

**HAFP---0058 Indiana Housing and Community Development
Treasury Feedback for Resubmission of Plan**

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

Completeness

- Your plan lists Chris Nevels as the Authorized Official, while the original application for HAF payments was signed by Jacob Sipe. 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.

Changed to Jacob Sipe.

Homeowner Needs and Community Engagement

Data

- No questions.

Community Engagement and Public Participation

- Your plan does not clearly indicate what organizations were engaged in program design, other than the Indiana Foreclosure Prevention Network, that represent populations which are low and moderate income or have been affected by historic housing discrimination. Please explain how the program is confident in its ability to reach targeted populations without engaging such organizations in planning and implementation or identify what groups were involved in the program design

The Indiana Foreclosure Prevention Network is comprised of the following partners:

- The Affordable Housing Corporation of Marion, Indiana
- City of Gary Department of Community Development
- City of South Bend
- Community Action Program of Evansville and Vanderburgh County
- Dubois-Pike-Warrick Economic Opportunity Committee
- HomesteadCS
- HOPE of Evansville, Inc.
- Neighborhood Christian Legal Clinic
- Northwest Indiana Reinvestment Alliance
- Transition Resources Corporation

These organizations represent a broad coalition of entities dedicated to serving low- and moderate-income populations. The Network includes local governments, housing counseling agencies, legal service providers, and community action agencies that assist individuals across the entire state of Indiana in urban, suburban, and rural communities. Services offered by these agencies include housing counseling, affordable housing development, community development, home repairs, individual development

accounts, energy assistance, weatherization, food banks, and educational services. These programs all target populations that are traditionally low- and moderate-income and that have been impacted by housing discrimination. Although the IFPN was listed as a single organization it is important to remember that it is comprised of ten distinct organizations that each bring its own history and knowledge of serving vulnerable populations to IHCDAs HAF program. IHCDAs fully intends to utilize this knowledge, as well as IHCDAs own experience running similar programs, to inform its program design and outreach strategies.

- 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.

IHCDA continues to collaborate with IFPN and other partners to ensure its program design and outreach strategy is as seamless and effective as possible. For example, in discussing IHCDAs initial program design with the IFPN, agencies expressed concern regarding the level of housing counseling that would be provided to applicants. As a result of this feedback, IHCDAs has revised its program design to more fully incorporate housing counseling into the application process and to ensure that any applicant that wishes to speak to a housing counselor can do so at no cost to the homeowner.

- Please describe any coordination you intend with Tribes or Tribal entities.

There are two tribes that have land in Indiana. The Pokagon Band of Potawatomi received land near South Bend, Indiana. The Miami Tribe of Oklahoma has land located in Fort Wayne, Indiana. The IFPN includes organizations that provide services in these areas of the state and IHCDAs can utilize these groups to conduct outreach and coordinate with each tribe.

- 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.

IHCDA has received no new public comments since submitting its HAF Plan.

Ongoing Assessment of Homeowner Need

- No questions.

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.

In order to identify the areas of the state in greatest need, IHCD developed a ranking method that incorporated data for all 92 counties. IHCD categorized these metrics into four indicators: Eligible Homeowners, Socially Disadvantaged Individuals, Economic Distress, and Housing Distress.

IHCD recognizes that the four indicators should have varying degrees of influence on the final ranking of the counties. Weights were chosen so that SDI would have the greatest influence, followed by Eligible Homeowners, Housing Distress, and Economic Distress. The resulting weighted value represents each county's overall ranking. These higher-ranking counties will be further evaluated as potential beneficiaries for this program and will be selectively targeted as part of IHCD's marketing and outreach plan.

For additional information, see pages 2-8 of the attached draft HAF policy. Please note this policy is an early draft and has not been updated to reflect subsequent Treasury guidance. This document will be updated once final Treasury approval is received.

- 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)?

As part of IHCD's HAF application procedure, applicants will be able to select whether they wish to receive free housing counseling assistance. Any applicant who chooses to request assistance will be assigned to a housing counselor employed by an IFPN agency. That counselor will engage with the household to determine if the household is in crisis and what the most effective form of assistance may be, including, but not limited to, HAF. IHCD and IFPN will also work collaboratively to identify several "red flags" in applications that indicate the homeowner is in crisis. IHCD's software system will identify applicants with these "red flags" and automatically assign them to IFPN counselors. IFPN counselors will review these applications and will be able to provide additional assistance if needed or requested.

