

North Dakota Homeowner Assistance Fund Plan



North Dakota Department of Human Services | North Dakota Housing Finance Agency

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North Dakota Homeownership Assistance Fund Plan Methodology

The North Dakota Homeowner Assistance Fund (HAF) plan was created by the North Dakota Department of Human Services (DHS) in conjunction with North Dakota Housing Finance Agency (NDHFA).

The \$50 million received by the state of North Dakota will be used to help homeowners mitigate financial hardships associated with the COVID-19 pandemic by providing funds to eligible parties for the purpose of preventing homeowner mortgage delinquencies, defaults, foreclosures, loss of utilities or home energy services, and displacements of homeowners experiencing financial hardship after January 21, 2020, through qualified expenses related to mortgages and housing.

The plan was developed after receiving input from affordable housing partners, financial institutions, utility companies, local, state and federal government entities, and organizations that work with the state's vulnerable populations. Census and state data was used to create a data-driven assessment.

This plan outlines the HAF-supported programs that will be offered to targeted populations based on income ranges, racial and ethnic demographics, and geographic areas. Goals and benchmarks have been defined with the desired outcome of reducing mortgage, property tax and utility delinquencies to maintain housing stability.

Timelines are structured around launching the program in September 2021. Staff, contractors and partners were engaged throughout plan development and are ready to implement the program upon approval from the U.S. Dept. of Treasury. Policies and procedures, which includes reporting and monitoring best practices have also been developed to ensure appropriate use and allocation of HAF funding.

Homeowner Needs and Engagement

Data-Driven Assessment of Homeowner Needs

Information was gathered from local, state and federal resources to assess the financial distress homeowners are experiencing.

Mortgage Distress

More than 62 percent of North Dakotans live in a single-family home. Of the 198,482 owner-occupied housing units in North Dakota, 54 percent have a mortgage. Prior to the pandemic, an estimated 18,000 homeowners with a mortgage were housing-cost burdened; the scenario drops to 8,300 for homeowners without a mortgage.¹

The number of homeowners delinquent or in forbearance fluctuated throughout the pandemic, however, the market has now stabilized to pre-pandemic levels, which is approximately 4 percent delinquency and 2 percent foreclosure.

North Dakotans have been resilient through numerous national and global economic disasters, and while the state's overall foreclosure and delinquency numbers are below the national average, the hardships many households have endured cannot be minimized. To make their mortgage payments, these individuals and families leveraged unemployment checks, drained savings accounts, maxed-out credit cards and sold personal belongings. HAF will be a valuable resource to assist the homeowners who are behind on mortgage, utility and property tax payments, and it provides a solid foundation to raise up the households that have been struggling on their own to make ends meet.

North Dakota Mortgage Distress Data Samples					
Sample Location	Total in Sample Experiencing Mortgage Distress	Delinquent in Sample	Forbearance in Sample	Average Monthly Payment	Payment Total 12 Months
North Dakota Housing Finance Agency ²	663	311	352	\$1,246	\$5,263,104
Gate City Bank FHA Portfolio ³	239	137	102	\$1,246	\$1,525,104
National Mortgage Companies with North Dakota Borrowers ^{4,5}	1,668	573	1,308	\$1,278	\$18,774,245
Total	2,570	1,021	1,762	\$1,257	\$26,578,008

¹ Selected Housing Characteristics, 2019 5-Year Estimates, Table DP04

² North Dakota Housing Finance Agency, largest public servicer portfolio of ND FHA loans, May 31, 2021

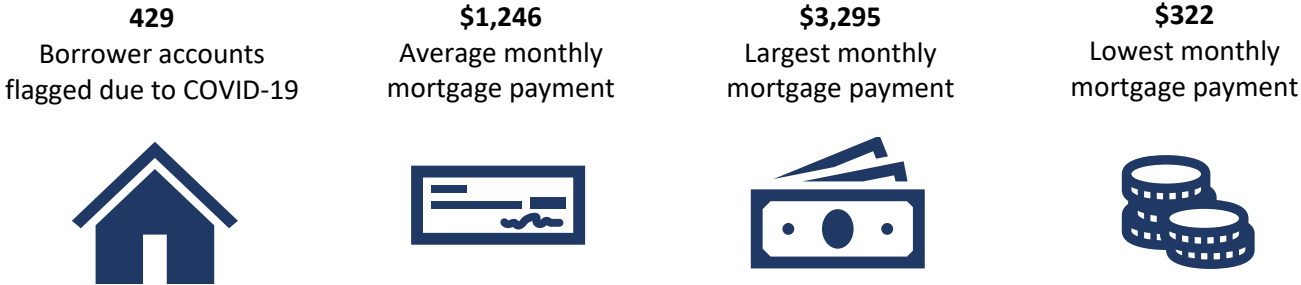
³ Gate City Bank, largest private servicer portfolio of ND FHA loans, FHA loan portfolio sample, May 31, 2021

