

**HAFP-0092-State of Virginia
Treasury Feedback for Resubmission of Plan**

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

Completeness

- Community Engagement
 - Using the fields provided in the portal, please submit list of housing counseling services organizations that provided input for your plan.

Virginia Housing Response:

1. As further described below, Virginia Housing has a long-standing commitment to supporting housing counselors, including a commitment in FY 22 of \$3.5 million of Virginia Housing's own net assets to support housing counselors. Prior to submitting its HAF Plan to Treasury, Virginia Housing solicited comments and publicized its public hearing and draft plan in a number of ways, all as described in the Plan. Specific to housing counselors, this included e-mailing a draft of the Plan to approximately 200 individual housing counselors at the agencies listed below. Virginia Housing received only a couple of comments from the e-mail recipients prior to submitting the Plan on August 17, 2021.

Provider Name	Provider Address	Provider Website	Provider Primarily Serves LMI Households	Provider Addresses Impacts of Housing Discrimination
Accomack-Northampton Planning District Commission	23372 Front Street Accomack, Virginia 23301	https://www.a-npdc.org/accomack-northampton-planning-district-commission/	<input type="checkbox"/>	<input type="checkbox"/>
Appalachian Community Action & Development Agency, Inc.(AppCAA)	175 Military Lane, Gate City, VA 24251	https://appcaa.org/	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Blue Ridge Housing Network	134-A Peyton Street – Front Royal, VA 22630	http://blueridgehousingnetwork.org/	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Catholic Charities of Eastern Virginia, Inc.	5361 Virginia Beach Blvd. Virginia Beach, VA 23462	https://cceva.org/services/financial-housing-counseling/	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Central Virginia Housing Coalition	2300 CHARLES STREET, FREDERICKSBURG, VA 22401	https://centralvahousing.org/	<input checked="" type="checkbox"/>	<input type="checkbox"/>
centro de apoyo Familiar	6231 Leesburg Pike, Suite 410 Falls Church, VA 22044	https://mycaf.org/	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Child & Family	150 W. Boush Street,	https://www.theupcenter.org/	<input type="checkbox"/>	<input type="checkbox"/>

Services of Eastern Virginia d/b/a The Up Center	Ste. 500 Norfolk, VA 23510			
Commonwealth Catholic Charities	1601 Rolling Hills Drive, Richmond, VA 23229	https://www.cccofva.org/	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Community Housing Partners	48 Depot Street NE Christiansburg, VA 24073	https://www.communityhousingpartners.org/	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Cornerstones	11150 Sunset Hills Road, Suite 210 Reston, VA 20190	https://www.cornerstonesva.org/	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Danville Redevelopment and Housing Authority	35 Jones Crossing Danville VA 24541	https://www.drhava.com/	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
First Home Alliance	3138 Golansky Blvd, Suite 202 Woodbridge, VA 22192	https://firsthomealliance.org/	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Hampton Redevelopment Housing Authority	1 Franklin Street Suite 603 Hampton, VA 23669	http://www.hamptonrha.com/	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Hampton Roads Community Action Program, Inc.	2410 Wickham Avenue, Newport News, VA 23607	https://hrcapinc.org/	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Helping Overcome Poverty's Existence	680 West Main Street Wytheville, VA 24382	https://www.wythehope.org/	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Housing Opportunities Made Equal of Virginia, Inc. (HOME)	626 East Broad Street, Suite 400 Richmond, VA 23219	https://homeofva.org/	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
James City County	101 Mounts Bay Road Williamsburg, VA 23185	https://www.jamescitycountyva.gov/	<input type="checkbox"/>	<input type="checkbox"/>
Korean Community Service Center of Greater Washington	7700 Little River Turnpike #406, Annandale, VA 22003	http://www.kcscgw.org/	<input type="checkbox"/>	<input type="checkbox"/>
Latino Economic Development Corporation of Washington, DC	2300 9th Street South, Suite 300 B Arlington, VA 22204	https://www.ledcmetro.org/	<input type="checkbox"/>	<input type="checkbox"/>
Lynchburg Community Action Group, Inc.	1010 Main St, Lynchburg, VA 24504	https://lyn-cag.org/	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
New River Community Action, Inc.	1093 E Main St, Radford, VA 24141	https://newrivercommunityaction.org/	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Norfolk Redevelopment & Housing Authority - HomeNet Homeownership Center	555 E Main St, Norfolk, VA 23510	http://www.nrha.us/	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Northern Virginia Family Services	10455 White Granite Dr #100, Oakton, VA 22124	https://www.nvfs.org/	<input checked="" type="checkbox"/>	<input type="checkbox"/>