As part of the counseling process, every IFPN housing counselor will assess the homeowner's specific situation including a determination of whether the homeowner has needs that need to be addressed under an expedited timeline.

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

IHCD's policies on these items are informed by best practices learned while administering the Hardest Hit Fund. It has been IHCD's experience that most lenders do not foreclose on second mortgages and the payments on these mortgages are minimal compared to first mortgages. Reverse mortgages do not have a required payment – however, IHCD will pay delinquent HOI, tax, or HOA payments for those homeowners. Finally, IHCD requires a lien be placed on assisted properties. Because this is not possible

for a land contract, they are ineligible for assistance. These policies were all designed based upon years of data and experience obtained through HHF.

- 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.

Housing counselors will be utilized by IHCD's HAF program in multiple ways. IHCD is currently using its IFPN network to contact homeowners who have signed up on IHCD's website to be notified when HAF launches. Counselors will provide an update on HAF and offer counseling free-of-charge to these individuals. If a homeowner is interested in pursuing non-HAF assistance, IFPN counselors will conduct an assessment and help put the homeowner in contact with their servicer or lender to work out a solution. In doing so, IHCD hopes to identify as many potential HAF applicants as possible for whom other loss mitigation options may be preferable. If the homeowner instead wishes to continue waiting on HAF, the counselor will take down the homeowner's contact information and will reach back out to them once the HAF program opens. This will allow IHCD to filter through the initial HAF waitlist, with thousands of names, and identify homeowners who are still interested in the program. When HAF launches, they will be contacted by a housing counselor with whom they already have an established relationship. As a result, IHCD's HAF program will begin operations more efficiently and IHCD can provide better and more personalized service to applicants. All counseling conducted prior to the launch of HAF will be paid for using state funding that has been earmarked for IFPN.

Once HAF is launched, housing counselors will be an integral component of the application process. When applicants start their applications, they will be asked if they would like to receive free housing counseling. If an applicant selects "Yes" they will be assigned to an IFPN housing counselor who will work with them throughout the application process. This can include basic assistance like ensuring the applicant is submitting correct documentation. However, housing counselors will be encouraged to conduct a complete review of the homeowner's current situation to determine what approach may best serve the applicant. This may be HAF, or it may be alternative loss mitigation options. Housing counselors will have the freedom to assist the applicant in the manner they feel is best. This strategy allows IHCD to provide free one-on-one counseling to applicants who are in need but also allows applicants who are not in need of counseling to proceed through the process and have their application assigned to reviewers that are not housing counselors. This ensures IHCD's review process can proceed quickly and efficiently while simultaneously providing personalized assistance to those most in need.

Although IHCD anticipates that the system described above will function smoothly, discussions with IFPN agencies made it clear that there will be applicants who may not know they need housing counseling assistance or who refuse to request it for one reason or another. To capture these individuals, IHCD, in consultation with IFPN, will identify data

points that it considers “red flags”. If a certain number of these “red flags” are identified in an application, IHCDAs application software system will automatically assign the file to an IFPN housing counselor. Additionally, if an applicant who indicated they are not in need of housing counseling changes their mind, the reviewer currently assigned to the homeowner can transfer the file to an IFPN counselor who can then provide additional assistance.

IHCDAs application software system can also flag incomplete applications. After a to-be-determined amount of time has passed, incomplete applications will be assigned to IFPN counselors. Counselors will be responsible for reaching out to these applicants to see if they need assistance in completing their application or if they are no longer interested in applying. This will allow IHCDAs to help applicants who may be having difficulties completing their application because they are not comfortable with the online system while simultaneously removing applications from individuals who are no longer interested in the program.

Finally, applicants who receive monthly payments will be strongly encouraged to meet with a housing counselor on a continuing basis while they are being assisted. Homeowners receiving monthly payments that also requested counseling during the application process will be able to stay with the counselor that assisted them. Homeowners receiving monthly payments that did not request counseling assistance during the application process will be assigned an IFPN counselor.

- 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?