⁴ National mortgage companies providing information on ND borrowers experiencing mortgage distress.

⁵ Atlanta Fed calculations using Black Knight's McDash Flash daily mortgage performance data (available with a two-day lag), U.S. Census Bureau 2017 FIPS Codes

NDHFA, a state agency focusing on providing affordable mortgages and down payment and closing cost assistance to low- to moderate-income homebuyers, tracked the number of its borrowers impacted by the pandemic. As of May 2021, 429 borrowers have contacted the agency and requested that their account be flagged.

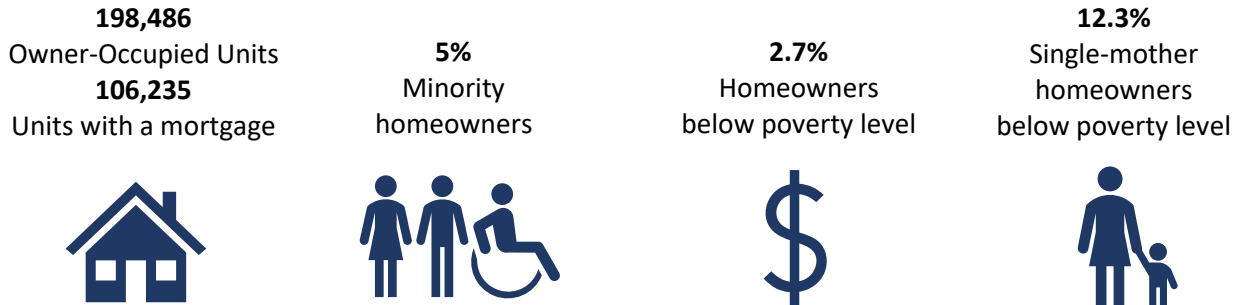
NDHFA COVID-19 Pandemic Impacted Borrowers⁶



NDHFA’s home borrower portfolio consists of 5.4 percent minority borrowers. Of the 429 flagged borrowers impacted by COVID-19, 9.3 percent or 40 homeowners are minorities, nine are VA loans, and three are Section-184 Indian Home Loans.

Disadvantaged Homeowners⁷⁸⁹¹⁰

North Dakota’s Caucasian population is 86.6 percent with the remaining 13.4 percent of the population being American Indian, African American, Asian, and persons identify as two or more races. Minorities live primarily in the state’s urban communities including Fargo, Bismarck, Minot, Williston and Dickinson. Of the state’s minority population, 31.7 percent report income below the poverty level.



⁶ North Dakota Housing Finance Agency, agency loan portfolio – flagged accounts, May 28, 2021.
⁷ Race, 2019: ACS 5-Year Estimates, Table B02001
⁸ Demographic Characteristics for Occupied Housing Unites, 2019 5-Year Estimates, Table S2502
⁹ Poverty Status in the Past 12 Month, 2019 5-Year Estimates, Table S1701
¹⁰ Selected Housing Characteristics, 2019 5-Year Estimates, Table DP04