People Incorporated of Virginia	1173 W Main St, Abingdon, VA 24210	https://www.peopleinc.net/	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Piedmont Housing Alliance	682 Berkmar Cir, Charlottesville, VA 22901	https://piedmonthousingalliance.org/	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Quin Rivers, Inc. dba Thrive Virginia	7911 Courthouse Cir, New Kent, VA 23124	https://thriveva.org/	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Skyline Community Action Partnership	532 S Main St, Madison, VA 22727	http://skylinecap.org/	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Southeast Rural Community Assistance Project, Inc	347 Campbell Ave SW, Roanoke, VA 24016	http://www.southeastrcap.org/	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Southside Community Development & Housing Corporation	1624 Hull St, Richmond, VA 23224	https://www.scdhc.com/	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Southside Outreach Group	1425 Seymour Dr, South Boston, VA 24592	https://www.ssorg.org/	<input checked="" type="checkbox"/>	<input type="checkbox"/>
STOP Inc	5700 Thurston Ave STE 101, Virginia Beach, VA 23455	https://www.stopinc.org/	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Suffolk Redevelopment and Housing Authority	530 E Pinner St, Suffolk, VA 23434	https://www.suffolkrrha.org/	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Telamon Corporation	808 Moorefield Park Drive #106, State Office - Virginia, Richmond, VA 23236	https://www.telamon.org/	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Total Action Against Poverty D/B/A Total Action For Progress	302 2nd St SW, Roanoke, VA 24001	https://tapintohope.org/	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Urban League of Hampton Roads, Inc.	7300 Newport Avenue Norfolk, VA 23505	https://ulhr.org/	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Virginia Cooperative Extension - Prince William County	8033 Ashton Avenue, Suite 105 Manassas, VA 20109-8202	https://prince-william.ext.vt.edu/	<input type="checkbox"/>	<input type="checkbox"/>
Volunteers of America Chesapeake, Incorporated	7901 Annapolis Road Lanham, MD 20706	https://www.voachesapeake.org/	<input checked="" type="checkbox"/>	<input type="checkbox"/>

2. Recognizing the tight deadline Virginia Housing had given counselors to comment on the Plan and Virginia Housing's desire for input from counselors, Virginia Housing held a work session with the housing counselors on September 17, 2021, after Plan submission. Virginia Housing invited representatives of all Virginia HUD-approved housing counseling agencies and HUD's Office of Housing Counseling to that session. Of the sixty-nine individuals invited, fifty accepted and attended the session. At this session, the feedback on the Plan from the counselors was overwhelmingly positive and they viewed the VMRP reinstatement program as an additional tool in their toolbox. On October 12, 2021, Virginia Housing also held an information session with Centro de Apoyo Familiar or Center for Assistance to Families (CAF), a non-profit, HUD approved comprehensive Housing Counseling Agency. Virginia Housing also recognizes that additional

guidance will be needed for the counselors to assist customers, and Virginia Housing anticipates holding additional sessions with the counselors once the Plan is approved and the at-large VMRP program is initiated.

3. As the VMRP Pilot has been rolled out, housing counselors have proven to be an asset in already assisting a couple of customers with the completion of their applications.
 - **Using the fields provided in the portal, please submit list of community organizations that provided input for your plan.**

Virginia Housing Response:

Organization Name	Organization Address	Organization Website	Organization Primarily Serves LMI Households	Provider Addresses Impacts of Housing Discrimination
Latino Economic Development Corporation of Washington, DC	2300 9th Street South, Suite 300 B Arlington, VA 22204	https://www.ledcmetro.org/	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Virginia Realtors	10231 Telegraph Road, Glen Allen, VA 23059	https://virginiarealtors.org/	<input type="checkbox"/>	<input type="checkbox"/>

- **Your plan lists Patrick Carey as the Authorized Official, while the original application for HAF payments was signed by Llew Anderson. 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.**

Virginia Housing Response: Pat Carey was the initial authorized official. Due to his impending retirement, Llew Anderson is now the Authorized Official for Virginia Housing listed in the portal.

Homeowner Needs and Community Engagement

Data

- No questions.

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.**

Virginia Housing Response: As described in the Plan, Virginia housing conducted numerous meetings and employed various communication vehicles to inform and engage with housing advisory committees, community-based organizations, legal services providers, housing counseling agencies, and the general public. The overwhelming feedback was that mortgage reinstatement and payment assistance constituted the greatest need across the state.

