

LOUISIANA

LIEN EXTINGUISHMENT PROGRAM TERMS

Revised 10.12.22

CRITERIA	LIEN EXTINGUISHMENT PROGRAM TERMS <i>Revised 10.12.22</i>
Brief description	<p>HAF funds may be used to extinguish liens (i.e. fully pay off loans) to promote long-term housing stability. This program will typically be reserved for applicants who are part of the state's most vulnerable population (i.e. elderly, disabled, etc.)</p> <p>This program option may also be offered to other applicants on a case-by-case basis.</p>
Maximum amount of assistance per homeowner	<p>Qualified homeowners will be eligible for up to \$50,000 in total assistance from the Grantee to be used only for the homeowner's primary residence. Program policy will define a process for exceptions to the maximum assistance.</p>
Homeowner eligibility criteria and documentation requirements	<p>Same as General Eligibility Requirements plus:</p> <ul style="list-style-type: none"> • Applicant's mortgage payoff balance cannot exceed the program cap. • Applicant must be considered part of the state's most vulnerable population (i.e. elderly, disabled, etc.). Exceptions to this requirement will be considered on a case-by-case basis. <p>Documentation Requirements:</p> <ul style="list-style-type: none"> • Primary residence—LA uses third 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 Adobe Sign. • Income documentation—LA has multiple tier source of third party data verification: <ol style="list-style-type: none"> 1. Louisiana Workforce Commission 2020 - 2022 reported income and unemployment benefits; 2. Proxy methodology using census tract data; 3. In the event third party data is not available for verification in grant management system, then applicant is required to provide tax form or current paystubs. • Mortgage holder—LA obtains this information through the application and then verifies information with CDF (Common Data File) from lenders which is integrated within the grants management system (Counselor Direct). In the event third-party data verification is not available, the applicant may be required to submit additional supporting documentation.
Loan eligibility criteria specific to the program	<p>Applicant must be eligible for mortgage reinstatement assistance or have been previously approved for mortgage reinstatement assistance. Exceptions to this policy will be considered on a case-by-case basis.</p>
Form of assistance	<p>Assistance will be structured as a non-recourse grant.</p>
Payment requirements	<p>Payments will be made directly to the lender or servicer as appropriate.</p>

LOUISIANA

PRINCIPAL REDUCTION PROGRAM TERMS

REVISED 10.12.22

CRITERIA	PRINCIPAL REDUCTION PROGRAM TERMS <i>REVISED 10.12.22</i>
Brief description	<p>HAF funds may be used to supplement other assistance options offered by the program. Principal Reductions will promote additional long-term housing stability by reducing a borrower's total debt. This program will typically be reserved for applicants who accepted a loss mitigation option prior to engaging the program, which fully reinstated their loan and yielded them ineligible for Mortgage Reinstatement Assistance. Applicants would be eligible for assistance totaling all deferred / mitigated amounts including escrow shortages and corporate advances, not to exceed the program cap. In addition, applicants who already received assistance may qualify for a supplemental escrow payment if the lender's Annual Escrow Analysis indicates there is a shortage, which must be paid in full to avoid an increase in the monthly payments.</p> <p>This program option may be offered to other applicants on a case-by-case basis.</p>
Maximum amount of assistance per homeowner	<p>Qualified homeowners will be eligible for up to \$50,000 in total assistance from the Grantee to be used only for the homeowner's primary residence. Program policy will define a process for exceptions to the maximum assistance.</p>
Homeowner eligibility criteria and documentation requirements	<p>Same as General Eligibility Requirements plus:</p> <ul style="list-style-type: none"> • Applicant must have accepted a loss mitigation option to mitigate arrearages accrued after January 20, 2020. <p>Documentation Requirements:</p> <ul style="list-style-type: none"> • Primary residence—LA uses third party state tax commission data for ownership and occupancy verification when possible • Release of Information Authorization Form—LA include forms with the electronic grant application submittal which is signed electronically through Adobe Sign. • Income documentation—LA has multiple tier source of third party data verification: <ol style="list-style-type: none"> 1. Louisiana Workforce Commission 2020 - 2022 reported income and unemployment benefits; 2. Proxy methodology using census tract data; 3. In the event third party data is not available for verification in grant management system, then applicant is required to provide tax forms or current paystubs. • Mortgage holder—LA obtains this information through the application and then verifies information with CDF (Common Data File) from lenders which is integrated within the grants management system (Counselor Direct). In the event third-party data verification is not available, the applicant may be required to submit additional supporting documentation. • Documentation demonstrating applicant accepted loss mitigation option sometime after January 20, 2020 but prior to receiving any assistance from LAHAF for their mitigated amounts. • Annual Escrow Analysis, if needed.
Loan eligibility criteria specific to the program	<p>Applicant must have accepted a loss mitigation option sometime after January 20, 2020 but prior to receiving reinstatement assistance from LAHAF for their mitigated amounts OR can substantiate an escrow shortage due to increased insurance premiums.</p>
Form of assistance	<p>Assistance will be structured as a non-recourse grant.</p>
Payment requirements	<p>Payments may be made directly to the lender or servicer as appropriate.</p>