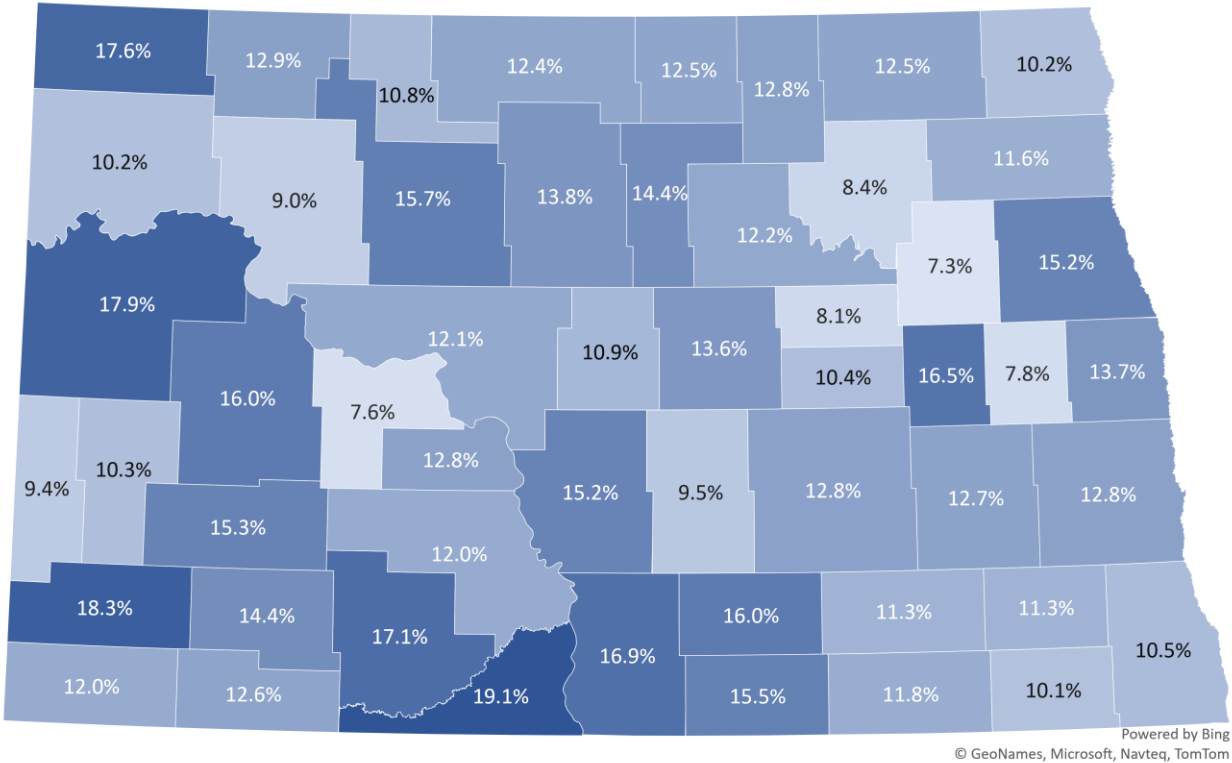
North Dakota Homeownership & Minority Data ¹¹					
	Population	% Below Poverty Level	Owner-Occupied	NDHFA Borrowers	NDHFA Borrowers Impacted by COVID-19
White	655,136	8.4%	188,336	9,983	389
African American	21,985	25.7%	667	250	20
American Indian	40,006	32.2%	5,374	132	8
Asian	11,006	18.9%	1,281	86	5
Pacific Islander	863	50.1%	18	19	3
Other Race	8,109	15.8%	603	17	3
2 or More Races	19,612	17.6%	2,203	61	1

Housing Cost Burden

Housing cost-burden is a reality for homeowners across the state. Of the owners with a mortgage, 16.8 percent utilize more than 30 percent of their income for housing expenses and the number drops to 9.1 percent for households without a mortgage.¹²

Share of homeowners* paying 30% or more of their income for housing¹⁰

*With and without a mortgage, county level data



¹¹ Demographic Characteristics for Occupied Housing Units, 2019 5-Year Estimates, Table S2502

¹² Selected Housing Characteristics, 2019 5-Year Estimates, Table DP04

Persistent-Poverty Counties

North Dakota has two counties where 20 percent or more of the population have lived in poverty over the past 30 years according to decennial censuses. The average percentage of the poverty population per county during this time frame was Benson County 32 percent and Sioux County 41 percent. The homeownership rate over the past 20 years has averaged 67 percent in Benson County and 43 percent in Sioux County.

