



**SC State Housing Finance and Development Authority
SC Homeowner Rescue Program (“SC HRP”)
Consolidated Term Sheet**

This Term Sheet contains the criteria and terms¹ for the SC Homeowner Rescue Program, administered by the SC State Housing Finance and Development Authority (“SC Housing”). The program is being supported, in whole or in part, by federal award number HAFP011 awarded to the State of South Carolina by the US Department of Treasury (Treasury).

Program Overview	The Homeowner Assistance Fund (HAF) was established under Section 3206 of the American Rescue Plan Act of 2021 to mitigate financial hardships associated with the coronavirus pandemic by providing funds to eligible entities 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.
Program Goal	To provide financial assistance to Eligible Homeowners to eliminate or reduce past due expenses and one future payment per award associated with home ownership.
Scope of Program	SC State Housing Finance and Development Authority (SC Housing) was allocated \$144,650,807 by the U.S Department of Treasury. SC Housing will award this amount, less expenses for an initial Pilot Program and administrative program expenses. These funds will be administered through the South Carolina Homeowner Rescue Program (SC HRP).
Eligible Homeowners	<p>“Eligible Homeowners” for the South Carolina Homeowner Rescue Program programs must meet the following criteria:</p> <ul style="list-style-type: none"> • Applicant must currently own and occupy an eligible property type as their primary residence. • Applicant must attest that they experienced a Qualified Financial Hardship associated with the coronavirus pandemic that began or continued after January 21, 2020. • Applicant must provide all necessary documentation to satisfy program requirements within established timeframes, including self-certification or attestation of socially disadvantaged status as applicable. • Applicant has not already received assistance from CDBG-CV, Emergency Rental Assistance, the Low-Income Home Energy Assistance Program, or the Low-Income Home Water Assistance Program for the same expense, for the same period of time.

¹ Eligibility for SC HRP assistance can only be determined upon a review of a completed SC HRP application, and all required documentation. This Term Sheet is subject to being supplemented or otherwise amended at any time.



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<p>Co-borrowers</p> <p>Bankruptcy</p>	<ul style="list-style-type: none"> For applicants requesting mortgage assistance, the original principal balance of the applicant’s mortgage loan was not greater than the conforming loan limit in effect at the time of origination. <p>Co-borrowers are not permitted to separately apply for SC HRP assistance.</p> <p>Active bankruptcies must provide Trustee approval to participate in the program.</p>
<p>Eligible Legal Ownership Structures</p>	<p>“Eligible Legal Ownership Structures” include only the following:</p> <ul style="list-style-type: none"> Those where the home is owned by a “natural person,” i.e., not a corporation, partnership, or other such entity Those where the applicant has transferred their ownership right into non-incorporated Living Trusts, provided the applicant occupies the home as the primary/principal residence.
<p>Qualified Financial Hardship</p>	<p>A “Qualified Financial Hardship” is a material reduction in income or material increase in living expenses associated with the coronavirus pandemic that has created or increased a risk of mortgage delinquency, mortgage default, foreclosure, loss of utilities (electric, gas, home energy, and water), or displacement for an applicant. The hardship must have either begun after January 21, 2020, or, if it began before, have continued after that date.</p> <ul style="list-style-type: none"> Reduction of Income – Temporary or permanent loss of earned income. Unemployment– Temporary or permanent loss of employment. Death of a co-borrower. Material Increase in Living Expenses – Increase in out-of-pocket household expenses such as medical expenses, inadequate medical insurance, increase in household size, the need to care for a family member, or costs to reconnect utility services. <p>Under the South Carolina Homeowner Rescue Program, financial assistance includes assistance for mortgage payments, utilities, (electric, gas, home energy, and water), delinquent property taxes, down payment on loans provided by nonprofit or government entities, and mortgage reinstatement and other-housing related costs during a period of forbearance, delinquency, or default.</p>
<p>Homeowner Income Eligibility Requirements</p>	<p>To be eligible for assistance under the South Carolina Homeowner Rescue Program, applicants must have household incomes equal to or less than 100% of the national median income or 150% of the area median income, whichever is greater.</p>



