

Treasury's feedback = black text  
IHDA's response = blue text

## **HAFP-0121-Illinois Treasury Feedback for Resubmission of Plan**

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

### **Completeness**

The participant's response(s) to the following questions was/ were either incomplete or unresponsive: Your plan lists Cami Freeman as the Authorized Official, while the original application for HAF payments was signed by Karl Pound. 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](mailto:HAF@treasury.gov).

IHDA will change the Authorized Official to Karl Pound. Due to the structure of Illinois government, the agency that Karl Pound works for, the Illinois Emergency Management Agency, is the agency of record to receive the monies on behalf of the state. The agency that Cami Freeman works for, the Illinois Housing Development Authority, is the state Housing Finance Agency and the organization administering the program as designated by the Illinois General Assembly through [Public Act 102-0017](#). Hence the confusion on who should be named. However, for purposes of this situation, we will list Karl Pound as the Authorized Official so that the release of monies will be expeditious.

### **Homeowner Needs and Community Engagement**

**Data** – Please explain how the program expects to serve targeted populations without more specific underlying data.

IHDA has identified 57 Illinois zip codes as those areas where the most vulnerable homeowners reside. IHDA's use of quantitative data sets along with a variety of industry inputs allowed IHDA to drill down to specific populations who face serious housing security. Factors utilized in the targeting included zip codes where:

1. the residents worked in industries disproportionately impacted by COVID-19;
2. the residents' access to medical services were insufficient to meet the needs of those seeking medical care;
3. the resident's unemployment claims were disproportionately higher than other areas;
4. the income levels of those residing in the zip codes were well below average, often measured at poverty level; racial and ethnic segregation was present; and
5. the 90+ day mortgage delinquency figures were disproportionately higher than the norm.

All of these inputs were utilized to drill down to the 57 targeted zip codes identified in this Plan as the most vulnerable and IHDA has the utmost confidence that those served by HAF will be those households that face the most serious housing insecurity. While the entire state of Illinois will be served, these zip codes will receive additional focus through comprehensive marketing and community outreach.

### **Assessment Methodology**

IHDA used quantitative data sets along with a variety of industry inputs from mortgage servicers, private data providers, government entities, community-based organizations, and other sources in order to determine the extent to which various types of homeowners may be at risk of default, eviction, foreclosure, or housing instability. IHDA analyzed these inputs, with particular focus on income segmentation, race and ethnicity, and estimated delinquencies in order to establish very specific targeting to ensure HAF resources reach and serve those households most at-risk of housing instability.

IHDA is utilizing a combination of public and proprietary data sources, including the U.S. Census Bureau, American Community Survey (ACS) and Puerto Rico Community Survey (PRCS) 5-Year Estimates, the Illinois Department of Public Health (Covid-impact), the Illinois Department of Employment Services (unemployment claims filings), zip code level analysis of households receiving SNAP, WIC, SNAP for Elderly and free school lunch (poverty indicators), an Illinois Department of Public Health analysis of pandemic-impacted zip codes, analysis conducted by the Mortgage Bankers Association, FHA/USDA/VA active loans, FHA/USDA/VA 90+ delinquent, and zip code-level Mortgage Analytics on loan performance, with a focus on 90+ days delinquency collected and compiled by the private research firm Core Logic, LLC.

In addition to these data sources, IHDA solicited and received a number of industry and stakeholder recommendations to enhance the understanding of the potential universe of homeowners at risk of housing instability, including the Housing Policy Forum in Washington, D.C., master servicers, a number of state legislators, the Chicago Rehab Network, Housing Action Illinois (a statewide coalition of 150+ member organizations, including housing counseling agencies, homeless service providers, developers of affordable housing, and policymakers, united in a vision of expanding affordable housing and ending homelessness in Illinois), the Cook County Treasurer (property tax delinquency sale data), aggregated administrative data sets collected from State, County and City agencies, delinquency data from the Home Ownership Division within IHDA and various other entities.