Census Household Pulse Survey Data

Household Pulse Survey Data validates that most North Dakotans are financially and housing stable, however, the data also highlights that vulnerable populations prior to the pandemic were the ones that have been impacted the most. As of July 5, 2021, 95.7 percent of the respondents claimed to be caught up on their mortgage, while 4.3 percent said they were not.¹³

Foreclosure in next two months? (Owned with a mortgage or loan including home equity loans. Totals as of July 5, 2021)			
7.4%	17.9%	40.1%	34.7%
Extremely likely	Very likely	Somewhat likely	Not at all likely

Confidence in ability to pay mortgage next month? (Owned with a mortgage or loan including home equity loans. Totals as of July 5, 2021)				
3.6%	5.5%	8.2%	80.3%	2.4%
No confidence	Slight Confidence	Moderate Confidence	High Confidence	Payment will be deferred

Contingent Financial Distress

When faced with hard financial decisions, most homeowners will choose to prioritize their mortgage payment over other bills such as utility, cell phone, internet, vehicle payments and property taxes. For this plan, data was collected for missed utility and property tax payments.

Unemployment Claims

Prior to the pandemic, North Dakota unemployment rate was 2.2 percent in January of 2020. Unemployment peaked at 8.7 percent in April and May 2020 and has dropped to 4.2 percent in April 2021. During the 12-month time span, more than 112,000 residents filed for unemployment.¹⁴

Property Taxes

North Dakota has 53 counties, and 23 counties (43 percent) responded to a delinquent property tax survey. The participating counties reported 6,907 residential properties had not paid taxes as of Dec. 31, 2020.¹⁵ The counties have not tracked how many delinquencies are due to COVID-19.

¹³ Census Household Pulse Survey Data Table 1a, July 5, 2021, <https://www.census.gov/programs-surveys/household-pulse-survey/data.html>

¹⁴ North Dakota Job Service Labor Market Information, www.ndlmi.com/gsipub/index.asp?docid=687.

¹⁵ Property Tax Delinquency Survey, Dec. 31, 2020, 23 respondents.

Utilities

The state’s three largest utility companies provided documentation and nine out of 16 (56 percent) North Dakota Association of Rural Electric Cooperative members responded to a survey to assess missed payments. Currently, more than 27,000 residential households were delinquent during the April and May 2021 timeframe.

Residential Properties Utility Payment Delinquencies April/May 2021 ¹⁶				
31-60 Days	61-90 Days	91-120 Days	120 Days	Total
13,674	5,368	2,809	5,713	27,564

Not all of the utility companies have documented which customers were impacted by COVID-19, and most utilities do not have information on the household income of their customers. One of the larger utility companies reported an average delinquency of \$352 for households who receive energy assistance; the average amount is slightly lower at \$345 for households not receiving any assistance. However, the utilities reported delinquencies of almost \$6,000 for some customers, which illustrates the wide variation in utility-related impacts.

Public Participation and Community Engagement

Numerous community and statewide housing partners were interviewed and surveyed, and a hybrid community engagement session was held on June 22, 2021 to receive comments on the proposed plan and programs. Each of the entities provided insight as to the challenges faced by the state’s low- to moderate-income homeowners, including the most vulnerable and minority populations. Procedural feedback on program implementation and objectives will be incorporated.

The notice and plan were drafted in English. Nonprofit organizations that interact the most with non-English speaking minorities were present during the engagement session to represent this population’s homeownership needs.

It is anticipated future engagement will occur to ensure the programs are successful and to make any necessary modifications to ensure homeowners are economically housing stable.

The entities that participated in the community engagement and plan drafting process agreed to be actively involved in reaching out to eligible homeowners.

¹⁶ Residential Utility Payment Delinquencies, Xcel Energy, Montana Dakota Utilities, Otter Tail Power Company, and ND Association of Rural Electric Cooperatives members, April-May 2021.

Program Design

Based on information received from the U.S. Dept. of Treasury and the needs identified through the data collection process, HAF funding will be prioritized within three programs.

1. Housing Reinstatement Program (HRP)
2. Housing Payment Assistance Program (HPAP)
3. Homeowner Assistance Fund Home Repair Program (HAFHR)

Additional programs may be added depending on the on-going needs of homeowners and the availability of funds.

The programs are offered to homeowners with and without a mortgage. References to “mortgages” in program design language is intended to include principal, interest, property tax (including special assessments) and insurance. Mortgages must have had an original loan balance within the GSE conforming loan limit at the time of origination.

The maximum assistance provided for a homeowner(s), for all HAF programs combined, will be \$40,000.

Housing Reinstatement Program (HRP)

The State of North Dakota will provide a mortgage and utility reinstatement program grants for North Dakota homeowners affected by the coronavirus pandemic. The program will cover delinquent payments, payments to satisfy secondary liens from loss mitigation options, such as, but not limited to, an FHA partial claim, and expenses related to past due, disconnection, reconnection and deposits for water, sewer, gas, oil, electricity, garbage, delinquent property tax, special assessments, lot rent, and homeowner/condo association fees.