Additionally, through public feedback and receipt of additional Treasury guidance published in August, Virginia Housing made a number of updates to the draft Plan to finalize the Plan for submission to Treasury. See pages iii – viii of the Plan, which list those changes in detail. https://dc29f985-b871-449c-a8d1-05aa7856e4c9.filesusr.com/ugd/00c607_5b38ac34d3c6410285940100c370c713.pdf

For example, Virginia Housing learned of additional need related to condominium special assessments and updated the eligible list of expenditures under VMRP to include special assessments.

- **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**

Virginia Housing Response: Since submitting the HAF Plan, Virginia Housing has received the following additional public comments:

1. Duplicative comments, including from the same individuals listed in the Plan, disagreeing with Virginia Housing’s responses to public comments set forth in the Plan (for the same reasons stated in the initial comments);
2. Individuals expressing a desire for the VMRP Pilot Program to be open to individuals in addition to the Virginia Housing serviced loan portfolio; and
3. Individuals expressing dissatisfaction that the VMRP at-large program has not yet been opened because Treasury approval is still pending. We have over 1,000 people that have signed up to receive notice of the opening of the at-large program.

Virginia Housing has responded to all comments received.

Ongoing Assessment of Homeowner Need

- No questions.

Program Design

- **Please explain how the sources of data listed in the section on Homeowner Needs informed which Program Design Elements to include in your plan.**

Virginia Housing Response: Twenty five percent of homeowners within Virginia qualify as socially disadvantaged based on race/ethnicity, as defined by the U.S. Treasury. According to CHAS data, 34% of Virginia homeowners are considered at or below 100% of the area median income. The median household income in Virginia, according to Census ACS, is \$74,222 and median home value is \$367,200 according to Virginia Realtors. Based on the CoreLogic data, 5.5% of loans are in delinquency throughout Virginia. Out of 580,034 loans in the CoreLogic sample, 5.2% are in forbearance.

Virginia Housing has analyzed demographics, economic conditions, and risk factors for housing instability for the entire state at the county, census tract, and ZIP Code level. The level of investigation was determined by the availability of data sources. Virginia Housing concluded, based on available datasets, that ZIP Code level aggregation provides the most comprehensive coverage of key decision factors for the VMRP. While ZIP Code level aggregation of data was available from multiple sources, it was our conclusion that the detailed loan performance data secured from third-party housing provider CoreLogic was the most comprehensive and applicable to the Virginia Housing prioritization methodology. While the Virginia Housing loan portfolio dataset provides comparable loan performance information at ZIP Code level, there are known differences in some loan variables that make the CoreLogic data more suitable for application to all Virginia loans.

Virginia Housing used mathematical and statistical techniques to construct a common data workbook from the data analyses in an established format. This allowed rapid ranking and cross-tabulation of demographic, income, and loan performance elements in a manner that directly supports decision-making for program design and implementation. To further facilitate decision-making, Virginia Housing constructed a web-based visualization platform that allows mapping of data at the ZIP Code level, based on the data elements that have been determined most significant. Virginia Housing staff use this shared data resource to evaluate specific questions and to explore additional scenarios. This visual analysis of the data can be undertaken one variable at a time or with multivariate views resulting from the layering of different data.

The resulting Virginia Homeowner Assistance Fund Need Index is a ZIP Code-level index that can be used to help estimate the likelihood that a ZIP Code will contain loans that are a high priority for servicing via the VMRP. This index considers four factors, based on the program's eligibility criteria:

- Percent of Homeowners who are Socially Disadvantaged (source: U.S. Census Bureau's American Community Survey (Census ACS) data)
- Percent of Homeowners \leq 100% Area Median Income (source: United States Department of Housing and Urban Development (HUD) CHAS data)
- Percent of Homeowners in Delinquency (source: CoreLogic data)
- Percent of Homeowners in Forbearance (source: CoreLogic data)

Applying the same methodology, in this case using the CoreLogic datasets with the larger loan performance portfolio, Virginia Housing uses the Weighted Index to rank and prioritize ZIP Codes at the highest loan risk and significant loan risk for targeted outreach.

A benefit of the ranking approach using the Weighted Index is that the associated data allows Virginia Housing to predict how far the allocated funds will potentially last when working through the ZIP Codes on the ranked list. Virginia Housing can calculate a count for each ZIP Code for loans with performance issues, assume an average disbursement per borrower, and a “fallout rate” for VMRP applications. Fallout is a term for the applicants that could be eligible for VMRP assistance that does not end up receiving a grant. There are typically various reasons for this, including that they never apply for help, they never fully complete the process, they turn out to be ineligible for other reasons, or they will not sign a grant agreement. Fallout rates in other federally funded grant programs such as CDBG-DR housing assistance, COVID Emergency Rental Assistance, and others can be significant – well over 50% in many cases.