The most common request from industry partners and homeowners was to allow homeowners in forbearance to apply to receive assistance. The second most common request was to include condominium association fees, property taxes and insurance payments not covered by escrow as eligible expenses that could be paid for using Program grants. And the third most common request was to allow tax foreclose sales as an eligible activity under the Program.

All of these requests were considered at IHDA and have been incorporated into the program design.

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

IHDA will utilize internal tools and staff to boost participation in HAF by enhancing communications and outreach to underrepresented communities. Through grassroots and media mediums, our goal is to expand upon the successful 2020 Emergency Mortgage Assistance program.

In 2020, 55% of the approved applications totaling nearly \$50 million in assistance was allocated to households identified as disproportionate impacted areas – specific zip codes targeting those most in need, primarily low-income communities who were hardest hit by infections and layoffs due to the pandemic. Our goal is to improve upon those numbers with HAF to ensure those hardest hit receive the assistance they need to get back on their feet and stave off foreclosure.

IHDA already has shown improvement in reaching these households in the targeting and outreach for the ERA1 program. More than 85% of approved applications went to those at or below 50% Area Media

Income (AMI). We are continuously learning and adapting to ensure, as fiduciary to this vital assistance for Illinois, those most in need are the first in line to receive these of these funds.

### **Outreach**

IHDA's External Relations & Strategic Response departments will provide targeted marketing & outreach to organizations that maintain close ties to these specific communities. Key partners in this effort include:

- Illinois REALTORS
- Dearborn REALTISTS
- NAHREP Chicago
- Illinois Bankers Association
- Illinois Mortgage Bankers Association
- Illinois Municipal League (IML)
- Illinois State Association of Counties
- Illinois General Assembly
- Metropolitan Mayors Caucus
- Illinois Association of Community Action Agencies
- Housing Action Illinois
- 50+ Housing Counseling Agencies
- US Mexican Consulate
- Lawyers' Committee for Better Housing
- Chicago City Council
- Housing Counseling Agencies
- Illinois Department of Employment Security
- Illinois Department of Commerce and Economic Opportunity
- Fannie Mae
- Freddie Mac
- U.S. Department of Agriculture
- U.S. Department of Veterans Affairs
- U.S. Department of Housing and Urban Development

### **Earned Media**

In addition to a statewide push, IHDA Communications will pitch HAF program stories to specific media outlets whose coverage area encompasses or includes Disproportionate Impacted Areas (DIAs) to amplify awareness of the program. Additional outreach will be provided to key Designated Market Areas (DMAs), as earned media is a primary driver for awareness and applications. Spanish-speaking media outlets are a key focus for statewide and focused-market awareness.

Specific Markets:

- Waukegan
- Aurora
- Rockford
- Peoria
- Chicago
- South Suburbs
- Elgin

### **EMA Recipient Email**

IHDA Communications will contact via email all 18,000+ Illinois homeowners who applied for the 2020 Emergency Mortgage Assistance (EMA) programs to announce and encourage participation in the 2022 HAF program. In the 2020 EMA program, 55% of approved funds went to homeowners in previous DIA communities; we will build on that success and awareness to seek an even greater percentage of DIA population participation from our DIAs.

### **Coordination with State Agencies**

IHDA will leverage its existing partnerships with Illinois Department of Employment Security (IDES) and Department of Commerce and Economic Opportunity (DCEO) as they administer programs to support and assist with those who are unemployed or facing unemployment. They will widely distribute HAF marketing and educational materials to provide these constituents with program information.

Based on the data that identified the 57 key zip codes, and aside from utilizing our Housing Stability Servicers and our general marketing plan, IHDA will conduct a grassroots outreach to underserved communities. Some outreach methods include in person events in partnership with community agencies, marketing material in grocery stores and laundromats frequented by immigrant communities, churches, schools, housing counseling agencies, partnering with Latino consulates, conducting how-to-apply webinars, and partnering with our legislature to do Facebook Live events about HAF. Our application will be provided in both English and Spanish and our marketing material will be available in eight different languages.