All payments will be made directly to the homeowner(s)' mortgage loan servicer, utility provider, and other entities that would process payments for the expenses listed.

HRP Summary Guidelines

1. Program Overview	<ul style="list-style-type: none">• HRP offers grant assistance for partial or full reinstatement of a delinquent first mortgage (including a forbore amount), junior liens, or other mortgage related expenses.• HRP will also pay past due water, sewer, gas, oil, electricity, and garbage.• HRP may pay past due property taxes if not escrowed as part of a mortgage.• Funds <u>may</u> be used to repay arrears that accrued before January 21, 2020.
2. Program Goal	<ul style="list-style-type: none">• To help North Dakota homeowners avoid foreclosure (mortgage or tax) and/or utility service cancellation by mitigating financial hardships related to the Covid-19 pandemic.
3. Target Population	<ul style="list-style-type: none">• North Dakota homeowners having incomes equal to or less than 150% of the area median income.<ul style="list-style-type: none">○ 60% of homeowners must have incomes equal to or less than 100% of the area median income○ Priority will be given to Socially Disadvantaged Individuals as defined in 13 CRF 124.103.

4. Borrower Eligibility Criteria	<p>To be eligible, homeowners must:</p> <ul style="list-style-type: none"> • Have experienced a financial hardship (material loss of income or material increase in expenses) after January 21, 2020 related to the Covid-19 pandemic. • Have income equal to or less than 150% area median income. • Own and occupy the property for which they seek assistance as their primary residence. • Submit a hardship affidavit as explanation of a material reduction of household income or material increase in household expenses.
5. Property Eligibility Criteria	<p>Owner occupied, North Dakota properties:</p> <ul style="list-style-type: none"> • One-to-four family (two to four unit must have a unit owner occupied with tenants in other units) • Condominiums • Manufactured homes
6. Structure of Assistance	<p>HRP provides one-time lump sum mortgage and utility reinstatement assistance grant for eligible homeowners. Loans in forbearance are eligible. Assistance can be used to pay, but may not be limited to:</p> <ul style="list-style-type: none"> • Principal and interest payments • Property Taxes • Homeowner's Insurance and Flood Insurance • Homeowner Association fees • Attorney's fees • Tax liens or other liens related to the property • Special assessments • Lot rents for manufactured homes • Delinquent junior liens • Water, home energy, electricity, and garbage balances <p>*Note: If it is available to them, applicants will be encouraged to utilize LIHEAP for utility assistance before HAF funds will be used for utility assistance.</p>
7. Per Household Assistance	<p>Up to \$40,000 of grant assistance is available. Based on average mortgage payments in North Dakota from data provided by mortgage servicers.</p>
8. Duration of Assistance	<p>Assistance is available to cover outstanding expenses from January 21, 2020 through the date of application, up to 24 months of eligibility.</p>
9. Program Time Period	<p>October 1, 2021 until September 30, 2025 or until program funds are exhausted.</p>

Housing Payment Assistance Program (HPAP)

The State of North Dakota will provide mortgage and utility assistance grants to stabilize eligible homeowners. The program will cover future mortgage payments as well as utility expenses. Funding may also be applied to property tax, special assessments, lot rents, and homeowner and condo association fees.

The maximum assistance provided for a homeowner(s) will be \$12,000. All payments will be made directly to the homeowner(s)' mortgage loan servicer, utility provider, and other entities that would process payments for the expenses listed.