Combining this information allows Virginia Housing to determine how far down the ranked ZIP Code list that the allocated funding will last. This also allows some assurances of how much of the loan risk profile the VMRP will address. Currently, Virginia Housing projects that the average disbursement for each borrower in our planned Reinstatement Program will be \$15,500. Using that assumption and an assumed allocation budget after funding and administration costs, the full VMRP would have approximately \$206 million available for homeowner funding. Therefore, there would be funds available to disburse to roughly 13,290 Virginia borrowers with mortgages in arrears or forbearance. Using the data associated with the Weighted Index ranking, along with an assumed borrower fallout rate, it is possible to determine how many ZIP Codes for the highest risk loan categories would get covered with the available dollars.

Using the Weighted Index calculations that Virginia Housing has completed, and assuming a relatively conservative fallout rate of 50%, indications are that with \$206 million of remaining HAF funds a total of 161 high, significant, and moderate loan risk ZIP Codes could be assisted. This would cover all 131 of Virginia Housing’s priority one areas and approximately 10% of the “moderate risk” ZIP Code population as well. The utility for this use of the ranking construct is straightforward. The average disbursement could ultimately vary plus or minus, with a change in the corresponding numbers of ZIP Code areas potentially served. The actual fallout rate observed over time would impact the same way. If Virginia were to receive an additional HAF funding allocation over time, not only would more of the overall loan portfolio get attention, but Virginia Housing can further predict 1) how far additional funds will go for an existing program in delivery, and 2) what funding could be allocated against additional programs on Virginia Housing’s policy priority list

With high energy costs looming and known existing arrearages for low-income and elderly populations in the state, Virginia Housing undertook a serious analysis to determine whether HAF funding should be used to support utility assistance. Though data sources for utility arrearages and average costs were not obtainable, Virginia Housing did analyze the availability of existing utility assistance programs across the state. There are at least 29 different public and private sector water and energy assistance programs through which homeowners may receive utility relief. Because of the widespread coverage of these programs and the overwhelming need associated with mortgage (and associated homeownership cost) delinquency, the VMRP is operating programs for mortgage reinstatement, mortgage payment assistance, and other

delinquent homeownership costs that pose the most immediate threat to Virginia homeowners' ability to maintain ownership of their property.

- **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)?**

Virginia Housing Response: The application process is designed to gather all relevant information about the applicant's current housing situation, specifically the status of mortgage and homeownership costs that can pose an imminent threat to displacement. As a result of the program's initial pilot activities, the VMRP application prescreen is being modified to add a question related to foreclosure in progress. Applicants who answer "yes" to this question will trigger an expedited review.

- **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 descriptions should include:**
 - **whether your program will connect homeowners with housing counseling or legal services early in the process.**

Virginia Housing Response: A link to housing counselors and legal aid service providers is available on our website www.VirginiaMortgageRelief.com to help individuals self-select into resources needed. Further, this information is provided to homeowners through the application and case management processes. Virginia Housing has also created a website www.StayHomeVirginia.com with information for homeowners on federal programs, housing counselors, foreclosure prevention and legal aid contacts.

Apart from VMRP and not to be reimbursed by HAF funds, Virginia Housing is committed to providing Housing Counseling resources to support the Virginia HUD-approved Housing Counseling Network. Through a program utilizing Virginia Housing's net assets, it has provided HUD-approved Housing Counseling Programs approximately \$2.5 million annually. In FY22 we have increased our commitment to \$3.5 million. The increase in funds is specifically to support housing counseling and education services to households facing housing instability such as eviction, default, foreclosure, or loss of income that caused or could cause eviction, default, foreclosure, or homelessness.

Revised Response: A link to housing counselors and legal aid service providers is available on our website www.VirginiaMortgageRelief.com to help individuals self-select into resources needed. Further, this information is provided to homeowners through the application and case management processes. Virginia Housing has also created a website www.StayHomeVirginia.com with information for homeowners on federal programs, housing counselors, foreclosure prevention and legal aid contacts.

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annually. In FY22 we have increased our commitment to \$3.5 million. The increase in funds is specifically to support housing counseling and education services to households facing housing instability such as eviction, default, foreclosure, or loss of income that caused or could cause eviction, default, foreclosure, or homelessness.

