

Utah Department of Workforce Services – HAF Feedback Responses

Updated Text in Red

Completeness

Treasury: *Your plan lists Nathan Andrew McDonald as the Authorized Official, while the original application for HAF payments was signed by Casey Cameron. 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.*

Utah: Nathan Andrew McDonald is the Authorized Official and will be signing on behalf of the State of Utah Department of Workforce Services (“DWS”).

Homeowner Needs and Community Engagement – Data

Treasury: *Please explain how the plan targeting and outreach reflect the data referenced in your plan.*

Utah: The data provided in the original plan was a snapshot into the housing market in the State of Utah and included detailed information as to the ethnicity and income brackets of households in the State.

In addition to that statistical information it is important to understand the unique economic position the State of Utah is in as compared to the majority of other states in the nation. Nationwide the pandemic has forced many households into mortgage and rental arrears due to lack of income, illness, quarantine, and many other factors resulting in high foreclosure, eviction and unemployment rates. The State of Utah has maintained one of the lowest unemployment rates, low foreclosure and forbearance rates, and one of the highest home value appreciation rates in the nation as illustrated in part by the detailed Federal Reserve material provided by Treasury.

According to the [U.S. Bureau of Labor Statistics](#) as of October 2021 Utah’s unemployment rate is 2.2%, only second to the nation’s lowest unemployment rate of 1.9% in the State of Nebraska.

Utah’s housing prices have skyrocketed since the beginning of the pandemic. The Kem C. Gardner Policy Institute at the University of Utah recently published their first inaugural ‘[State of the State’s Housing Market](#)’ report. Key takeaways from this report include:

- More than half of Utah’s households are now unable to afford the median priced home in 2021.
- A ‘housing bubble’ and price deceleration is not anticipated in the near term.

- 72.8% of renters are priced out of the median priced home.
- Utah has a 44,000-unit deficit further driving up prices in all residential products.
- In the 4 most populous counties in the State, representing 75% of the population, the rental vacancy rate is approximately 2%.

With these data points in mind, many leaders throughout the State of Utah agree that keeping individuals housed, both in the homes that they own ([70.2% of the housing units in Utah are owner-occupied](#)) and in the rental units that they occupy, is key to preventing a further increase in our vulnerable population's housing instability. As the data demonstrates the lack of available product at a price point affordable to moderate to low income households is almost nonexistent. As a community we firmly believe that everyone deserves a safe, healthy and affordable place to live and that the way to support our citizens is to (a) keep people housed by utilizing programs such as HAF and Emergency Rental Assistance (b) increase the availability of affordable housing units and (c) invest in supportive services housing and shelters for our extremely low income and homeless population.

Additional data sources used to educate this plan include:

- [Census Data](#)
- [Data to be provided by State of Utah Division of Multicultural Affairs and the Multicultural Commission](#) – Our team will create specific targeting outreach strategies for socially disadvantaged populations in consultation with the State of Utah Division of Multicultural Affairs and the Multicultural Commission.
- [Data from the University of Utah Kem C. Gardner Policy Institute – ‘The State of the State’s Housing Market’ Utah’s Economic Dashboard 2020 Economic Summary 2021 Data Book Diversity in Utah – Race, Ethnicity, and Sex](#)
- [Industry Reports](#)
 - Mortgage Bankers Association National Delinquency Survey
 - [SoFi ‘Foreclosure Rates for All 50 States October 2021’](#)
‘Utah placed 23rd in [October](#). Of the Beehive State’s 1,087,112 housing units, 112 homes went into foreclosure, making the 31st most populated state’s foreclosure rate [one in every 9,706 households](#). The counties with the most foreclosures per housing unit were (from highest to lowest): [Tooele, Juab, Emery, Kane, Box Elder, and Washington.](#)’
 - [ATTOM ‘Home Equity Abounds Across U.S. During Third Quarter As Home Values Hit New Highs](#)
‘Eight of the top 10 states where the [equity-rich share of mortgaged homes rose most from the second quarter of 2021 to the third quarter of 2021](#) were in the West and South. States with [the biggest increases were Utah, where the portion of mortgaged homes considered equity-rich rose from 45.5 percent in the second quarter of 2021 to 60.9 percent in the third quarter](#), Arizona (up from 39.7 percent to 53.2 percent), Idaho (up from 54.2 percent to 65.1 percent), North Carolina (up from 28.4 percent to 38.6 percent) and Nevada (up from 34.9 percent to 44.9 percent).’
‘The West continued to have far [higher levels of equity-rich properties](#) than other regions in the third quarter of 2021. Eight of the top 10 states with the highest levels in the third quarter were in the West, led by Idaho (65.1 [percent of](#)