HPAP Summary Guidelines

1. Program Overview	<p>The HPAP offers grant assistance to help homeowners who have experienced a financial hardship (material loss of income or material increase in expenses) after January 21, 2020 related to the Covid-19 pandemic.</p> <p>HPAP may be used to pay future mortgage and mortgage-related and utility expenses until the maximum household assistance of \$12,000 is reached or the homeowner returns to work. HPAP is available for up to 6 months or until the dollar amount limit is reached.</p>
2. Program Goal	To help North Dakota homeowners avoid foreclosure by mitigating financial hardships related to the Covid-19 pandemic.
3. Target Population	North Dakota homeowners having incomes equal to or less than 100% of the area median income. Priority will be given to Socially Disadvantaged Individuals as defined in 13 CRF 124.103.
4. Borrower Eligibility Criteria	<p>To be eligible, homeowners must:</p> <ul style="list-style-type: none">• Experienced a financial hardship after January 21, 2020 related to the Covid-19 pandemic.• Have income equal to or less than 100% area median income.• Own and occupy the property for which they seek assistance as their primary residence.• Submit a hardship affidavit as explanation of a material reduction of household income or material increase in household expenses.
5. Property Eligibility Criteria	<p>Owner occupied, North Dakota properties that are:</p> <ul style="list-style-type: none">• One-to-four family (renters in non-owner-occupied unit)• Condominiums• Manufactured homes
6. Structure of Assistance	<p>HPAP assistance may be used to make ongoing mortgage and mortgage related expenses such as:</p> <ul style="list-style-type: none">• Monthly mortgage payments – principal and interest• property tax, flood insurance and homeowners' insurance (may be escrowed in mortgage payment)• Condo or homeowner association fees• Lot rents for manufactured homes• Water, sewer, gas, oil, electricity, and internet

6. Structure of Assistance Continued	Utility payments, including home energy, electricity, water, and garbage. *Note: If it is available to them, applicants will be encouraged to utilize LIHEAP for utility assistance before HAF funds will be used for utility assistance. Funds are paid directly to the existing mortgage servicer, tax authority, lien holder, applicable utility company(s) or other debtors.
7. Per Household Assistance	Total assistance cannot exceed the lesser of \$12,000 or six months of assistance. Assistance can be combined with HRP subject to the limits of each individual program.
8. Program Inception/Duration	October 1, 2021 until September 30, 2025 or until program funds are exhausted.

Homeowner Assistance Fund Home Repair Program (HAFHR)

Grants will be available to eligible homeowners with home repair needs that affect the ongoing habitability of their home. Eligible repairs would include housing rehabilitation of core residential systems, including roofing, soffit/fascia/gutters, drainage and runoff management, electrical and plumbing systems, and foundations. Funds can also be used to make environmental modifications and improvements to accessibility in the home as these factors are critical to maintenance of habitable, stable housing. Other requests would be considered and approved based on the applicant's unique situation.

Home Repair projects will be funded up to \$30,000 per applicant. The total amount of Homeowner Assistance Fund for each household for all requests (i.e., home repair and mortgage/utility/housing cost assistance), shall not exceed the established program cap of \$40,000 per household.

The scope of the home repair work will be determined by a qualified housing rehab specialist and approved by HAF staff. Funds may be used in conjunction with other home repair / home modification programs to help assure a comprehensive scope of work to address habitability needs. Work will be completed as per state and local building codes. Payments will be made directly to contractors.

HAFHR Summary Guidelines

1. Program Overview	<p>The HAFHR offers grant assistance to help homeowners who have experienced a financial hardship (material loss of income or material increase in expenses) after January 21, 2020 related to the Covid-19 pandemic.</p> <p>HAFHR will offer grant assistance to eligible homeowners with home repair needs that affect the ongoing habitability of their home. HAFHR will provide up to \$30,000.</p>
2. Program Goal	<p>To help North Dakota homeowners avoid foreclosure by mitigating financial hardships related to the Covid-19 pandemic.</p>
3. Target Population	<p>North Dakota homeowners having incomes equal to or less than 80% of the area median income. Priority will be given to Socially Disadvantaged Individuals as defined in 13 CRF 124.103.</p>
4. Borrower Eligibility Criteria	<p>To be eligible, homeowners must:</p> <ul style="list-style-type: none">• Have experienced a financial hardship after January 21, 2020 related to the Covid-19 pandemic.• Have income equal to or less than 80% area median income.• Own and occupy the property for which they seek assistance as their primary residence.• Submit a hardship affidavit as explanation of a material reduction of household income or material increase in household expenses.