IHCDAs will heavily involve housing counselors in the application process. These counselors will use their expertise and years of experience to identify homeowners for whom non-HAF loss mitigation options are a better fit. Housing counselors will have the authority to advise homeowners of other options available to them and homeowners will be free to withdraw their HAF-application and pursue other assistance options. They will still be able to work with their housing counselor if they choose to do so. By utilizing the extensive knowledge base of its IFPN agencies, IHCDAs can identify, on a case-by-case basis, which homeowners are a good fit for HAF and which homeowners would be better served discussing other loss mitigation options with their servicer or lender.

- 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?

IHCDAs will heavily involve housing counselors in the application process. IFPN counselors are HUD-certified and trained to assist homeowners in making such determinations. Additionally, homeowners receiving monthly HAF assistance will be encouraged to maintain a relationship with a housing counselor while they continue to receive assistance. By offering ongoing housing counseling assistance, IHCDAs hopes to identify and address any potential issues for homeowners before they become serious enough to threaten the homeowner’s housing stability.

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

IHCDA will closely monitor relevant data on utility costs and work in partnership with utility companies and its own energy assistance and weatherization programs to ensure it remains aware of potential cost increases and the impact that could have on homeowners. IHCDA remains open to modifying its policies and procedures to address issues that could arise because of rising energy costs and has discussed adding utility assistance to its HAF program once the program stabilizes following the initial launch phase.

- Your programs set \$35,000 as the maximum amount of assistance per homeowner. Please explain how you determined this amount will be sufficient to resolve housing-related delinquencies and whether the cap will be sufficient in areas with higher housing costs?

The maximum amount of assistance for HAF was determined using historical data obtained through IHCDA's Hardest Hit Fund (HHF) program. IHCDA administered the HHF program for over ten years. The maximum amount of assistance available to homeowners in the HHF program was \$30,000. Overall, the median assistance per borrower in HHF was \$13,512.77. On occasion there were homeowners with reinstatement amounts that slightly exceeded \$30,000. Therefore, IHCDA increased the maximum assistance amount to \$35,000. IHCDA is confident this amount will be more than sufficient for homeowners across the state.

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:
 - The requirement for Mortgage Reinstatement that the homeowner's front-end housing debt-to-income ratio not exceed 38%. (Please explain how your program will make this determination for each homeowner.)

This requirement was determined using industry standards and historical data obtained through IHCDA's Hardest Hit Fund program. Over the course of HHF the DTI ratio underwent slight adjustments based on reviews of program data until being finalized at 38%. IHCDA's successful record of distributing HHF funds indicates this ratio was appropriate for the program. IHCDA intends to model HAF on its HHF program and therefore plans to use the same DTI ratio. During HHF, this ratio was determined using applicant pay stubs. IHCDA will use similar methods to determine this ratio for HAF and anticipates that its application software will be able to easily calculate and track this ratio using information and documentation submitted by the applicant. IHCDA can easily access and track metrics and data to determine if changes to the ratio are needed.

- That homeowners who are no longer in bankruptcy provide proof of court ordered “discharge” or “dismissal”.

This requirement mirrors the policy established for IHCDAs Hardest Hit Fund. In HHF, most lenders would not accept funds if the homeowner was in an active bankruptcy. Lenders would require the bankruptcy be discharged and proof of dismissal be submitted before moving forward with the homeowner. Therefore, IHCDAs requires this documentation be provided at the time of application to avoid unnecessary back and forth between lenders, applicants, and IHCDAs. IHCDAs is willing to consider modifications to this policy if it becomes apparent lenders have changed their stance on this requirement.

- 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.

IHCDAs is confident it will be able to provide a smooth and easy application process for homeowners even without utilizing a fact-specific proxy for establishing eligibility. IHCDAs years of experience administering the HHF program have provided it with a wealth of knowledge related to best practices for operating programs of this size and scope. Although IHCDAs is still requiring some documentation as part of the application process, it has reduced the amount required as compared to HHF and has also allowed applicants to self-attest to some program requirements rather than requiring the submission of onerous documentation. IFPN housing counselors will also be available to provide personal assistance to anyone experiencing difficulties in applying. IHCDAs also made it a priority to partner with a vendor that could provide a modern, streamlined application software for HAF. This software will provide an easy, uncomplicated application experience to homeowners. Applicants will be able to apply using their computers or phone (non-electronic applications will be accepted as well) and will be able to stop and resume their application later without losing their place. This software will also make it easy for IHCDAs to identify and resolve issues that are creating complications for applicants by reviewing reports and data to identify bottlenecks in the process. If necessary, IHCDAs is willing to make policy and process adjustments to improve the experience for homeowners across the state.