mortgaged homes were equity-rich), Vermont (61.2 percent), Utah (60.9 percent), Washington (56.2 percent) and Arizona (53.2 percent).’

‘Nine of the 10 states with the highest shares of mortgages that were seriously underwater in the third quarter of 2021 were in the South and Midwest, led by Mississippi (17.7 percent seriously underwater), Wyoming (11.5 percent), Louisiana (10.7 percent), Iowa (8.4 percent) and Illinois (7.6 percent). The smallest percentages were in the West, led by Washington (1.2 percent), Utah (1.2 percent), Oregon (1.3 percent), Arizona (1.3 percent) and Nevada (1.4 percent).

With all of this in mind staff has been meeting with various community stakeholders including the Utah Housing Corporation, the Community Development Corporation of Utah, the Utah Housing Coalition, the Utah Association of Mortgage Professionals, and others to refine the plan. That being said we intend to further our plan outreach efforts to include the aforementioned State of Utah Division of Multicultural Affairs and the Multicultural Commission, the local community action agencies, the local associations of governments and others in the first month of the new year. These groups are the ‘boots on the ground’ and their knowledge base of their local communities will allow us to craft regionally specific outreach efforts for those in need of HAF supportive funds as they have in our efforts to expend the Emergency Rental Funds provided to our State.

Finally, while we don’t anticipate significant changes to this plan we recognize that the housing situation in Utah is an everchanging target hence the plan will be, if needed, revised to ensure the target populations are being served.

Homeowner Needs and Community Engagement – Community Engagement and Public Participation

Treasury: *Your plan notes there has not been any public input or community engagement in the plan development process.*

- *Please explain why community engagement has not informed your plan’s programmatic and outreach design.*
- *Please explain how the program is confident in its ability to reach targeted populations without engaging organizations that primarily serve low- or moderate-income populations or address housing discrimination in planning.*

Utah: There has been public input to the extent discussed in the previous section. The primary target for HAF funding will be socially disadvantaged populations both in urban and rural Utah. Along with the partners already identified we will be contracting with various non-profit organizations that have established relationships in the target communities to provide tailored outreach, education and assistance in fulfilling the application requirements.

Additionally we will be contracting with counseling agencies, both [HUD](#) approved and otherwise, throughout the State. These agencies will be the first ‘step’ in applying for HAF funding as they will assess and assist the homeowner, and the homeowners advocate as may be necessary, in determining the best resolution to their homeownership situation.

Finally, upon approval of the HAF plan by Treasury our office will be publishing the plan on our website for 14 calendar days for public review and comment. Again, provided the feedback already received by the primary stakeholders in our community who will be working with us on the distribution of the HAF funds, any changes to this plan will be immediately provided to Treasury for approval although we anticipate that few, if any, changes will be required based upon said feedback.

Treasury: *Please describe any coordination you intend to have with Tribes or Tribal entities.*

Utah: Per Treasury instructions on their HAF website. ALLOCATIONS AND PAYMENTS FOR TRIBES - The statute requires the Department of the Treasury to make allocations to Tribes and Tribal entities based on the allocation formulas used for the Emergency Rental Assistance Program under the Consolidated Appropriations Act, 2021. The Department of the Treasury will publish Tribal allocations after the Tribal consultation process. With that being said, we will accept applications from any homeowner who is a resident of the state of Utah and will work their application according to our processes.

