

**HAFP-0107- State of Nebraska  
Treasury Feedback for Resubmission of Plan  
State of Nebraska Response  
December 23, 2021**

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

**Completeness**

- Your plan lists Philip Olsen as the Authorized Official, while the original application for HAF payments was signed by Governor Pete Ricketts. 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, please submit a request by email to [HAF@treasury.gov](mailto:HAF@treasury.gov).

**Answer: Governor Ricketts letter dated December 15<sup>th</sup>, 2021 (attached) affirms Philip Olsen, State Accounting Administrator, as the authorized representative for the Homeowners Assistance Fund.**

**Homeowner Needs and Community Engagement  
*Data***

- No questions

***Community Engagement and Public Participation***

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

**Answer: We have reached out to all four tribal entities and plan to have regularly scheduled meetings with them to discuss the HAF program and share information and best practices. We will also establish a referral system for tribal members to access HAF funds from a Tribal entity when appropriate.**

- 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.

**Answer: We have only received one additional public comment since submission of the HAF Plan. The comment was from Martha Marfileno at Buffalo County Community Partners, who asked if the application would be available in other languages besides English. She also suggested creating a checklist of all information and documents that applicants would need to bring with them when coming to an agency to receive assistance with completing the application. We responded to Martha that the application would be available in other languages, including Spanish, Vietnamese, and Russian. We have also created a checklist of items that an applicant will need to provide when applying for assistance.**

### ***Ongoing Assessment of Homeowner Need***

- No questions

### **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.

**Answer: The data from Black Knight (which purports to encompass 75% of secondary market loans in the State of Nebraska), plus the data from the Nebraska Dept of Banking, as extrapolated, informed the determination to place the bulk of the program funds into reinstatements and forward payments. It appears that demand for reinstatements alone will outstrip the funds available to assist Nebraska homeowners.**

**Title searches of selected properties in North and South Omaha validated the need for lien clearing programs. The State of Nebraska's tax deed procedures put a significant number of non-mortgaged properties, generally owned by elderly people, at risk of tax foreclosure, thus creation of the Property Assistance Program was deemed appropriate. This program is anticipated to mainly serve socially disadvantaged populations.**

**Data indicates many Nebraskans took advantage of the forbearance process and are in need of assistance to bring their loans current in order to move forward.**

- 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?

**Answer: The HAF application process includes a series of questions related to the homeowner's financial condition, type of mortgage loan, and loss mitigation options provided by the servicing lender.**

**Government insured loans and conventional loans backed by Fannie Mae and Freddie Mac will be flagged during the eligibility review process. A homeowner who continues to experience a financial hardship will be referred to a Nebraska based network of HUD-approved counseling agencies or legal aid services for assistance working with the servicing lender to identify the best solution for the homeowner. There may be some situations where the homeowner is referred back to the HAF program as the best solution.**

- 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?

**Answer: In order to qualify for reinstatement assistance and possible forward monthly payment assistance, a homeowner must be employed or receive other income sources and provide an attestation of their ability to resume regular mortgage payments. If regular payments are not sustainable, the homeowner will be referred to a counseling agency or legal aid services.**

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

**Answer: NIFA is collaborating with the State of Nebraska for the overall coordination of ERAP. We communicate with utility providers periodically and the Department of Health and Human Services LIHEAP administrator for Nebraska. We are aware of the need and work to find solutions within the existing human services system. This human services system is further described under the Eligibility question.**

- 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?

**Answer: Through extensive data collection efforts of both mortgage and escrow payments due, we determined the average monthly mortgage delinquency amount. We used that average and multiplied that amount by 24 months, essentially the beginning of the COVID-19 pandemic through present. This gave us our \$30,000 aggregate amount.**

### ***Eligibility***

- Your application states that reinstatement of delinquent utility fees will not be an eligible assistance type. Can you summarize any community feedback or data on which you have based this decision?

**Answer: With the finite amount of money to be received and the preliminary data provided, we are prioritizing homeowners who are behind in their mortgages and those who need help with future payments rather than budgeting for utility assistance. It is anticipated that the current utility assistance structure in Nebraska, with our support and advocacy, can handle utility costs. NIFA has built partnerships with Nebraska utility providers throughout our experience with the Emergency Rental Assistance program including sending weekly utility reports to the four largest providers with applicants who have been approved for payment. This method of reporting was essential to prevent unnecessary utility shut offs. NIFA relies on utility assistance from LIHEAP for households' income does not exceed the greater of 150 percent of the federal poverty guideline or 60 percent of the state median income level. The Nebraska Community Collaborative structure across the state can help fill in the gaps for homeowners needing utility assistance.**

**The Department of Economic Development contracted with the University of Nebraska Lincoln Center on Children, Families, and the Law to administer the Community Development Block Grant Coronavirus dollars for homeowners. This is being provided to the**

**CDBG non-entitlement rural communities in the Balance of State Continuum of Care in Nebraska. DED is seeking approval from the HUD Field Office to utilize these dollars to pay for utilities. Between LIHEAP, the Community Collaboratives, and efforts with DED, we anticipate that utility needs will be met; however, we will consider expanding our services to include utility payments based on experience with NHAH homeowners.**

- Please provide additional information on the process by which a homeowner may receive both reinstatement and monthly housing payment assistance. Will reinstatement assistance be applied before the housing payment assistance or after?

**Answer: The HAF program will apply funds to reinstate the delinquent loan before a homeowner can qualify for monthly payment assistance.**

### ***Outreach***

- No questions

### ***Prioritization***

- Please describe your marketing and outreach strategy to SDI communities.