### ***Community Engagement and Public Participation***

Your plan indicates that only two community organizations were consulted in your public input process. Please explain how the program is confident in its ability to reach targeted populations without engaging additional organizations in planning and implementation.

Many organizations (beyond two) were consulted in the development of the IHDA plan. IHDA met with and consulted with various organizations and the general public to assist with the design and implementation of HAF, similar to the successful approach of the 2020 EMA program. IHDA conducted several forms of community and stakeholder engagement (via webinars, emails, phone calls), met with legislators and the Governor's office, real estate professionals and housing partners.

In early June, IHDA published a Proposed Program concept (below) on [www.IHDA.org](http://www.IHDA.org) and initiated a broad outreach effort to solicit community feedback during the public comment period from June 11 through June 18, 2021. IHDA captured written comments via an interactive form on its website and hosted a virtual public hearing on June 16, 2021.

Both opportunities were publicized among key audiences including housing counseling agencies, Housing Action Illinois, the Illinois Bankers Association, the Illinois Municipal League, the Illinois State Association of Counties, Fannie Mae and Freddie Mac and Illinois Association of Realtors. Opportunities to provide written and verbal comments were also promoted on IHDA's social media channels.

### **Written Comments**

IHDA received 203 unique comment forms via the public comment portal on the IHDA website. Of those, 62 were Program suggestions, 62 were seeking assistance and 79 left no comment. Key takeaways include:

- The most common request was that homeowners in forbearance should be eligible to receive assistance. Many respondents said their forbearance agreements end this month (June 2021).
- The second most common request was to include condominium association fees, property taxes and insurance payments not covered by escrow as eligible expenses that could be paid for using Program grants.
- Many commenters also believed that utilities should be included.

### **Virtual Public Hearing**

More than 100 Illinois residents, stakeholders and advocates attended a virtual Public Hearing via WebEx on June 16. IHDA subject matter experts presented the proposed program design and then opened the floor to accept questions, comments, and feedback from attendees. IHDA received 66 comments from 26 of the participants that were present. The comments from the hearing were more unique than the comment forms and varied from comments about eligibility in regard to:

- financial hardships or participation in voucher programs;
- the inclusion of utilities as eligible expenses;
- required documentation from applicants;
- different platforms for communicating with applicants;
- eligibility and access of application.

IHDA regularly consults with Housing Action Illinois (a statewide coalition of 150+ member organizations, including housing counseling agencies, homeless service providers, developers of affordable housing, and policymakers, united in a vision of expanding affordable housing and ending homelessness in Illinois). In fact, HAI's report on how Cook County tax sale evictions disproportionately occur in majority-black communities influenced IHDA's program design for delinquent tax sales.

Lastly, IHDA has partnered with over 40 HUD certified counseling agencies, serving more than 28 different languages to provide outreach and intake assistance and provide support to those with language and technology barriers.

Your plan notes public input and community engagement in the plan development process. Please explain how community engagement informed your plan's programmatic and outreach design.

Community engagement and feedback informed the plan's programmatic design in three key areas:

- The plan was adjusted to allow homeowners in forbearance to be eligible to receive assistance.
- The plan was adjusted to include condominium association fees, property taxes and insurance payments not covered by escrow as eligible expenses that could be paid for using Program grants.
- The plan was adjusted to allow properties at risk of tax foreclosure sales as an eligible activity under the Program.

The 2022 HAF program is the third mortgage assistance program IHDA has stood up over the past several years, thus we are fortunate to draw on the expertise and insight of seasoned staffers who have experience designing and implementing mortgage assistance programs. Through multiple rounds of the Hardest Hit Fund (HFF) program and the 2020 Emergency Mortgage Assistance program, IHDA has established networks and contacts within the mortgage and homeownership communities.

Through each program, IHDA has been able to learn, grow and adapt as to how to best engage in outreach with homeowners struggling to stave off foreclosure. Illinois has a strong coalition of housing counseling agencies, realtor and banking associations and additional partners who are always ready to assist in grassroots outreach to ensure their constituencies are best served.