Outreach

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

IHCDAs has cultivated relationships with a diverse public and private network of groups that serve minority communities statewide. IHCDAs is also planning to market to traditionally under-served and at-risk populations and the community leaders, associations, and media markets/radio/papers they serve. This includes organizations like The Indianapolis Recorder,

Urban League, LaPlaza, Damien Center, Indy Pride, Mexican Consulate, Indiana Commission on Hispanic and Latino Affairs, Burmese American Community Institute, and Indiana Black Expo. IHCDAs call center is bilingual, and we will utilize a universal translation line for languages outside of English/Spanish.

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

IHCDA will work with its network partners to provide bilingual information to culturally relevant entities statewide. IHCDAs will also assist in informational meetings and public events as necessary. This includes events such as Latin Fest, Black Expo, and Indy Pride.

Prioritization

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

IHCDA does not intend to serve households who are over the income eligibility limits established in the HAF guidance. To be eligible to receive HAF funding, homeowners must have incomes equal to or less than 150% of the Area Median Income, adjusted for household size, or 100% of the Median Income for the United States, whichever is greater.

Regardless, IHCDAs does have a method for identifying areas of the state with a high percentage of Socially Disadvantaged Individuals. IHCDAs developed a ranking method that incorporated data for all 92 counties. IHCDAs categorized these metrics into four indicators: Eligible Homeowners, Socially Disadvantaged Individuals, Economic Distress, and Housing Distress.

IHCDA recognizes that the four indicators should have varying degrees of influence on the final ranking of the counties. Weights were chosen so that SDI would have the greatest influence, followed by Eligible Homeowners, Housing Distress, and Economic Distress. The resulting weighted value represents each county's overall ranking. These higher-ranking counties will be further evaluated as potential beneficiaries for this program and will selectively targeted as part of IHCDAs marketing and outreach plan.

For additional information, see pages 2-8 of the attached draft HAF policy. Please note this policy is an early draft and has not been updated to reflect subsequent Treasury guidance. This document will be updated once final Treasury approval is received.

Performance Goals

- Please provide any update to the preliminary performance goals you included in you plan.

There have been no updates to IHCDAs' proposed performance goals since its plan was submitted.

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

IHCDA will host an online dashboard available to the public that will display important program metrics on a continually updated basis. This was one of the primary factors IHCDAs considered when selecting a software vendor for HAF. IHCDAs will also engage in public outreach and marketing and will continue to provide updates to and solicit feedback from homeowners, lenders, and other important community stakeholders. Updates about the program will be offered on a regular basis during IHCDAs' board meetings which are open to the public. Recordings of these meetings are made available on the IHCDAs website. Finally, IHCDAs' application software can be used to generate reports that can be distributed to the public via IHCDAs newsletters, social media, and press releases.

- Please indicate which three metrics will serve as the best indicators of the success of your program.
 1. Number of borrowers served per month / Application approval rate
 2. Unique visits to application portal
 3. Number of households served in areas of highest need as determined by the Data & Needs Analysis
- 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.

IHCDA can include this as an additional metric and should be able to track this data point in conjunction with its IFPN housing counseling partners.

Readiness

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

IHCDA is in the process of finalizing its contract with a third-party vendor selected through an RFP process and anticipates being fully under contract soon. While waiting on contract approval, IHCDAs has continued to informally work in partnership with this vendor on program design and process. IHCDAs' vendor is prepared to move forward with all of its subcontractors as soon as the final contract is executed. The vendor has a team of case managers ready for onboarding as well and is prepared to begin training as soon as possible.

IHCDA continues to engage in discussions with the agencies that comprise the IFPN and expects to be able to quickly integrate them into the HAF program once it launches. Finally, IHCDA staff have also been deeply involved in the HAF design process and should be prepared to work in partnership with our vendor as soon as approval is received.

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

IHCDA anticipates being able to launch its HAF program within thirty days of Treasury approval if not sooner. Once IHCDA has a target start date, its third-party vendor can immediately engage its communications subcontractor and begin an informational, statewide campaign to publicize the program and its requirements.

- 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.

IHCDA has not spent any of its initial 10% allocation and is not currently operating a pilot program.

Budget

No Questions