**Answer: NIFA has strong collaborative partnerships with the State Human Services industry. These partnerships have grown stronger throughout our work helping coordinate the State Emergency Rental Assistance Program. We work across several divisions at the Department of Health and Human Services including the Division of Children and Family Services which oversees the Nebraska Homeless Assistance Program (NHAP), HUD Emergency Solutions Grant (ESG), Low Income Housing Energy Assistance (LIHEAP), and Social Security Disability Outreach Access and Recovery (SOAR). We are also involved with the Division of Behavioral Health, Division of Developmental Disabilities and Division of Medicaid. These divisions provide the overall structure of resources throughout Nebraska to socially disadvantaged and cost burdened renter and owner households. We have established a weekly steering committee for ERA that will add NHAH to the agenda. We participate in other weekly and monthly zoom meetings with these partners by providing outreach, marketing, engagement, collaboration, and problem solving to fill gaps and assure that providers and their clientele are being served. These meetings include the three Homeless**

**Prevention Continuums of Care across Nebraska, and the Nebraska Children and Families Community Collaborative Central Navigator agencies.**

**We are also closely engaged with the Nebraska Emergency Management Agency's efforts and weekly meeting cycles. NEMA coordinates the boots on the ground flood and disaster recovery support network and the Nebraska chapter of the Voluntary Organizations Active in Disaster (VOAD). NEMA and VOAD worked throughout Nebraska after the 2019 floods and have since doubled/tripled their efforts to renters and homeowners affected by the pandemic.**

**Our targeted market strategies will include focusing on counties that identified as areas with the most needs. Earned and paid media tactics including social media and billboards will be targeted to areas identified as socially disadvantaged. We will also work within the human services system mentioned about to disseminate the word through social graphics, flyers, and handouts on a local level.**

- Your application states a target goal that 20% of homeowners receiving mortgage payment and reinstatement assistance, as well as 40% of homeowners receiving assistance on other property charges will be Socially Disadvantaged Individuals (SDIs). Please provide additional information on how this target will be met.

**Answer: Our application reviewers will prioritize applications where the homeowner lives in a high-minority census tract. We will also use the CDC's Social Vulnerability Index to identify areas of that have a higher vulnerability score in housing and transportation. We will coordinate and meet regularly with our partners identified above: the Department of Health and Human Services including the Division of Children and Family Services Homeless Prevention, the Continuums of Care across Nebraska, and the Nebraska Children and Families Community Collaborative Central Navigator agencies. Our established partnership with these agencies will ensure that we are reaching socially disadvantaged populations and receiving referrals to access assistance. We will evaluate our progress weekly toward meeting this goal to determine if we need to increase or adjust our community outreach and marketing efforts as also outlined above.**

## Performance Goals

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

**Answer: We plan to create a public-facing dashboard that will provide information about program progress. We also have Community Engagement staff that will present information about the HAF program and its progress to community groups and through NIFA's educational webinars. We will also communicate progress during our weekly steering meeting with other resource providers.**

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

**Answer:**

- a) Number of households applying for the program in relation to known household delinquencies by location**
  - b) Percentage of funds targeted to households at or below 100% AMI.**
  - c) Percentage of funds received by socially disadvantaged homeowners.**
- Please indicate whether you intend to disaggregate metrics by income, race, gender, etc.

**Answer: Our intention is to collect data by every metric available and disaggregate by determined socially disadvantaged metrics first.**

- 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.

**Answer: The HAF application process will include a tracking and reporting function that will monitor the progression and final outcomes of homeowners referred to a counseling agency or legal aid services. The counseling agencies are required to provide final reports when cases are resolved or closed.**

## Readiness

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

### Answer:

- a) HAF has hired a Program Manager and is still in process of hiring one additional compliance staff internally.**
  - b) Software platform (Counselor Direct) is in the implementation phase and in testing. NIFA anticipates the platform will be ready by the end of December.**
  - c) Call center has been finalized and is onboarding staff and will begin training on January 3, 2022.**
  - d) Contracts are in process for auditing firm, Experian, Legal Aid and Housing Counselors**
- Is your program prepared to launch upon approval and, if not, by what date will you be ready to launch following approval?

**Answer: We are confident and ready for any launch date. Our application platform is on target for receiving approval soon as well as all training material needed. Additionally, we have worked with Nelnet, our call center servicing center, who is also be prepared for the program to be launched.**

- 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.

**Answer: The State has contracted with several vendors for items such as data analysis on existing mortgages, an application portal to handle applications, contact center agents, auditing and accounting, and additional program staff to handle the additional responsibilities associated with the program.**

**A pilot has not been launched with the structure of the program**



recently being established. There is also difficulty in designating who would qualify to be “first in line”. Marketing efforts are also being undertaken to ensure messaging is provided surrounding the launch date of the program to ensure the State is assessing need in an equitable process.

### **Budget**

- Your budget includes \$600,000 for assistance on payments related to down payment assistance loans, but there is no mention of this assistance in your term sheets. Additionally, there is a discrepancy of \$600,000 between the budgeted amount for the Payment Assistance program in HAF plan versus the term sheets. Is payment assistance for down payment assistance loans a sub-component of the Payment Assistance program, and if so, can you provide more details on the criteria and process for assistance? Please update your budget, if necessary.

**Answer: The \$600,000 is to be included in the Payment Assistance Program (\$5.5 million plus \$600,000 equals the total amount of \$6.1 million for the Payment Assistance Program). Payments on existing amortizing second mortgages provided by a non-profit or government entity can be made for a period up to 6 months or until the maximum amount of assistance is reached. The applicant’s income will be recertified every 3 months to determine continued eligibility.**