In response to discussions with Treasury, as further detail, the VMRP currently has program Option #2 permitting reinstatement plus additional prospective monthly payments for borrowers with housing expense to income ratio (HTI) above 40%. VMRP also has processes to provide information on housing counselors and loss mitigation options to these individuals early in the pre-screen and application process. VMRP includes banners in the electronic pre-screen and application portal that notify applicants of housing counseling services and how to connect. The case management process typically includes discussions with homeowners very early in the process about ability to afford mortgage payments with available information for housing counseling services. In recognition of Treasury's emphasis on referrals to housing counselors, the VMRP will create a referral notification to be sent by text, email, mail, and/or application portal posting specifically for applicants whose HTI exceeds 40% with contact instructions for finding housing counseling services to explore options that may help them continue to make future payments.

- **the role housing counseling or legal services providers will play in supporting homeowners' efforts at engaging in loss mitigation.**

Virginia Housing Response: Housing counseling and legal services providers will support homeowners' efforts at engaging in loss mitigation according to those entities' own internal governing procedures, regulations, and processes. Virginia Housing will engage with HCAs and LSPs to ensure that providers have an understanding of HAF programming options, goals, and objectives and encourage such providers to undertake loss mitigation support to homeowners or VMRP applications, as those entities determine to be in the best interest of their clients.

- **In situations where the HAF assistance includes or will be limited to payments for mortgage reinstatement, please explain whether and how you will assess whether a similar or more appropriate alternative loss mitigation option is available through the servicer.**

Virginia Housing Response: Loss mitigation options vary based on a number of homeowner-specific factors to which the servicer, not VMRP, is privy. VMRP staff members are not mortgage servicing professionals, trained housing counselors or attorneys, nor are they affiliated with any particular servicer. As such they cannot assess, nor in Virginia Housing's opinion should they, assess whether a similar or more appropriate loss mitigation option is available through the servicer.

Our plan has a reinstatement option and reinstatement with monthly payments option for those who cannot make ongoing monthly payments. A reference will be made in the application process making homeowners aware that there may be other loss mitigation options available through their servicers and also, as discussed above, information on

housing counselors and legal service providers. This will allow homeowners to explore all options available to them prior to committing to use of one option or another. This will further allow homeowners to obtain the most accurate and timely information on loss mitigation should they choose to seek it from their servicer(s). Virginia Housing has also created a video series for homeowners, focused on Virginia Housing customers, which includes a video on loss mitigation options. A link to that video is on the Virginia Housing website and can be found here:

https://www.youtube.com/embed/ZaASR3yJ_6g?rel=0&showinfo=0

VMRP does not require homeowners to pursue loss mitigation prior to applying for program assistance. Requiring homeowners to pursue loss mitigation options or prohibiting assistance to homeowners in loss mitigation would be an undue burden on the applicant. Also, servicers would likely be unable to keep up with demand for loss mitigation (as stated above, Virginia Housing estimates serving 13,290 household) and would cause a significant delay in the relief process, at a time when foreclosure may be imminent.

- **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?**

Virginia Housing Response: See answer above. Also, applicants having already been through the loss mitigation process will not be eligible for VMRP, absent a subsequent eligible financial hardship.

- **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?**

Virginia Housing Response: Our HAF program is a reinstatement program and will not affect a homeowner's monthly payment, however it can (i) reinstate the mortgage (Option 1); or (ii) reinstate the mortgage and make ongoing monthly payments (Option 2) in certain situations allowing homeowners to get back on their feet. The determination whether an applicant is eligible for Option 2 will be based upon their current debt-to-income ratio, which is an indication whether the monthly payment is sustainable.

- **Your programs set \$30,000 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?**

Virginia Housing Response: The figure was based off the needs assessment considering number of likely eligible homeowners with delinquency, typical monthly mortgage payments for individuals having loans below conforming loan limits, and months of delinquency likely due to COVID. As stated above, Virginia Housing initially estimated the average claim would be approximately \$15,000. This has proven to be the case based on the Pilot program (see the Pilot Program assistance statistics below). The \$30,000 figure contemplates areas with high housing costs, such as NOVA.

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

Virginia Housing Response: All indications are that home energy costs will increase in the coming months. However, Virginia Housing has analyzed the landscape of available home energy solutions available to Virginia homeowners throughout the state and determined that there are sufficient other resources available for help with utilities in Virginia.

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:**
 - **That applicants that have been in a forbearance plan have not gone through the loss mitigation process with their servicer. In particular, please explain**
 - **what criteria you will use to determine this eligibility requirement;**

Virginia Housing Response: As stated above, Virginia Housing believes that a program requirement forcing applicants to first seek Loss Mitigation options through their servicers would be burdensome on both the homeowners and loan servicers, as well as creating substantial delays when time is of the essence, and therefore has excluded this as a requirement from the program design.