LOUISIANA

LOAN RECAST PROGRAM TERMS

Revised 10.12.22

CRITERIA	LOAN RECAST PROGRAM TERMS <i>Revised 10.12.22</i>
Brief description	<p>HAF funds may be used to recast mortgages, as allowed by investors, to promote long-term housing stability by reducing a borrower's regular monthly mortgage payments. This program will typically be reserved for applicants who have indicated they are unable to afford the regular monthly mortgage payment moving forward. The program may be used as the initial award to fully reinstate mortgages OR as supplemental awards after a mortgage has been reinstated, depending on available funding.</p> <p>This program option may also be offered to other applicants on a case-by-case basis.</p>
Maximum amount of assistance per homeowner	<p>Qualified homeowners will be eligible for up to \$50,000 in total assistance from the Grantee to be used only for the homeowner's primary residence. Program policy will define a process for exceptions to the maximum assistance.</p>
Homeowner eligibility criteria and documentation requirements	<p>Same as General Eligibility Requirements plus:</p> <ul style="list-style-type: none"> • Applicant must have indicated they are unable to afford the regular monthly mortgage payment moving forward. Exceptions to this policy will be considered on a case-by-case basis. • Statement of current ability to maintain any required regular payments after the principal amount is reduced (OR) Ability to resume any required regular payments with assistance from Grantee Mortgage Payment Assistance Program. <p>Documentation Requirements:</p> <ul style="list-style-type: none"> • Primary residence—LA uses third party state tax commission data for ownership and occupancy verification when possible • Release of Information Authorization Form—LA include forms with the electronic grant application submittal which is signed electronically through Adobe Sign. • Income documentation—LA has multiple tier source of third party data verification: <ol style="list-style-type: none"> 1. Louisiana Workforce Commission 2020 - 2022 reported income and unemployment benefits; 2. Proxy methodology using census tract data; 3. In the event third party data is not available for verification in grant management system, then applicant is required to provide tax forms or current paystubs. • Mortgage holder—LA obtains this information through the application and then verifies information with CDF (Common Data File) from lenders which is integrated within the grants management system (Counselor Direct). In the event third-party data verification is not available, the applicant may be required to submit additional supporting documentation.
Loan eligibility criteria specific to the program	<p>N/A</p>
Form of assistance	<p>Assistance will be structured as a non-recourse grant.</p>
Payment requirements	<p>Payments will be made directly to the lender or servicer as appropriate.</p>

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REINSTATEMENT MORTGAGE PAYMENT PROGRAM TERMS

Revised 10.12.22

CRITERIA	
Brief description	<p>The Homeowner Assistance Fund will 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>Program funds may be used to bring an 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>Program funds will be used only to supplement other loss mitigation options offered by the servicer under investor requirements or where, without program funds, the homeowner would not qualify for that loss mitigation option.</p>
Maximum amount of assistance per homeowner	Qualified homeowners will be eligible for up to \$50,000 in total assistance from the Grantee to be used only for the homeowner's primary residence. Program policy will define a process for exceptions to the maximum assistance.
Homeowner eligibility criteria and documentation requirements	<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"> • Primary residence—LA uses third party state tax commission data for ownership and occupancy verification when possible • Release of Information Authorization Form—LA include forms with the electronic grant application submittal which is signed electronically through Adobe Sign. • Income documentation—LA has multiple tier source of third party data verification: <ol style="list-style-type: none"> 1. Louisiana Workforce Commission 2020 - 2022 reported income and unemployment benefits; 2. Proxy methodology using census tract data; 3. In the event third party data is not available for verification in grant management system, then applicant is required to provide tax forms or current paystubs. • Mortgage holder—LA obtains this information through the application and then verifies information with CDF (Common Data File) from lenders which is integrated within the grants management system (Counselor Direct). In the event third-party data verification is not available, the applicant may be required to submit additional supporting documentation.
Loan eligibility criteria specific to the program	Delinquent by at least one payment, including any payments during a forbearance period.
Form of assistance	Assistance will be structured as a non-recourse grant.
Payment requirements	Payments will be made directly to the lender or servicer as appropriate.

