

Texas Department of Housing and Community Affairs
Property Charge Default Resolution Program

| Criteria | Terms | | | | |
|---|--|---------------------------|--|----------------------|--|
| Brief description | <p>Provide funds to resolve any property charge default that threatens a homeowner's ability to sustain ownership of the property, whether concurrently with other loss mitigation options offered by the loan servicer or in conjunction with other assistance programs.</p> <p>HAF Funds may be used to pay past due property taxes, insurance premiums, HOA fees, condominium fees, cooperative maintenance or common charges that threaten sustained ownership of the property. Must be brought current by program assistance or resolved concurrently with the program providing assistance.</p> <p>Homeowners assisted through the Property Charge Default Resolution Program that are delinquent on their mortgage payment and/or for which their servicer has advanced amounts, on the borrower's behalf, for property charges to protect lien position, can apply for assistance through the Mortgage Reinstatement Program.</p> <p>Funds may also be used to pay property charges coming due in the 90 days following program approval.</p> | | | | |
| Maximum amount of assistance per homeowner | Each Homeowner will be eligible for up to \$25,000 through this program with respect to the applicant's primary residence. | | | | |
| Homeowner eligibility criteria and documentation requirements | <p>Same as General Eligibility Requirements plus</p> <ul style="list-style-type: none"> • Homeowner is at least one installment payment in arrears on one or more property charges, including: <ul style="list-style-type: none"> • Property Taxes • Insurance: homeowner's, mortgage, hazard, flood, and wind premiums • HOA fees and liens, condominium fees and liens, cooperative maintenance or common charges • 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. <p><u>Homeowner Eligibility Criteria Documentation Requirements</u></p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;"><u>Financial Hardship</u></td> <td>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.)</td> </tr> <tr> <td><u>Justification</u></td> <td>Required by Treasury. Self-attestation eliminates barriers to participation.</td> </tr> </table> | <u>Financial Hardship</u> | 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.) | <u>Justification</u> | Required by Treasury. Self-attestation eliminates barriers to participation. |
| <u>Financial Hardship</u> | 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.) | | | | |
| <u>Justification</u> | Required by Treasury. Self-attestation eliminates barriers to participation. | | | | |

| | |
|--|---|
| | <p><u>Identification</u> 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.</p> <p><u>Justification</u> 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.</p> <p><u>Income Determination</u> 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).</p> <p><u>Justification</u> 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.</p> <p><u>Owner Occupancy</u> 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.</p> <p><u>Justification</u> 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> <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> <p><u>Delinquency</u> Homeowner is at least one installment payment in arrears on one or more property charges as described above. Required documentation will be a statement from the service provider of the property charge(s) evidencing such delinquency.</p> <p><u>Justification</u> Evidence of a delinquency is required to cure a delinquency. TDHCA does not believe this is a barrier to participation, as the homeowner will be receiving notices, statements, and/or invoices regarding the delinquent status of the property charge for which they are requesting assistance.</p> |
|--|---|

| | |
|---|---|
| Loan eligibility criteria specific to the program | <ul style="list-style-type: none"> 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> |
| 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 with preventing 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 | Funds will be paid, as applicable, to the mortgage servicer or other third-party payee authorized by the servicer, or other third party (including tax collectors, insurance companies, HOAs, and other relevant parties) authorized to collect eligible charges in accordance with payment instructions received from the payee. Payment amount will be determined by verifying the outstanding delinquent amount during the underwriting and approval process. |
| Intake Centers | 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. |