

HAFP-0102-Georgia
Treasury Feedback for Resubmission of Plan

Please revise the HAF plan by providing a response to the questions below.

Completeness

- Your plan lists Jennifer Wade as the Authorized Official, while the original application for HAF payments was signed by Brian Kemp. 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.

Homeowner Needs and Community Engagement

Data

- No questions.

Community Engagement and Public Participation

Q. Your plan notes public input and community engagement in the plan development process. Please explain if you have done any outreach to local governments or tribes.

- Outreach has been limited to program notification updates. Once our program is approved, outreach includes notifying local governments and Congressional Offices. The Georgia Department of Community Affairs has personnel in positions of government relations, social media, and outreach who can assist in the process.

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

- We will coordinate benefits with any Georgia Tribe that receives assistance funds.

Q. 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.

- Comments received, including from Congressional Offices, have been in regard to the rollout date of the program. We have over 5,000 homeowners and interested parties on our notification list.

Ongoing Assessment of Homeowner Need

- Please explain how the program will address changes in homeowner needs in the coming years.

Georgia will submit requests for new programs to Treasury as needed. We plan to review program denials to determine if an existing program should be modified or if a new program may be needed, and plan to have discussions with an advisory board of stakeholders and community leaders.

Ostensibly, if the pandemic continues homeowners who have overcome an initial pandemic hardship may be faced with additional hardships. Should there be a surge in unemployment, monthly mortgage assistance may be considered. If the pandemic ceases and funds remain, homeowners who lost equity in their homes due to deferred payments, loss mitigation, or HUD claims could be considered for principal curtailment. Additionally, if the property values plummet due to the pandemic, down payment assistance or underwater assistance could be considered.

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.

Data confirmed the need for reinstatement assistance and allowed targeting Socially Disadvantaged areas. Atlanta Legal Aid, among others, requested we assist the elderly populations who had reverse mortgages or no mortgage, and we have included non-mortgage assistance for property taxes and insurance, and association fees.

- 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)?

Georgia is a non-judicial state for foreclosures and homeowners with a foreclosure sale date will have their applications expedited under the same process used for HHF. Homeowners without a mortgage but have a foreclosure sale date due to association fees or tax liens that became delinquent due to the pandemic have the same opportunity.

- Please confirm your exclusion of land contracts/contracts for deed and explain what steps you have taken to assess the needs of homeowners with land contracts/contracts for deed. Please summarize any community feedback or data on which you have based this decision.

We are having a discussion with legal services in Georgia that may be able to assist us with determining if a contract is valid and protects the homeowner. If they approve the contract we could move forward with assistance.

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

- 1) The website banner will contain "Know your options" information, including to work with a housing counselor if they cannot afford their mortgage payment.
- 2) Homeowners who state they would not be able to afford their mortgage payment if assistance is provided will be referred to a housing counseling agency. Affordability may be an issue of budget, not the mortgage itself, and counseling would be available either way. The agency can work with the homeowner and lender to determine the best outcome.
- 3) Homeowners who owe more than the maximum amount of assistance allowed (\$50,000), or who were delinquent prior to July 1, 2019 and can only be partially reinstated, will be required to work with a housing counselor prior to being considered for assistance.
- 4) Homeowners who are eligible to receive HAF assistance will sign a Grant Agreement attesting they will be able to make their mortgage payments or non-mortgage payments after assistance. A Housing Counseling & Legal Aid Options form will be included in the package should affordability become an issue after assistance.
- 5) Housing Counseling agencies are eligible to receive compensation under HAF or Neighborworks for taking HAF applications, providing counseling, and outreach events.
- 6) Legal Services can receive compensation under HAF for performing services needed to help the homeowner in receiving HAF assistance or with long-term solutions such as probate or title issues.

- 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?

- 1) Homeowners in a Covid forbearance are contacted by their lender or servicer regarding loss mitigation options prior to the end of forbearance, however, there may be limited options for homeowners with a mortgage loan not backed by a government investor or sponsor. We continuously cite to homeowners awaiting our program to contact their lender or servicer's loss mitigation department or speak to a HUD counselor to determine their options if immediate assistance is needed.