Homeowner Prioritization	<p>SC HRP will prioritize 60% of program funds to applicants with household 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. Assistance will also be prioritized to socially disadvantaged individuals (SDI's), as defined in 13 CFR 124.103(c), or members of socially disadvantaged groups, as defined in 13 CFR 124.103(d).</p>
Eligible Properties	<p>“Eligible Properties” are those that are occupied by the owner/borrower and/or co-owner/co-borrower, located in South Carolina, as their primary residence and are:</p> <ul style="list-style-type: none"> • Single-family (attached or detached) properties, • Condominiums • 1 to 4-unit properties where the applicant is living in one of the units as their primary residence, and • Manufactured / Mobile homes <p><u>Ineligible properties:</u></p> <ul style="list-style-type: none"> • Vacant or abandoned properties • Second homes
Eligible Uses of Program Proceeds	<p>Housing obligations as listed below are “Eligible Uses of South Carolina Homeowner Rescue Program Proceeds”:</p> <ul style="list-style-type: none"> • Existing mortgage lien loan payment (principal and interest) to include escrow when required. This is to include payment under a forbearance plan, on loans secured by manufactured / mobile homes, on a subordinate mortgage lien, or contracts for deed/land contracts; • One future mortgage lien loan payment per award (i.e., one month of prospective mortgage assistance); • Payment on down payment assistance loans provided by nonprofit or government entities; • Delinquent Utilities - including electric, gas, home energy, and water; • One future utility payment (up to \$1,000, based on a reasonable monthly estimate of each utility.) • Delinquent property taxes. • Delinquent homeowner’s association (HOA) fees or liens, condominium association fees, or similar costs or charges payable under a unit occupancy agreement by a resident member/shareholder in a cooperative housing development. <p>Exhibit A of this Program Design contains the other Treasury-required guidelines, such as the maximum amount of assistance per household that this program will provide to each applicant for each type of qualified expense (“Per Item Maximum Amount”).</p>
Maximum Per Household Assistance	<p>SC HRP has a “Maximum Per Household HAF Assistance” equivalent to the total of the Per Item Maximum Amounts listed in Exhibit A for each eligible household.</p>



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	<p>Awards are limited to one-time payments per household in a 12-month period, not to exceed the program maximum of 36 months of assistance. Further information regarding Assistance Maximums for each eligible use can be found in Exhibit A.</p>
Assistance Type	<p>Assistance under SC HRP will be structured as a non-recourse grant.</p>
Payout of SC HRP Assistance	<p>The SC HRP will disburse reinstatement funds directly to the mortgage lender/servicer, land contract holder, manufactured / mobile home lender/park, nonprofit or government entity servicing the down payment assistance loan, county treasurer or local taxing authority, and/or utility provider if the payee has agreed to participate.</p> <p>The SC HRP will make no more than one award to each payee per household within a 12-month period. Applicants may reapply for an additional (second) award 12 months after the date of their first award if program funds permit. The total of both awards may not exceed the 36-month total program limit.</p> <p>The SC HRP will disburse the amount quoted by the payee; any discrepancies are to be resolved by the applicant and designated payee.</p> <p>If an applicant’s arrearage exceeds SC HRP program limits and the amount of approved SC HRP funds is insufficient to cure any arrearage or pay other outstanding amounts due under the mortgage loan, SC HRP will advise borrower to discuss with Servicer, borrower’s willingness, and ability, either directly or through other third parties, to supplement the available HAF funds to cure such arrearage or pay other outstanding amounts due under the mortgage loan. Servicer will not accept HAF funds unless it cures any arrearage or pays all outstanding amounts due under the mortgage loan.</p>
Payment Process Description	<p>SC HRP assistance will be prioritized to Eligible Uses of South Carolina Homeowner Rescue Program Proceeds as follows:</p> <ol style="list-style-type: none"> 1) Mortgage loan payments, 2) Down payment assistance loan payments, 3) Delinquent property taxes 4) Delinquent HOA fees or liens 5) Utilities <p>If an applicant has been brought current on all of the above expenses for which they applied and were eligible, an award may include the prepayment of one month of future mortgage assistance (“Additional Assistance”) not to exceed either the Maximum Per Household Assistance or Per Item Maximum Award Amounts listed in Exhibit A if sufficient funds are available. This additional one-month prepayment does not apply to property taxes, as they are assessed annually.</p>
Program Launch	<p>The statewide program will commence not later than sixty (60) days</p>



	<p>following Treasury approval of this plan. SC HRP will announce when applications will be accepted no less than fourteen (14) calendar days prior to the program launch date.</p> <p>The SC HRP Program application will open at 9:00 AM (EST) on March 21, 2022. The public was notified of this launch date on March 7, 2022, as required by Treasury.</p>
Program Duration	<p>The period of performance for the SC HRP award begins on the date hereof and ends on September 30, 2026. Grantee shall not incur any obligations to be paid with the funding from this award after such period of performance ends.</p> <p>SC HRP plans to disburse all funds by September 30, 2026.</p>
Application Process	<p>Households requesting assistance through this program must apply for the program and submit the necessary information to establish eligibility. Applicants may have their applications populated with information from servicers, utility providers, government agencies, nonprofit organizations, or other relevant entities that fully or partially establish eligibility. All applicants, including those that have been pre-qualified, will be required to attest to an eligible hardship and other relevant eligibility criteria.</p> <p>Applications will be accepted and reviewed in the order received and processed in the manner described in the Homeowner Prioritization section of this term sheet until funding for this program is exhausted.</p> <p>Applications will primarily be accepted online and will be available in the languages enumerated in the Public Communications and Targeting sections of this plan. Accommodations will be made to assist households in completing the online application as requested. A call center will be available to accept verbal applications from those who cannot use the online application process.</p>
Public Communications and Targeting	<p>SC HRP is engaging in public communications strategies and campaigns to raise awareness among targeted populations – those to ensure broad and inclusive distribution of resources.</p> <p>In addition to English, SC HRP will undertake public communications to targeted populations in Spanish. Interpretation services will also be available through the SC HRP call center for those who require American Sign Language (ASL).</p>
Required Application Documents	<ul style="list-style-type: none"> • Third Party Authorization Form (TPA); can be found on the SC HRP Applicant Portal. • A Valid, Government-Issued Photo I.D. • Proof of Homeownership (copy of deed, property tax bill, etc.)