In addition to our elected officials, IHDA provides outreach to housing counseling agencies, minority outreach organizations, legal organizations, and municipal organizations to help raise awareness that assistance is available to struggling homeowners.

A key lesson gleaned from HHF program was that by including elected officials and municipal organizations in the key planning phases ensured that IHDA could not only incorporate their feedback in the program design, but that partnership also helped to legitimize the program and spread awareness among Illinois residents. IHDA will continue to rely on elected officials (both state and federal) and organizations such as the Illinois Municipal League and their nearly 1,300 municipal members throughout the state.

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

Illinois does not have any federally recognized Tribes. A federally recognized Tribe is an American Indian or Alaska Native Tribal entity that is recognized as having a government-to-government relationship with the United States. No tribes or tribal entities received HAF funding in Illinois.

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.

The Chicago Rehab Network continues to seek assurance that the plan was adjusted to include condominium association fees, property taxes and insurance payments not covered by escrow as eligible expenses that could be paid for using Program grants, which it has. Additional public comments have been limited to seeking information related to the timing of the program opening.

IHDA Communications has not received any further public comments other than seeking additional information or a start date for the HAF program. Since initial plan submission, IHDA has added the ability for interested parties to submit their email address via [www.illinoishousinghelp.org](http://www.illinoishousinghelp.org) to receive information regarding HAF when it becomes available. To date, more than 2,530 individuals have signed up to receive critical information regarding HAF once the plan is approved.

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

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

The Illinois emergency HAF Program was designed with the intent to prevent foreclosure and displacement of the maximum number of homeowners who are at the greatest risk of housing instability. Once the Illinois Emergency HAF program is operational, IHDA will assess the allocation of funding to the program (currently set at \$250 million; total allocation of \$387 million) against the application pipeline. IHDA will forecast the estimated need and adjust the program allocation as necessary. IHDA does not intend, at this time, to deploy 100 percent of the HAF allocation to the Illinois emergency HAF program. IHDA intends to launch one or two more programs utilizing HAF resources that address homeowner needs that extend beyond emergency assistance. For example, there are significant geographic pockets scattered throughout Illinois where homeowners in those areas are still held captive by depressed real estate and their mortgages are underwater. IHDA intends to explore this need as a possible program to be funded by HAF in the future.

IHDA has entered into a formal data sharing agreement with Core Logic to obtain regularly updated data on mortgage delinquency and other relevant mortgage data. In addition, IHDA will continuously gather data from American Enterprise Institute, ACS, Mortgage Bankers Association, Urban Institute, Freddie Mac, FHA, VA, USDA, Federal Reserve, FHFA, etc. to observe the changing landscape of the mortgage situation in Illinois and develop a program(s) to meet the evolving needs of the market. Future program(s) plans will be submitted to Treasury for review and approval.

### **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.

To assess the needs of Illinois homeowners, IHDA used a sophisticated, data-driven central Geographic Information System (GIS) platform developed by the State of Illinois (multiple agency effort) to identify the zip codes where the most vulnerable populations reside. Most vulnerable, in this case, refers to zip codes where (1) the residents worked in industries disproportionately impacted by COVID-19; (2) the residents' access to medical services were insufficient to meet the needs of those seeking medical care; (3) the residents unemployment claims were disproportionately higher than other areas; (4) the income levels of those residing in the zip codes were well below average, often measured at poverty level; (5) racial and ethnic segregation was present and, (6) the 90+ day mortgage delinquency figures were disproportionately higher than the norm. All of these inputs were utilized to drill down to the targeted zip codes identified in this plan.

IHDA will prioritize outreach and engagement efforts using this information to ensure income-qualified, socially disadvantaged individuals are made aware of financial resources, know how to apply, and are motivated to take action. Through layering mortgage, unemployment, COVID-19 impact, poverty and racial and ethnic demographics, the program will reach the target population at a granular level.