5. Property Eligibility Criteria	<p>Owner occupied, North Dakota properties that are:</p> <ul style="list-style-type: none"> • One-to-four family (renters in non-owner-occupied unit) • Condominiums • Manufactured homes
6. Structure of Assistance Continued	<p>HAFHR assistance may be used to make eligible repairs for core residential systems that include:</p> <ul style="list-style-type: none"> • Roofing, soffit/fascia/gutters, drainage, and runoff management • Electrical and plumbing systems and foundations • Environmental modifications and improvements to enable accessibility. Other requests considered and approved based on applicant’s unique situation. • Scope of work will be determined by a qualified housing rehabilitation specialist and approved by HAF staff • HAFHR may be used in conjunction with other home repair/modification programs • Work will be completed in accordance with local and state building codes
7. Per Household Assistance	<ul style="list-style-type: none"> • Projects will be funded up to \$30,000 per applicant. The total Homeowner Assistance Fund for each household shall not exceed the established program cap of \$40,000 per household
8. Program Inception/Duration	<p>October 1, 2021 until September 30, 2025 or until program funds are exhausted.</p>

Application Intake

The application and approval process for homeowners and entities that qualify to receive HAF funding will be developed in a manner to avoid barriers and expedite payments as quickly and efficiently as possible.

Homeowners may apply at any time through the following methods:

- Online portal
- Telephone
- Paper application received by mail, fax, email or in person

Housing Application Counselors will be contracted to assist homeowners throughout the application process. The counselors will be located throughout the state in urban and rural communities.

Income Determination

Household income can be established using the following methods:

1. Categorical eligibility
2. Documentation of income
3. Homeowner self-attestation
4. Residence in Persistent Poverty County

Categorical Eligibility

Categorical eligibility can be used as a proxy for income eligibility for HAF, provided that a letter or other documentation from the other government agency that verifies the applicant's household income is made available. The determination from that program has to have been made on or after January 1, 2020. Programs to be considered for categorical eligibility include:

- TANF
- SNAP
- LIHEAP
- SSI (not SSA retirement or disability income)
- WIC
- Head start
- Child Care Assistance
- Medicaid
- Housing Choice Voucher
- VASH housing voucher
- USDA 515 rental subsidy
- HUD 202 rental subsidy
- HUD 811 rental subsidy

Documentation of Income

Household Income that is used to determine eligibility is defined according to HUD income inclusion and exclusion requirements at 24 CFR 5.609(b) and (c) and will be verified in accordance with Treasury Department guidance.

Homeowner Self Attestation

In circumstances where income documentation is not available through either categorical determination, through an approved annual income methodology, or through residence in a persistent poverty county, a homeowner is permitted to self-attest to the level of their household income. Homeowner will be asked to utilize the attestation documents made available by the program and can be accepted from the household member or from a caseworker with knowledge of the circumstances of the household.

Residence in Persistent Poverty County

Any homeowner whose primary residence is located in one of North Dakota's designated Persistent Poverty Counties (Sioux and Benson), will be deemed income eligible by proxy. Program eligibility staff will gather documentation of residence as necessary.

Payment Processing

Applicants will be required to establish an account with the HAF program. Likewise, entities who will be receiving payment (ex. mortgage servicers, utility companies) must be registered as a vendor with the state of North Dakota and have an account with the HAF program.

- Payments will be issued directly to the designated entity.
- Batch payments will be issued every week as electronic payment.

Methods for Targeting HAF Funding

North Dakota is confident that it will be able to successfully target and serve homeowners with incomes equal to or less than 100 percent of the area median income and socially disadvantaged individuals. Internally, DHS staff will collaborate with community-based organizations with strong community ties, NDHFA, local financial institutions, national loan servicers, and utility companies to analyze data that will provide insight to these target markets.

NDHFA services approximately 13,000 residential mortgages and is the largest servicer of FHA and Rural Development Guaranteed Loans in North Dakota. North Dakota's largest private mortgage loan servicer is the second largest servicer of FHA loans, the 10th largest Rural Development servicer, the 9th largest VA loan servicer, and is the largest lender in NDHFA's programs. Both of these entities have been communicating directly with distressed homeowners, which will expedite awareness of the HAF program.

The two statewide banking associations and the state credit union association will be used to connect with any distressed homeowners who are not receiving national mortgage loss mitigation options due to their private mortgage status. These associations can contact their member institutions to determine any assistance that is needed on their private loans.

DHS will also analyze and evaluate the state's outreach efforts related to emergency rental assistance, and build on those communication efforts which have been effective with socially disadvantaged populations.

Program Operations

Marketing/Outreach

North Dakota will undertake both print and digital media campaigns to target distressed homeowners. Realizing this may not be sufficient in targeting hard to reach markets, DHS will work with local community leaders, social service agencies, NDAARP, community-based Native American organizations, community-based immigrant-oriented organizations, North Dakota Habitat for Humanity affiliates, statewide banking/credit union associations, local government entities, and Community Action Agencies to target North Dakotans in need of HAF relief.