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	<ul style="list-style-type: none"> • Proof of Income (previous year’s tax return, W-2, 1099, etc.) Note: Applicants in 166 Low Income Zip Codes may self-attest that they meet income requirements. • Copies of the following for which assistance is being requested: the current mortgage statement for each lien, manufactured / mobile home statement or contract for deed agreement; the current utility bill; the current property tax bill; the current down payment assistance loan bill or statement; the current HOA statement showing past-due amounts. • Applicant attestation certifying the occurrence of a qualifying hardship. • Applicant attestation certifying that they have not received assistance for the same expense from CDBG-CV, Emergency Rental Assistance, the Low-Income Home Energy Assistance Program, or the Low-Income Home Water Assistance Program.
Quality Control (QC)	<p>SC HRP will ensure program integrity by undertaking system-generated, random selection of case reviews after eligibility determination and prior to funding. Additionally, 40% of applications will be reviewed. These reviews will be conducted through the quality control process, which may be expanded if material errors and/or observed trends warrant.</p>
SC HRP Assistance Approval and Funds Disbursement	<p>Requests for assistance may not exceed the Maximum Per Household SC HRP Assistance amount of 36 months total. SC HRP will reconcile funding based on information provided on the application and the supporting documentation collected prior to authorizing payment.</p>
Program Partner Requirements	<ul style="list-style-type: none"> • All partners will need to sign and return a Collaboration Agreement if requested by SC HRP (only applies to mortgage servicers). • Lender/servicers must agree to communicate using the Common Data File (CDF) format to be provided by Treasury. • Private non-mortgage lenders, including land contract and manufactured / mobile home lenders as well as non-profit and government issuers of down payment assistance loans, must provide a written delinquency quote and ACH account information. • Taxing authorities must provide a delinquent tax bill. • Utility providers must provide ACH account information; the program will pay based on the most recent delinquency notice. • All partners must provide a Vendor ID Number issued by South Carolina State Procurement.



Exhibit A

Eligible Uses of South Carolina Homeowner Rescue Program Proceeds	Per Item Maximum Amount Per Applicant	Description of Intended Impact on Eligible Homeowners
Mortgage reinstatement	A total of 36 months' worth of mortgage payments	Critical component of overall economic recovery intended to address the mission of sustaining homeownership while protecting citizens from the catastrophic negative impacts of the COVID-19 pandemic that were beyond their control.
Mortgage payment assistance	One month of payments (included in the 36 months' worth of payments for mortgage assistance)	Allow homeowners to regain their financial footing before payments resume. Without this assistance, an immediate resumption of payment obligations may cause homeowners to fall back into arrears and negate the positive impacts of mortgage reinstatement, leading to homeowner displacement.
Payment assistance for homeowners' utilities	One-time reinstatement (within a 12-month period) for each eligible utility provider. Each disbursement will also include a one-month prospective payment (up to \$1000 per utility provider) based on a reasonable monthly estimate of each utility.	Avoid significant cost burden on the budgets of families working to recover from the strains of COVID-19. Termination of services may result in the deterioration of the mortgaged property and may also lead to unsafe living conditions for families involved.
Payment assistance for down payment assistance loans	36 months' worth of payments	Avoid significant cost burden on the budgets of families working to recover from the strains of COVID-19. If down payment assistance loans go unpaid, it may result in homeowner displacement.
Payment assistance for delinquent property taxes	One-time reinstatement	Avoid significant cost burden on the budgets of families working



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		to recover from the strains of COVID-19. Real property taxes that go unpaid may result in delinquent tax sales, evictions, and/or tax liens that could take priority over existing mortgages.
Delinquent homeowner's association (HOA) fees or liens	One-time reinstatement plus one prospective month when requested by applicant.	Avoid significant cost burden on the budgets of families working to recover from the strains of COVID-19. If HOA fees or liens go unpaid, it may result in homeowner displacement.