Under the HHF program, applicants had the ability to consider both loss mitigation and HHF assistance at the same time and then decide what they preferred. Some chose to go with the loan mod, but the majority chose to receive HHF assistance. Many cited not wanting their loans to be extended for turning down the modification. While there are some pandemic modifications that can lower the payment, the extended term remains.

The stated purpose of HAF was to "mitigate financial hardships associated with the corona virus pandemic...for the purpose of preventing homeowner mortgage delinquencies, defaults, foreclosures..." Specifically cited for use of funds includes "financial assistance to allow a homeowner to reinstate a mortgage..." and "principal reduction".

The relief provided through loss mitigation is not the same as relief under our program. While both address delinquent payments or payments in forbearance, Reinstatement Assistance will keep the missed payments from being added to the homeowner's mortgage loan balance or through a claim, preventing loss of equity. This is generally the best solution for eligible homeowners who temporarily got behind due to a pandemic hardship and have now recovered, but just need help getting their mortgage brought current. Principal Curtailment/Lien Extinguishment (interest-bearing loan) is available for eligible homeowners who have suffered a permanent loss of income, such as the death of spouse or homeowner or full disability. The reduction in loan balance may allow opportunities not available through loss mitigation.

Additionally, Georgia has non-judicial foreclosure, and a homeowner can lose their home as early as the 6th missed payment. If a homeowner failed to immediately seek loss mitigation after foreclosure notification, quick HAF assistance may be the only option other than bankruptcy to prevent foreclosure.

- 2) Most homeowners will be seeking Reinstatement assistance for delinquent and/or payments in forbearance. For homeowners whose mortgage was current prior to July 1, 2019, an additional 3 monthly payments paid in advance may be available to allow them time to stabilize their finances and consider options for long term affordability, which might include a refinance outside of loss mitigation. As noted above, homeowners indicating they will not be able to afford their mortgage payment will be referred to a counselor.
- 3) Principal Curtailment is available for eligible homeowners who have suffered a permanent loss of income due to the pandemic and can be combined with Reinstatement and 3 additional payments if needed, not to exceed maximum assistance.
- 4) Homeowners who struggle after receiving assistance may still have pandemic related loss mitigation options or can discuss their situation with a HUD Counselor as noted above.

- 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?

Homeowners who are concerned with sustainability will be referred to a HUD Counselor.

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

We are currently not offering a utility only program.

Eligibility

- 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.

Per Treasury's allowances, a homeowner is able to attest to income.

Outreach

- Please explain how the program will target outreach and provide access to homeowners with limited English proficiency, including non-Spanish speakers.

The online application is available in many languages and our agency has access to the Language Line translation services. We have a Customer Service Supervisor plus two employees who are fluent in Spanish, which is the second most spoken language in Georgia.

Specific outreach will be provided in Spanish speaking communities through Catholic Charities Atlanta (HUD approved) and Center for Pan Asian Communities for Korean speaking communities. Both assisted with our HHF program. Most, if not all outreach events will have at least one Spanish speaking representative.

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

We have contracted with the same marketing team used for HHF. Flyers and advertisements will be in both English and Spanish.

Prioritization

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

Homeowners who do not identify as Socially Disadvantaged either by attestation or race or ethnicity can only be considered at 100% AMI. Socially Disadvantaged homeowners can be considered up to 150% AMI.

Performance Goals

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

We plan to have a dashboard link on our website. It and Quarterly Reports will be accessible to

the public.

- Please indicate which three metrics will serve as the best indicators of the success of your program.
 - Number of total households assisted.
 - Number of Socially Disadvantaged households assisted.
 - Number of homes saved from foreclosure.
- Please indicate whether you intend to disaggregate metrics by income, race, gender, etc.

The applicant data in the system has metrics that will serve the dashboard and allow Treasury reporting as required.

- 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.

We would be unable to obtain or provide that information.

Readiness

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

- Georgia expects to be fully staffed by the week of November 15, 2021 for program rollout.

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

- December 1, 2021 has been marked for tentative rollout if the HAF plan is approved this month.
- 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.

Georgia's pilot program is available to our low and moderate first-time homebuyers we assisted through the Housing Finance Agency with loans serviced by State Home Mortgage. The portfolio makeup is primarily Government loans with about 95% being FHA insured. The pilot program began the last week in August. Assistance of \$1.264 million has been provided to 83 Georgia homeowners.

Budget

- No questions.