North Dakota is small in terms of population and large in land mass. These factors will require the state to be creative in getting the word out not only through the traditional community partners described previously but also others. The team plans to work with real estate-related industry groups, lending partners, Chambers of Commerce, municipal officials, and employers in the state to market HAF and build awareness of qualifying applicants and expenses.

Several local partner agencies will be trained and equipped to assist applicants with the HAF submission process. Applicants are more likely to have candid conversations with these community partners as they are viewed as trusted advisors in their respective footprints. We believe improving access to the program will assist in spreading the message that the required steps to apply for and secure the grant are not daunting endeavors.

Additional applicant outreach will include emails, telephone calls, social media posts and clear and concise program information on the DHS website.

Staffing and Systems

North Dakota is procuring a technology platform that will serve as the front-door for applicants, for mortgage servicers and utility providers, and for application counselors and housing facilitators who will deliver application and related housing stabilization supports.

The State is contracting with organizations who form a network of application counselors and housing counselors across the state to deliver community-based housing stabilization supports to individuals and families. This will include assistance with the initial application, providing required documentation, and follow-up throughout the course of receipt of assistance. Homeowners will have access to HUD-approved housing counselors and legal services who can provide supports to help homeowners work toward long term financial stability.

The State will ensure that its technology platform can conform with requirements of the Common Data File, to facilitate safe, secure transfer of borrower data.

Budget

The following budget describes the proposed utilization of the state’s \$50,000,000 allocation of Homeowner Assistance Funds. The anticipated timeline is through September 2025.

The State’s expectation is that the majority of funds will be used to help bring homeowners to current status through the Housing Reinstatement Program, which includes mortgage and other related housing costs.

Direct Assistance	
Housing Reinstatement Program (HRP)	\$19,375,000
Mortgage Reinstatement	\$19,000,000
Payment assistance for Homeowner Insurance	\$50,000
Payment assistance for Homeowner Utilities	\$200,000
Payment Assistance for Delinquent Property Taxes	\$75,000
Payment assistance for HOA fees or liens	\$50,000
Housing Payment Assistance Program (HPAP)	\$10,625,000
Mortgage Payment Assistance	\$10,450,000
Payment assistance for Homeowner Insurance	\$50,000
Payment assistance for Homeowner Utilities	\$100,000
Payment Assistance for Delinquent Property Taxes	\$25,000
Housing Counseling and Legal Assistance	\$2,500,000
HAF Home Repair (HAFHR)	\$10,000,000
SUBTOTAL Direct Assistance (85%)	\$42,500,000
Administration / Program Delivery	
Program Admin / Eligibility Review / Payment processing	\$2,397,232
Application Counselors	\$2,000,000
Data collection / Evaluation	\$350,000
Technology platform(s) / Data Collection	\$2,752,768
SUBTOTAL Admin/Program Delivery (15%)	\$7,500,000
TOTAL	\$50,000,000

Performance Goals

Ensuring that homeowners who are experiencing hardship due to the coronavirus regain financial and housing stability is vital to the success of the state’s HAF program. Below are preliminary benchmarks to measure performance goals. As additional guidance is received from the U.S. Dept. of Treasury, performance goals will be updated.

MEASURE	TARGET
Number of homeowners assisted	<p>Up to 4,100 over the life of the program</p> <p>Assist up to 3,500 homeowners with mortgage reinstatement over 24 months</p> <p>Assist up to 500 households with mortgage payment assistance over 24 months</p> <p>Assist up to 1,000 households in 24 months to pay off delinquent utility bills</p> <p>Assist up to 50 households in 24 months to pay homeowner association fees</p> <p>Assist up to 50 households in 24 months to prevent loss of housing due to delinquent property taxes</p>
Average processing time	30 days
Effectiveness of serving SDIs	100 percent of known affected homeowners who are determined eligible for the program
Effectiveness at serving income levels	100 percent of known affected homeowners who are determined eligible for the program
Stabilize socially-disadvantaged populations	100% of known affected homeowners who are determined eligible for the program
Home Habitability and Accessibility	Assist 200 homeowners in 24 months with home repairs that improve habitability and preserve stable housing/homeownership