IHDA intends to implement a highly targeted outreach and engagement program that will:

- prioritize engagement of socially disadvantaged homeowners who meet the eligibility criteria using detailed data to identify the target population and inform strategies and tactics that most effectively engage the audience;
- ensure HAF funds are disbursed to the eligible population by focusing on targeted message delivery;
- assess and adjust in real time through monitoring incoming application and participation data;
- allow for analyzation for efficacy in meeting program goals.

To reach and activate eligible populations, IHDA's outreach and engagement efforts will:

- develop and implement marketing strategies and messaging that prompt struggling homeowners to take action and seek assistance;
- partner with local nonprofits that reflect and serve socially disadvantaged communities to engage our target population (s).
- launch a targeted paid and earned media strategy to communicate directly with the eligible population;
- create authentic in-language educational materials to drive eligible homeowners with limited English proficiency to take action to participate in the program;
- develop, deploy, adjust, and assess efficacy via real-time data reporting.

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)?

**Tax Delinquency – ELEMENT #3: Property Charge Default Resolution**

**Cook County Pilot –** The Program will provide funds to a prioritized population of homeowners who do not have a mortgage but are delinquent on property taxes from 2019 which came due during COVID in 2020. These properties go to auction May 2022.

Property tax foreclosures are mostly controlled by local county governments and move on a much faster timeline than mortgage foreclosures. In addition, property tax delinquencies often lead to the levying of interest penalties and fees once a homeowner is three (3) months past due, often with very high penalty rates.

The program will be a collaboration between IHDA, the City of Chicago and the Cook County Treasurer's Office. This partnership endeavors to address this need in a novel approach. Rather than open this design element to the general public to apply, this pilot will work behind the scenes (outside of the HAF application process open to all) to directly target and engage those residential property owners already slated for the sale in May. These homeowners are highly vulnerable and are at-risk of losing their home. The government agencies involved will ensure the process is fair, transparent and collects the required eligibility data for reporting purposes.

Currently, there are 33,978 residential properties on the May 2022 list, with a total tax bill of nearly \$124 million. Of those, 16,951 are in Chicago, and 17,027 are in the suburbs. Among the residential parcels are 7,145 that owe \$1,000 or less, with the total owed now standing at about \$4 million; and 19,381 owe between \$1,000 and \$5,000, for a total of about \$50 million. The rest (7,452) are above \$5,000, owing a total of nearly \$70 million.

Our budget allocation for this design element is \$50 million, allowing IHDA to cure the delinquent taxes on approximately 25,000 residential properties and restore those homeowner's financial asset.

General Population – Homeowners who reside in the other 101 counties within Illinois, who are without a mortgage but who are delinquent on their property taxes from calendar year 2019 or 2020, will have the ability to apply for HAF funds through the general application portal.

Please confirm your exclusion of Contracts for Deed or Land Contract and further explain what steps you have taken to assess the needs of homeowners in this category. Please summarize any community feedback or data on which you have based this decision.

We are assessing the needs of this population through our rental assistance program. In Illinois, legal title to property under a land sales contract remains with the seller until the buyer pays the full purchase price. A deed is delivered once the final payment is made.

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.

We intend to work extensively with HUD-certified housing counseling agencies (HSS Providers) and legal service providers to ensure applicants/homeowners explore their loss mitigation options and receive the best assistance through the following four-step process:

**1. Become Informed**

- Homeowners will be strongly encouraged to attend a webinar hosted by IHDA or an HSS Provider in advance of the application portal opening. The Webinar will provide a road



map for borrowers to follow based on their specific situations and make the application process more efficient. Topics will include:

- Description of loss mitigation
- Mortgage basics
- Foreclosure process
- Process for applying to HAF and HAF Program eligibility
- Other resources available including legal aid
- Webinars will start in January 2022
  - A calendar of online and in person sessions hosted by IHDA and HSS Providers will be made available to applicants. IHDA will promote the webinars through marketing and outreach efforts including:
    - IHDA website and social media postings
    - Facebook Live events
    - Sending emails to over 5,000 homeowners who have previously signed up to receive information about the HAF Program

## **2. Explore the Options**

- Homeowners will be required to contact an HSS Provider to schedule a personalized case management session that explores all foreclosure prevention options. This will be critical in identifying the option that best ensures long-term housing sustainability.