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CRITERIA	LOSS MITIGATION WITH STATE CONTRIBUTION PROGRAM TERMS <i>Revised 10.12.22</i>
Brief description	<p>HAF funds will be used to supplement 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. Loss mitigation workout plans typically result in lower/more affordable regular monthly payments for mortgagors. This program will typically be reserved for applicants whose total arrearage exceeds the program cap, and the applicant cannot pay the overage AND/OR who have indicated they are unable to afford the regular monthly payment moving forward. This program option may also be offered to other applicants on a case-by-case basis.</p> <p>HAF Funds may be used to bring accounts fully current by way of loss mitigation, 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>
Maximum amount of assistance per homeowner	Qualified homeowners will be eligible for up to \$50,000 in total assistance from the Grantee to be used only for the homeowner's primary residence. Program policy will define a process for exceptions to the maximum assistance.
Homeowner eligibility criteria and documentation requirements	<p>Same as General Eligibility Requirements plus:</p> <ul style="list-style-type: none"> • Applicant's total arrearage must exceed the current program cap, and the applicant is unable to pay the overage (AND/OR) Applicant has indicated they are unable to afford the regular monthly payment going forward even if their mortgage were fully reinstated by the program. Exceptions to this criterion will be considered on a case-by-case basis. • 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"> • Primary residence—LA uses third party state tax commission data for ownership and occupancy verification when possible • Release of Information Authorization Form—LA include forms with the electronic grant application submittal which is signed electronically through Adobe Sign. • Income documentation—LA has multiple tier source of third party data verification: <ol style="list-style-type: none"> 1. Louisiana Workforce Commission 2020 - 2022 reported income and unemployment benefits; 2. Proxy methodology using census tract data; 3. In the event third party data is not available for verification in grant management system, then applicant is required to provide tax forms or current paystubs. • Mortgage holder—LA obtains this information through the application and then verifies information with CDF (Common Data File) from lenders which is integrated within the grants management system (Counselor Direct). In the event third-party data verification is not available, the applicant may be required to submit additional supporting documentation.
Loan eligibility criteria specific to the program	N/A
Form of assistance	Assistance will be structured as a non-recourse grant.
Payment requirements	Payments will be made directly to the lender or servicer as appropriate.

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FUTURE MORTGAGE PAYMENT ASSISTANCE PROGRAM TERMS

Revised 10.12.22

CRITERIA	
Brief description	<p>In order to promote both short-term and long-term housing and financial stability, the Homeowner Assistance Fund will provide up to six months of future payments for all applicants approved for mortgage payment assistance, which may include, but is not limited to, Reinstatement Assistance, Principal Reduction, Loan Recast, or Loss Mitigation with State Contribution.</p> <p>Program funds will be used to supplement other loss mitigation measures offered by the servicer or where program funds are necessary for the homeowner to qualify for other such loss mitigation measures.</p>
Maximum amount of assistance per homeowner	<p>Qualified homeowners will be eligible for up to \$50,000 in total assistance from the Grantee to be used only for the homeowner's primary residence. Program policy will define a process for exceptions to the maximum assistance.</p>
Homeowner eligibility criteria and documentation requirements	<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"> • Primary residence—LA uses third 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 Adobe Sign. • Income documentation—LA has multiple tier source of third party data verification: <ol style="list-style-type: none"> 1. Louisiana Workforce Commission 2020 - 2022 reported income and unemployment benefits; 2. Proxy methodology using census tract data; 3. In the event third party data is not available for verification in grant management system, then applicant is required to provide tax form or current paystubs. • Mortgage holder—LA obtains this information through the application and then verifies information with CDF (Common Data File) from lenders which is integrated within the grants management system (Counselor Direct). In the event third-party data verification is not available, the applicant may be required to submit additional supporting documentation.
Loan eligibility criteria specific to the program	<p>No additional forbearance available.</p>
Form of assistance	<p>Assistance will be structured as a non-recourse grant.</p>
Payment requirements	<p>Payments will be made directly to the lender or servicer as appropriate.</p>