While not requiring loss mitigation as a prerequisite to VMRP, Virginia Housing is supportive of homeowners exploring all available options. As stated above, Virginia Housing has created a video exploring loss mitigation options. Also, Virginia Housing has created a separate website www.StayHomeVirginia.com compiling resources for homeowners during the pandemic. With respect to the loans serviced by Virginia Housing, we have an active loss mitigation department to assist homeowners and Virginia Housing is in compliance with all investor (e.g. GNMA and Fannie Mae) and federal program requirements. As an example of the latter requirements, Virginia Housing is proud to originate or purchase 27% of all FHA loans in the Commonwealth of Virginia. As directed by HUD, Virginia Housing recently completed notifying eligible customers of HUD's COVID-19 advance loan modification (ALM) program. Details of ALM are here: https://www.hud.gov/press/press_releases_media_advisories/HUD_No_21_108

While Virginia Housing is not requiring VMRP applicants seeking mortgage payment assistance to first seek loss mitigation relief from their loan servicer, the requirement that applicants that have been in a forbearance plan and gone through the loss mitigation process are not eligible is intended to be consistent with Treasury guidance recommending participants to avoid using HAF funds in a manner that replaces other loss-mitigation resources. Virginia Housing will be able to determine this eligibility requirement based on whether a delinquency exists because the loss mitigation would cure

previously delinquent amounts. Even if a homeowner who had gone through loss mitigation were to apply, eligible VMRP expenses are defined to exclude a principal curtailment, such as paying down capitalized missed payments or a second lien resulting from loss mitigation.

However, these individuals may be eligible for future VMRP programs approved by Treasury in amendment(s) to this HAF Plan. (For example, if sufficient HAF funds remain after assisting applicants facing foreclosure, the VMRP could be amended, with Treasury approval, to assist individuals having had deferred payments added at the end of loan maturity or as subordinate liens.)

Also, this eligibility requirement does not bar participation of homeowners in this situation from ever seeking assistance through VMRP. If a homeowner in this situation has experienced a subsequent COVID-related financial hardship, since exiting forbearance and loss mitigation, and they have again become delinquent on their obligations, they may apply for and receive VMRP HAF assistance for eligible VMRP expenses, assuming all other eligibility criteria are met.

Revised Response: As stated above, Virginia Housing believes that a program requirement forcing applicants to first seek Loss Mitigation options through their servicers would be burdensome on both the homeowners and loan servicers, as well as creating substantial delays when time is of the essence, and therefore has excluded this as a requirement from the program design. While not requiring loss mitigation as a prerequisite to VMRP, Virginia Housing is supportive of homeowners exploring all available options. As stated above, Virginia Housing has created a video exploring loss mitigation options. Also, Virginia Housing has created a separate website www.StayHomeVirginia.com compiling resources for homeowners during the pandemic. With respect to the loans serviced by Virginia Housing, we have an active loss mitigation department to assist homeowners and Virginia Housing is in compliance with all investor (e.g. GNMA and Fannie Mae) and federal program requirements. As an example of the latter requirements, Virginia Housing is proud to originate or purchase 27% of all FHA loans in the Commonwealth of Virginia. As directed by HUD, Virginia Housing recently completed notifying eligible customers of HUD's COVID-19 advance loan modification (ALM) program. Details of ALM are here: [https://www.hud.gov/press/press_releases_media_advisories/HUD No 21](https://www.hud.gov/press/press_releases_media_advisories/HUD_No_21)

While Virginia Housing is not requiring VMRP applicants seeking mortgage payment assistance to first seek loss mitigation relief from their loan servicer, Virginia Housing is including a provision in the VMRP Term Sheet that VMRP funds may not be used to pay down deferrals or partial claims that were part of an applicant's previous loss mitigation. This provision is set forth in the eligible use of funds section rather than the program eligibility section. This provision is intended to be consistent with Treasury guidance recommending participants to avoid using HAF funds in a manner that replaces other loss-mitigation resources. Virginia Housing will be able to determine this eligibility requirement based on whether a delinquency exists because the loss mitigation would cure previously

delinquent amounts. Even if a homeowner who had gone through loss mitigation were to apply, eligible VMRP expenses are defined to exclude a principal curtailment, such as paying down capitalized missed payments or a second lien resulting from loss mitigation.

However, these items may be payable from future VMRP programs approved by Treasury in amendment(s) to this HAF Plan. (For example, if sufficient HAF funds remain after assisting applicants facing foreclosure, the VMRP could be amended, with Treasury approval, to assist individuals having had deferred payments added at the end of loan maturity or as subordinate liens.) Also, this definition of eligible uses of VMRP funds does not bar participation of homeowners in this situation from ever receiving assistance through VMRP for eligible expenses. If a homeowner in this situation has experienced a subsequent COVID-related financial hardship, since exiting forbearance and loss mitigation, and they have again become delinquent on their obligations, they may apply for and receive VMRP HAF assistance for eligible VMRP expenses, assuming all other eligibility criteria are met.