Treasury: *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.*

Utah: The proposed plan has been reviewed, and is supported, by those aforementioned parties. Any additional comments received during the final public outreach effort will be studied and potentially submitted to Treasury for approval. Again, we anticipate that few, if any, changes will be required based upon said feedback.

Homeowner Needs and Community Engagement – Program Design

Treasury: *Please explain how the sources of data listed in the section on Homeowner Needs informed the Program Design Elements included in your plan.*

Utah: The data informed our initial targeting based upon homeowner demographic characteristics. Specifically, priority will be given to applicants whose mortgage delinquency occurred on or after January 1, 2020.

The first open application period, the number of days the application period will be open is to be determined, will be for homeowners that meet at least one of the following criteria:

1. Households that have incomes equal to, or less than, 100% of the area median income or equal to, or less than, 100% of the median income for the United States, whichever is greater
2. Households in a [Qualified Census Tract](#)
3. Households that have received a Notice of Default
4. Households that are [cost burdened](#) as defined by HUD
5. Households that are socially disadvantaged as outlined in the HAF guidance
6. Households with VA, HFA or USGA loans

Treasury: *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)?*

Utah: In addition to the partnerships for outreach previously described, DWS will be working with other municipal government agencies to proactively reach out to those whose primary residence is in jeopardy of foreclosure.

In the State of Utah, our law requires certain steps to be followed by the lender or servicer throughout the pre-foreclosure and foreclosure process.

Simply put, the federal government requires that a borrower be allowed 120 days of delinquency before the foreclosure process can be started. Utah law requires a 'Notice of Intent to File a Notice of Default' to be provided to the borrower allowing another 30-day period of time to cure. This notice includes a 'single point of contact', again required by Utah law, for the borrower to contact to try to modify the loan(s) or negotiate other foreclosure relief. After that 30-day time period has expired the lender or servicer is then permitted to file a 'Notice of Default' with the County Recorder.

At that point there are 2 primary sources of County records that will assist our team in proactively targeting those at risk of foreclosure. Each source will require a data sharing agreement and/or a subscription for services and potentially a request that follows the State's public records request process.

- County Treasurers and Auditors– Default Property Tax
After five years of unpaid taxes on a property, the County Auditor holds what is called the May Tax Sale.
Example: Salt Lake County lists properties that will be sold on their website. Our team will monitor this list for residences. Utah County's list is only searchable by name, address and the like so our team will work to obtain monthly reports to monitor for residences.
- Data collected from county recorders – In the State of Utah the 'Notice of Default' is filed with each individual County. Reports with these notices are available.

Based upon our positive experience working with the counties in Utah to advertise the Emergency Rental Assistance program we find that there will be few barriers to obtaining this information for the HAF program.

Additionally, as previously mentioned we will be contracting with counseling agencies, both HUD approved and otherwise, throughout the State. These agencies will be the first 'step' in applying for HAF funding as they will assess and assist the homeowner, and the homeowners advocate as may be necessary, in determining the best resolution to their homeownership situation.

Duties of said counselors will include:

1. Facilitate the negotiation of terms with mortgage lenders, both first and second
2. Work with the Title Company to outline all liens and other encumbrances on the property

3. Pull property tax payment history on the property to ensure there are no delinquent taxes
4. If there are any liens on the primary residence the counselor will work with a legal provider, to be contracted by DWS, to ensure that after payment is made the liens are released in a timely manner.

Treasury: *Please confirm your exclusion of Reverse Mortgages, Contracts for Land or Land Deed, and Loans Secured by Manufactured Housing 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.*

Utah: *Provided all other eligibility criteria is met, contracts for land, or a land deed, that has an existing residence as outlined in Treasury's guidance, or manufactured home, located on the land may be eligible to participate in the program.* We have not excluded reverse mortgages. Our plan outlines qualified expenses that include property tax, homeowner's insurance and flood insurance. The homeowner with a reverse mortgage is responsible to continue to pay those fees.