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CRITERIA	ASSISTANCE FOR NON-ESCROWED HOMEOWNERSHIP EXPENSES
Brief description	<p>HAF funds may be used to supplement other assistance options offered by the program. Financial assistance may be provided for non-escrowed items including homeowner's insurance, flood insurance, HOA and condominium fees and liens, and property taxes. This program will be reserved for applicants who do not have a mortgage or applicants who have a mortgage that does not include one or more of the expenses listed above.</p> <p>This program option may be offered to other applicants on a case-by-case basis.</p>
Maximum amount of assistance per homeowner	<p>Each Homeowner will be eligible for the assistance detailed below, up to \$50,000 in total assistance from the Grantee, to be used only for expenses related to the homeowner's primary residence.</p> <p>Expense Categories:</p> <ol style="list-style-type: none"> 1. Homeowner's Insurance: all past due amounts, if any, plus the amount due at the next renewal, not to exceed 12 months. 2. Flood Insurance: all past due amounts, if any, plus the amount due at the next renewal, not to exceed 12 months. 3. HOA and Condominium Fees: all past due amounts, if any, plus the amount due at the next renewal, not to exceed 12 months. 4. Property Taxes: all past due amounts, if any, plus the amount due at the next period, not to exceed 12 months. <p>Program policy will define a process for exceptions to the maximum assistance. The LAHAF Program will separately track and report each of the four expense categories above as per the US Treasury budgetary guidelines.</p>
Homeowner eligibility criteria and documentation requirements	<p>Same as General Eligibility Requirements plus:</p> <ul style="list-style-type: none"> • One or more of the four expense categories listed above must not be included as part of a mortgage escrow payment. <p>Documentation Requirements:</p> <ul style="list-style-type: none"> • Primary residence—LA uses third party state tax commission data for ownership and occupancy verification when possible • Release of Information Authorization Form—LA include forms with the electronic grant application submittal which is signed electronically through Adobe Sign. • Income documentation—LA has multiple tier source of third party data verification: <ol style="list-style-type: none"> 1. Louisiana Workforce Commission 2020 - 2022 reported income and unemployment benefits; 2. Proxy methodology using census tract data; 3. In the event third party data is not available for verification in grant management system, then applicant is required to provide tax forms or current paystubs. • Current statements or invoices from each vendor for which the applicant is requesting assistance.
Loan eligibility criteria specific to the program	N/A
Form of assistance	Assistance will be structured as a non-recourse grant.
Payment requirements	Payments will be made directly to the vendor.

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CRITERIA	MEASURES TO PREVENT HOMEOWNER DISPLACEMENT
Brief description	<p>HAF funds may be used to supplement other assistance options offered by the program. In order to prevent future delinquencies, foreclosures, and defaults, a subset of *RestoreLA applicants may receive mortgage payment assistance while they are displaced from their home because of repairs and/or reconstruction completed under the RestoreLA program. This will lessen the financial burden of applicants having to pay their mortgage and rental expenses of a second residence. This option will typically be reserved for a subset of RestoreLA applicants who have elected for the State of Louisiana to handle their construction needs.</p> <p>This program option may be offered to other applicants on a case-by-case basis. <i>*RestoreLA is a HUD-funded CDBG-DR block grant to aid in repairs of Louisiana homes damaged by natural disasters.</i></p>
Maximum amount of assistance per homeowner	<p>Qualified homeowners will be eligible for up to \$50,000 in total assistance from the Grantee to be used only for the homeowner's primary residence. Program policy will define a process for exceptions to the maximum assistance.</p>
Homeowner eligibility criteria and documentation requirements	<p>Same as General Eligibility Requirements plus:</p> <ul style="list-style-type: none"> • Referral by the RestoreLA program <p>Documentation Requirements:</p> <ul style="list-style-type: none"> • Primary residence—LA uses third party state tax commission data for ownership and occupancy verification when possible • Release of Information Authorization Form—LA include forms with the electronic grant application submittal which is signed electronically through Adobe Sign. • Income documentation—LA has multiple tier source of third party data verification: <ol style="list-style-type: none"> 1. Louisiana Workforce Commission 2020 - 2022 reported income and unemployment benefits; 2. Proxy methodology using census tract data; 3. In the event third party data is not available for verification in grant management system, then applicant is required to provide tax forms or current paystubs. • Mortgage holder—LA obtains this information through the application and then verifies information with CDF (Common Data File) from lenders which is integrated within the grants management system (Counselor Direct). In the event third-party data verification is not available, the applicant may be required to submit additional supporting documentation.
Loan eligibility criteria specific to the program	<p>Loan must be current. If not, applicant should also apply for mortgage reinstatement assistance.</p>
Form of assistance	<p>Assistance will be structured as a non-recourse grant and will not count as Duplication of Benefits for the RestoreLA program.</p>
Payment requirements	<p>Payments will be made directly to the mortgage lender or servicer as appropriate.</p>