- **how the requirement will be communicated to homeowners that at the time they seek HAF assistance have not yet completed the loss mitigation process with their servicer; and**

Virginia Housing Response: There is no requirement under the VMRP that a homeowner must have completed the loss mitigation process with their servicer.

- **whether homeowners that have gone through the loss mitigation process be able to access HAF if loss mitigation does not result in a sustainable mortgage.**

Virginia Housing Response: As stated above, the eligibility requirement that individuals having already gone through loss mitigation are ineligible does not bar participation of homeowners in this situation from ever seeking assistance through VMRP. If a homeowner in this situation has experienced a subsequent COVID-related financial hardship, since exiting forbearance and loss mitigation, and they have again become delinquent on their obligations, they may apply for and receive VMRP HAF assistance, assuming all other eligibility criteria are met.

The application is designed to assess whether a COVID-related financial hardship exists and the homeowner is in a current delinquency status. The current delinquency status is the indicator that loss mitigation did not result in a sustainable mortgage.

Outreach

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

Virginia Housing Response: The VMRP communications strategy focuses on the development and successful implementation of the VMRP's goals of accessible marketing, mobile intake operations, and leveraging program champions.

- The VMRP team recognizes that the largest population of limited English proficiency in the Commonwealth are Spanish speakers. Per our research, we have identified the percentage of individuals that speak Spanish at home by county to support a targeted outreach and ensure we are relaying critical program messaging in the most appropriate languages based on community demographics. A total of 32 ZIP Codes were identified as having 5% or higher number of residents that speak Spanish at home. From this report, 11 ZIP Codes were identified as having 10% or higher number of residents that speak Spanish at home. Our out of home advertising (such as billboards, bus shelters, bus cards, etc.) and paid media will focus on key ethnic newspapers, radio, and other marketing venues that we know reach these key homeowner populations.
- The VMRP team will offer communications and outreach materials in both English and Spanish and will use our zip code-based Needs Assessment to determine "out of home" advertising language needs. Marketing materials and the VMRP website, maintained by Virginia Housing Communications and Outreach staff, are or will be translated into Spanish. In our Spanish translations, we ensure that materials are culturally appropriate for Spanish-speakers from Central America, South America, and the Caribbean.
- We will also ensure to provide outreach materials translated in other languages as the need arises using a reliable translation service. Our cloud-based and mobile application platform also offers translation of other languages.
- The VMRP Call Center offers translation services for non-English speakers as well as TTY or other technology to assist people who are hearing impaired. The VMRP case management (CMs) team will also consist of bilingual CMs and administrative assistants to aid Spanish speaking applicants by phone, in writing, and during in-person intake meetings. In situations where a bi-lingual staff person is not available, the CMs will also use translation services via the phone.
- We will also use Virginia Housing's existing relationships, as well as a comprehensive database of Virginia nonprofit organizations, as a starting point to identify, educate, and activate a network of community-based stakeholders to increase program reach and applicant support. This network will include program partners and community ambassadors. These components are instrumental to overall program success and to achieving the program's goals of keeping Virginians at home.
- By leveraging local officials, community leaders, and partners in community-based and faith-based organizations with their own existing outreach and communications infrastructure from the outset we will be able to greatly amplify exposure of the program and increase intake of potential non-English speaking applicants.
- We also understand that some eligible participants may have limited access to internet or technology, so our communications approach will take into consideration a variety of channels and a broad geographical span to ensure that we reach all target audiences, through radio, billboards, transit, and other out of home advertising. Further, since submitting the Plan, Virginia Housing has determined that additional physical service center locations would be beneficial to these individuals. As such, in addition to a physical location in Newport News, Virginia Housing intends to open three additional locations – Richmond, Arlington and Wytheville (or other Southwest Virginia locality).

- We have a proven strategy to overcome communication barriers, ensuring bilingual communication for customer service at all times and partnering with reliable language translation service to cover non-English speaking applicants' communication requirements.

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

Virginia Housing Response: As noted above, the VMRP communications strategy focuses on the development and successful implementation of accessible and culturally relevant outreach and marketing materials that drive the call to action to apply for VMRP. We will produce and deliver materials and key messages through the most appropriate medium and in an easily digestible format.