Treasury: *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.*

Utah: Please see answers above. Additionally, we will be exploring partnerships to provide financial management and budget counseling, workshops, online education, and the like to assist the homeowner in long-term, sustainable homeowner success.

Treasury: *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?*

Utah: Please see our explanation above regarding our efforts with housing counselors.

Treasury: *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?*

Utah: We plan to engage partners to provide financial management and budget counseling, workshops, online education, and the like to assist the homeowner in long-term, sustainable homeowner success.

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

Utah: Energy costs are on the rise in Utah. We are set to see an increase of about 8.9% through one of our major suppliers (Rocky Mountain Power). DWS manages Utah's HEAT program which has the funding to help homeowners with energy costs. We are working closely with the HEAT program manager to make sure that we have a robust referral process established for HAF participants. By partnering with the HEAT program, we will be able to allocate more money to mortgage assistance.

Homeowner Needs and Community Engagement – Eligibility

Treasury: *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.*

Utah: As previously mentioned our targeting efforts will be partly focused on households residing in Qualified Census Tracts however we will not be relying solely on this fact to determine eligibility for participation in the HAF program. Income verification will be required for participation in the HAF program. **If income verification is unable to be obtained the State will create an escalation pathway that will outline the parameters under which an application may be approved.**

Homeowner Needs and Community Engagement – Outreach

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

Utah: Generally, DWS will employ the methods we utilized for the Emergency Rental Assistance program. Over the past few months we have learned a number of marketing lessons from our efforts to disseminate information for that program.

One lesson is that traditional English and Spanish media blasts, including social media, billboards and radio commercials, reach a good portion of the population, but not all of it. To address this, our partners have produced fliers which they provide at various community locations and events throughout the State. Additionally, DWS partnered with the County Assessors offices throughout the states and mailed a postcard, in both English and Spanish, to every owner of a duplex or bigger to further disseminate our message. Finally, we provided all of the food banks in Utah a flier, again both in English and Spanish, for them to provide with each food distribution made.

For languages other than English and Spanish we will work with our partner non-profit organizations to craft culturally specific materials.

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

Utah: Please see answer above.

Homeowner Needs and Community Engagement – Prioritization

Treasury: *If your program intends to serve households who are over the 100% AMI threshold, how will your program prioritize Socially Disadvantaged Individuals? Please describe your marketing and outreach strategy to SDI communities.*

Utah: Please see answers above.

Homeowner Needs and Community Engagement – Performance Goals

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

Utah: We intend to utilize the [tool](#) that we have created for the Emergency Rental Assistance program as well as work with local news outlets to promote the success of the program.

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

Utah:

1. Total HAF funds used to bring mortgages current and prospective payments
2. Timeliness of applications from submitted to payment
3. Number of homeowners helped through housing counseling, but did not need HAF funds

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

Utah: Yes, we intend to create unduplicated reports. Part of our application process is to have homeowners list their gender, race and ethnicity. We will also be looking at the type of mortgage the homeowner has so we can better assist them with housing counseling.

Treasury: *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.*

Utah: We will be using our housing counselors to help identify homeowners with loans that have access to loss mitigation practices. We will require the homeowner to take steps towards utilizing those pathways before we offer HAF funding. This will be done in an attempt to save HAF funding for other homeowners who may not have this option.

Homeowner Needs and Community Engagement – Readiness

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

Utah: We will be utilizing external vendors. Per Utah State law we implement a Request for Proposal(s) (FRP) process. There could potentially be several vendors that apply, and that will take time to evaluate each vendor's proposal. Once selected, we will then have to allow time for their system to be updated to accommodate the specific needs of the HAF program and requirements as well as staffing.

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

Utah: Following the final 14-day public input period we will be issuing the previously mentioned PRF process. The program's launch date will be determined based upon the selected vendors readiness dates.

Treasury: *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.*

Utah: We did not have a pilot program in Utah. We have only spent a small proportion of the 10% as administrative expenses to design the plan and work on Treasury feedback. Some money was allocated to our Department of Technologies to build a framework for our portal if we choose to process HAF in house which we have since decided against.