identification—required upon application submittal - Primary residence - LA uses 3rd party state tax commission data for ownership and occupancy verification - Release of Information Authorization Form - LA include forms with the electronic



Criteria	Terms
	<p>grant application submittal which is signed electronically through DocuSign</p> <ul style="list-style-type: none"> - Income documentation - LA has multiple tier source of 3rd party data verification: <ol style="list-style-type: none"> 1. Louisiana Workforce Commission 2020 reported income and unemployment benefits; 2. SNAP eligible applicants paid through DCFS; 3. Proxy methodology using census tract data. 4. In the event 3rd party data is not available for verification in grant management system then applicant required to provide tax form or current paystubs. - Mortgage holder - LA obtains this information through the application and then verified with CDF (Common Data File) from lenders which is integrated within the grants management system (Counselor Direct) <p>In the event third-party data verification is not available, the applicant may be required to submit additional supporting documentation.</p>
<u>Loan eligibility criteria specific to the program</u>	No additional forbearance available.
<u>Form of Assistance</u>	Assistance will be structured as a non-recourse grant.
<u>Payment requirements</u>	Payments will be made directly to the lender or servicer, as appropriate.

Additional Programs Under Consideration

Connection to Needs Assessment

Mortgage reinstatement and the prevention of defaults, delinquencies and foreclosure through the mortgage assistance program will be prioritized with the state’s HAF allocation, and terms for those program have been included above. However, should funding be available, the state knows that taking a comprehensive approach will support Louisiana homeowners long-term. This may include services to support homeowners in obtaining a sustainable monthly mortgage payment, tax lien assistance, or grants for repairs to ensure homeowners remain in safe and healthy living conditions.



LOUISIANA Homeowner Assistance Fund

To inform the distribution of initial funds, the state relied on data available related to key indicators for housing instability including data on mortgage delinquencies and forbearance with respect to income and demographics. The state will continue to evaluate housing data and to engage with stakeholders to determine the level of interest and need for these types of support services. Further data collection and assessment will be needed to understand additional indicators of housing insecurity such as unemployment, loss of utilities or home energy services, property tax delinquencies, and other related debts. The state will further evaluate data related to these factors in order to determine which additional services would best serve Louisiana homeowners.

Overview

Following the successful launch of the Mortgage Assistance Program, additional housing stability support programs will be vetted based on need, and may include the following priority activities:

- Loan Modification Assistance (e.g., principal or interest reduction)
- Lien Assistance (e.g., property tax or HOA lien)
- Housing Repairs and Maintenance
- Homeowner and Flood Insurance Payment Assistance

These programs are intended to maintain housing stability for homeowners impacted by the COVID-19 pandemic. Whereas the priority Mortgage Assistance Program will focus on reinstatement and the prevention of delinquency and foreclosure, the additional support programs under consideration are intended to help homeowners achieve sustainable monthly mortgage payments and maintain safe and healthy living conditions.

In order to substantiate the need for these programs, OCD will conduct additional data analysis and needs assessment to design successful programs. This may result in additional programs not yet contemplated. Additional eligibility criteria and individual program caps for maximum assistance may be determined as the State of Louisiana moves forward with additional programming.

Application Process

Online Application

The application and intake process will be designed and operated in an accessible manner to avoid barriers to equitable access and to allow for maximum flexibility. Homeowners will be able to apply through a mobile friendly online portal that will allow for the upload of all supporting documents. Language accessible options will also be provided for those who do not use English as their primary language.



Program Assistance Centers

OCD will work with local housing and community organizations to establish program assistance centers to serve as in-person sites where homeowners who require additional assistance can receive support with submitting the online application.

Eligibility Review

Applications will be reviewed for eligibility (qualified financial hardship after January 21, 2020; own home; occupy home as primary residence; income, delinquency, etc.). As stated previously, it is the state's intent to use third party data verification to help expedite the application review process. Where third party data verification is not possible or not available, self-certification and document submission by the applicant will be required.

Conditions, Limitations, and Maximum Assistance

The Maximum Per Household assistance that can be provided under the mortgage assistance program is currently contemplated to be \$25,000. Individual program caps may be established as further data analysis is performed and additional programs are launched. Should additional data analysis provide evidence for additional need, OCD reserves the right to adjust the maximum assistance cap.

Other conditions and limitations will be further defined in program policies and procedures, and exception requests will be reviewed on a case-by-case basis. Any requests for an exception to this policy must be made in writing and include a justification for exceeding the maximum award amount or other policy requirements.

Payment Process

OCD will work closely with Loan Servicers and other financial institutions to arrange for direct payments on behalf of program applicants. OCD will utilize the Common Data File (a data file being compiled by the National Council for State Housing Agencies) to help facilitate payment. This common data file will contain data for loan servicers that state agencies will utilize as the primary mechanism for payment. In the event a loan servicer's information is not captured in the Common Data File, the state will work to establish a similar payment method directly.

For supplemental support services under consideration, as well as in the rare cases that mortgage assistance payments cannot be made directly to the loan servicer, OCD will consider making payments directly to the homeowner. These direct payments will require additional coordination with and documentation from the homeowner applicant.



Other Available Assistance

The state, through the Louisiana Housing Corporation, is also available to assist to homeowners who may need additional or different assistance to ensure housing stability, including:

Homebuyer Counselors

The Louisiana Housing Corporation understands the value of homeownership in our communities, and the costs and obligations that come with it. That is why it is part of its mission to prepare potential homeowners as they make this investment so they can make the most of it. Homeownership Education Counseling Programs can help homeowners understand the rights, privileges, and responsibilities of homeownership.

Low-Income Home Energy Assistance Program (LIHEAP)

In keeping with its mission to ensure that every Louisiana resident is granted an opportunity to obtain safe, affordable, energy-efficient housing, the LHC offers information on the Low-Income Home Energy Assistance Program (LIHEAP). LIHEAP is a federally funded program that helps low-income households with their home energy bills. The LIHEAP program may provide bill payment assistance and/or energy crisis assistance.

Lead Safe Housing & Health Homes

Louisiana Housing Corporation (LHC) and the Louisiana Department of Health's (LDH) Healthy Homes and Childhood Lead Poisoning Prevention Program have partnered in the administration of the Lead-Based Paint Hazard Control Grant. The objective of the grant is to create healthy living conditions for children under the age of six, educating the public on hazards of lead poisoning, identifying children with a Blood-Lead Level (BLL) greater than 5 (five) and leveraging other resources such as Weatherization Assistance funding, when possible, to make additional improvements to the dwelling.