- All Spanish materials will be run through a lens of Spanish-speakers from Central America, South America, and the Caribbean to ensure cultural relevance using in-house or contractor provided resources.
- The VMRP will also work with local officials, community leaders, and partners in community-based and faith-based organizations to identify outreach materials and resources required to reach their constituents in a manner that is culturally sensitive and relevant. Community and ethnic organizations in particular, with their own existing outreach and communications infrastructure, will greatly amplify exposure of the program and increase intake of potential applicants.
- The VMRP outreach team will seek out collaboration from partnering organizations that support amplification and awareness of program resources to non-English speaking communities. These not-for-profit organizations and community groups are trusted sources of information, understand and know the targeted audience and will be key to helping Virginia meet its goal of reaching every eligible homeowner. In addition, we will work with community and ethnic publications for earned media and advertisements helping to reach eligible homeowners in the communities where they live and work.

Prioritization

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

Virginia Housing Response: The VMRP has established priorities for funding where Priority 1 will serve all homeowners who are below the 100% AMI threshold and socially disadvantaged individuals above 100% AMI and up to and including 150% AMI. Priority 2 individuals are non-socially disadvantaged individuals above the 100% AMI threshold, but at or below the 150% threshold. No more than ten percent of each funding tranche is expected to be set aside for Priority 2 non-socially disadvantaged individuals, thus preserving 90% of funding for low income and socially disadvantaged households. Further, Virginia Housing will monitor expenditures to ensure that not less than 60% of HAF funds is used for qualified expenses that assist homeowners having incomes equal to or less than the 100% AMI threshold. [Note: All references to income thresholds reflect the full definitions in Treasury Guidance.]

Performance Goals

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

Virginia Housing Response: VMRP will publish reports to the public-facing website.

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

Virginia Housing Response: Number of homeowners served through mortgage reinstatement. Number of homeowners served through forward paying mortgage assistance. Number of homeowners assisted through qualified expense assistance.

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

Virginia Housing Response: Yes. The application has been designed to collect this information and can be reported against.

- **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.**

Virginia Housing Response: We have considered adding this metric, but do not believe this will be feasible. Homeowners who do not receive HAF funding are not trackable by VMRP if they do not engage with the program or after they engage, but do not receive assistance. VMRP also has no authority over counseling and legal services agencies to demand reporting of their metrics for their services. However, Virginia Housing will request statistics from counseling and legal service providers related to number of homeowners assisted/foreclosures prevented through their services but cannot guarantee that such information will be reported consistently or at all.

Readiness

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

Virginia Housing Response: Virginia Housing's internal management team has been working on the VMRP design and implementation since HAF funding was first announced. This team has remained stable with little to no turnover. Virginia Housing has augmented this team over time and appointed a dedicated Project Manager. Virginia Housing's Project Manager is supported by other agency resources including legal counsel, quality control, communications, information technology, subject matter experts, and administration.

Virginia Housing has contracted with a vendor to provide implementations support. That contractor has been supporting the agency since spring 2021. Together, Virginia Housing and the implementation contractor have stood up and activated a call center, case management services, an online application portal, and eligibility and payment services. This has included staffing up as volume of applicants is increasing.

The program has established overarching policies and procedures. Further, task level activities necessary to outreach, intake, eligibility, quality control, CDF transmission, and payment have been developed. The program has standard operating procedures for task level activities and is continuing develop new standard operating procedures as new tasks are identified. Staff training on program rules, process workflows, systems, and tools is conducted at staff onboarding and on an ongoing basis.

A VMRP assistance center has been opened and staffed for applicants to receive in-person assistance. There are additional scheduled openings for centers across the state in advance of and concomitantly with Treasury approval of the HAF Plan and prior to full program launch.

Through operation of the Pilot Program, Virginia Housing is identifying process bottlenecks and gaps, formulating resolution, and implementing changes to increase efficiency. These program improvements are intended to create a system ready for full operation.

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

Virginia Housing Response: Yes.

- **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.**

Virginia Housing Response: Virginia Housing intends to use the full initial 10% of funding for support of homeowner assistance grants, deferring all program startup costs including those identified for needs assessment and action plan development, contractor implementation, and VH administration costs until payment of the next tranche of funding. These costs and the costs of administering the balance of the HAF Funds, will not exceed the limit permitted by Treasury. The statistics on the pilot program are updated below:

Number of households that have applied for assistance: **432**

Number of households that have received funding: **18**

Amount of funding disbursed: **\$249,757.25**

Number of households eligible and estimated dollar value, pending CDF: **103 households, \$1,389,954.68. *****Note that results of CDF process could change eligibility status and funding totals.**

Budget

- No questions.