

Texas Department of Housing and Community Affairs
Mortgage Reinstatement Program

Criteria	Terms
Brief description	<p>Provide funds to eliminate or reduce past due payments and other delinquent amounts, including payments under a forbearance plan, on forward mortgages, reverse mortgages, loans secured by manufactured homes, or contracts for deed.</p> <p>HAF Funds may be used to bring account fully current, with no remaining delinquent amounts, and to repay amounts advanced by the lender or servicer on the borrower’s behalf for property charges, including property taxes, mortgage insurance premiums, 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>Homeowners assisted through the Mortgage Reinstatement Program that have delinquent property charges, such as property taxes, insurance, and HOA fees that threaten sustained ownership of the property but are outside the scope of the Mortgage Reinstatement Program (amounts not advanced by the servicer), can apply for assistance for those property charges through the Property Charge Default Resolution Program.</p> <p>Homeowners that receive assistance through this program may not receive assistance through the Loan Modification with HAF Contribution (Modified Mortgage Principal Reduction) Program.</p> <p>HAF funds may be used to supplement other loss mitigation options offered by the servicer under investor requirements or where, without HAF funds, the homeowner would not qualify for that loss mitigation option.</p>
Maximum amount of assistance per homeowner	Each Homeowner will be eligible for up to \$40,000 through this program to be used only for the homeowner’s primary residence.
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. Self-attestation, no documentation requirement. • Housing debt to income ratio must be at or below 55%. • For reverse mortgages, Homeowner is either in default due to property charges or has entered a repayment plan to repay such charges, and homeowner otherwise qualifies. See Loan Eligibility Criteria below for documentation requirement.

- Homeowner must be at or below the greater of 100% AMFI or 100% US Median Income. Based on the data-driven needs assessment, the need for HAF funds far exceeds the amount of funds available. As such, TDHCA is limiting assistance to those at or below 100% AMFI/100% US Median. See Income Determination below for documentation requirement.

Homeowner Eligibility Criteria Documentation Requirements

Financial Hardship Applicant attestation as to financial hardship after January 21, 2021, including description of the nature of the financial hardship (job loss, reduction in income, etc.)
Justification Required by Treasury. Self-attestation eliminates barriers to participation.

Identification Applicant must provide a form of identification (current or expired) including, but not limited to, a driver’s license, state identification card, voter registration card, school registration form, library card, passport, student ID, social security card, military ID, naturalization certificate, lawful permanent residency card, employment authorization document, or birth certificate.
Justification Confirming the applicant’s identity is important for several reasons, including fraud prevention. TDHCA is making the supporting documentation requirement as broad and flexible as possible to reduce any potential barriers to participation.

Income Determination Applicant attestation as to household income, plus supporting documentation, including paystubs, W-2s or other wage statements, IRS Form 1099, tax filings, depository institution statements demonstrating regular income, or an employer attestation. Additional documentation being considered includes evidence of current participation in Head Start, the Low Income Home Energy Assistance Program (LIHEAP), the Comprehensive Energy Assistance Program (CEAP), or the Supplemental Nutrition Assistance Program (SNAP).
Justification Treasury described two permissible approaches for income determination. TDCHA attempted to develop a reasonable, fact-specific proxy, but was unable to develop a suitable proxy. As such, TDHCA is using the second permissible approach, that of supporting documentation. TDHCA is making the supporting documentation requirement as broad and flexible as possible to reduce any potential barriers to participation.

Owner Occupancy Preferred documentation is a utility bill that reflects the homeowner as the payer for the account; in lieu of supporting documentation, a homeowner attestation will be accepted.
Justification Will assist in avoiding duplication of benefits with Rent Relief programs, and should aid in with fraud prevention. Self-attestation eliminates barriers to participation.

	<p><u>Primary Residence</u> Homeowner attestation; no additional documentation.</p> <p><u>Justification</u> Required by Treasury. Self-attestation eliminates barriers to participation.</p>
Loan eligibility criteria specific to the program	<ul style="list-style-type: none"> Delinquent by at least one payment, including any payments during a forbearance period or, in the case of a reverse mortgage, has outstanding property charges whether in default or in repayment plan. Original loan balance must be within conforming loan limits at the time of loan origination. <p><u>Loan Eligibility Criteria Documentation Requirements</u></p> <p><u>Original Principal</u> Original loan balance must be confirmed by Servicer, either through CDF or in writing. For non-traditional mortgage loans for which the servicer cannot provide confirmation, other sources of documentation, including those that may be provided by the homeowner applicant, will be considered, to the extent they confirm that the original principal amount of the mortgage loan was within the conforming loan limits at the time of origination.</p> <p><u>Justification</u> Required by Treasury. TDHCA is making the supporting documentation requirement as broad and flexible as possible, to reduce any potential barriers to participation.</p> <p><u>Delinquency</u> Loan delinquency (or in the case of reverse mortgages, outstanding property charges whether in default or in repayment plan) must be confirmed either by the Servicer, or through the provision of a mortgage loan statement that reflects the delinquency. With respect to non-traditional loans, if no mortgage loan statement is available, an attestation by the Servicer will be considered.</p> <p><u>Justification</u> A reinstatement program is, by definition, to cure a delinquency. TDHCA is making the supporting documentation requirement as broad and flexible as possible to reduce any potential barriers to participation.</p>
Property Eligibility	<p><u>Property Eligibility Criteria Documentation Requirements</u></p> <p><u>Proof of Ownership</u> For manufactured or mobile homes not permanently affixed to real property, a Title Certificate or Statement of Ownership in the Homeowner’s name is the preferred documentation; a homeowner attestation will be accepted.</p> <p><u>Justification</u> Will assist in preventing against duplication of benefits with Rent Relief programs. Self-attestation eliminates barriers to participation.</p>
Form of Assistance	Assistance will be structured as a non-recourse grant.
Payment requirements	Payments may be made directly to the lender or servicer, as appropriate. Payments can be made by ACH or by check, in accordance with servicer instructions. Payments can be made to servicers participating through the CDF, or servicers interacting through the portal. Payment amount will be determined by verifying the outstanding delinquent amount during the underwriting and approval process.

	<p><u>NMLS or Exemption</u> To receive payment, a servicer must either have an NMLS number, or qualify for an exemption under Texas Finance Code, Section 156.202. Servicers can attest as to eligibility for the exemption.</p> <p><u>Justification</u> To safeguard against fraud and abuse. TDHCA believes the permissible exemptions to be sufficiently broad to accommodate non-traditional mortgage loans, while helping to safeguard against fraud and abuse. TDHCA does not consider this requirement to be a barrier to participation.</p>
Intake Centers	<p>TDHCA is utilizing Intake Centers (housing counselors, legal aid providers, community development corporations, etc.) to assist homeowners with completing and submitting applications and required documentation, eliminating barriers to participation by otherwise eligible homeowners that may have difficulty completing the application or uploading the supporting documentation.</p>