## **3. Get Started**

- Once the Illinois HAF Program opens, homeowners will visit [Illinoishousinghelp.org](http://Illinoishousinghelp.org) to complete an online application and upload required documentation.
- IHDA will review the application to verify the following:
  - Case management/counseling completed
    - If applicable, the applicant will be on hold until counseling session is completed.
  - Sustainable housing debt to income (DTI) ratio
    - IHDA will verify the affordability and sustainability of the mortgage payment going forward. If payment is not sustainable with HAF assistance, IHDA will refer the applicant to legal aid for appropriate options.
  - Other eligibility criteria
    - Applicant must meet all federal eligibility guidelines. IHDA will prioritize applicants based on Treasury guidelines and will also prioritize applicants most at risk of foreclosure or losing their homes, as evidenced through a foreclosure summons or other court document.
    - Government backed loans (FHA/VA/GNMA) must explore loss mitigation via HSS, if it hasn't been explored.
    - We strongly encourage all loss mitigation options have been explored by applicants with their servicers. Evidence of the of this may be required in the application process.
- IHDA contacts servicer to verify loan information
  - In some instances, homeowners may be routed to an HSS provider to review loss mitigation options prior to funding.

- IHDA contacts other vendors to verify past due tax, insurance, HOA and second mortgage information.

#### **4. Home Preservation**

- An HSS Partner will conduct a follow up session after the application was approved or another outcome was reached to ensure continued home preservation.

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?

Please refer to the above three opportunities for reference.

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?

IHDA will conduct a housing debt to income test and, along with other factors, will be weighed in determining if HAF monies should be granted.

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

The State of Illinois has ample LIHEAP funds. The State legislature funds a supplemental pool for LIHEAP in addition to the federal dollars. All program materials and outreach will direct those in need of utility assistance to LIHEAP. For homeowners who exceed the income requirements of LIHEAP but remain in need of utility assistance, the State of Illinois has instructed IHDA to route those residents to the Department of Commerce and Economic Opportunity for assistance with their utility needs. This routing will be externally marketed so all applicants will receive the same directive.

#### ***Eligibility***

No questions for this section.

#### ***Outreach***

Please explain how the program will provide culturally relevant marketing.

All marketing materials and messaging will be simple and clear to illustrate funding, application period, how to apply and other relevant information. All materials will be bilingual in both English and Spanish as Spanish is the second largest spoken language in Illinois. In addition, the Frequently Asked Questions will be available in at least eight languages including: English, Spanish, Arabic, Chinese, Hindi, Polish, Portuguese and Tagalog.

In addition, IHDA will partner with 44 Housing Stability Service providers (housing counseling agencies, legal assistance groups, community-based organizations, and non-profit organizations) to assist with the administration of the HAF program. Through this network of partners, a total of 15 languages will be offered to help reduce barriers to accessing the program.

See above (Homeowner Needs and Community Engagement Data Section in reply to “Please explain how the plan targeting and outreach reflect the data referenced in your plan.”)

#### ***Prioritization***

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?

The HAF program review process will prioritize applicants based on the following:

- Households under 100% AMI with imminent foreclosure judgements
  - And/or with imminent delinquent property tax sale by county assessor
- Households under 100% AMI with notice of default
- Households under 100% AMI in our targeted 57 zip codes
- Households under 100% AMI with none of the above characteristics
- Applications from homeowners who identify as socially disadvantaged individuals (SDIs)
- Households 101% to 150% AMI

Marketing materials will include language highlighting SDI communities will be prioritized, similar to our execution on the ERA 2 program. In addition to what the outreach and marketing strategies already listed in “Homeowner Needs and Community Engagement – *Data*,” IHDA will target SDI communities through:

### **Facebook**

Communications will run a paid promotional campaign to homeowners in key focused communities based on our targeted 57 zip codes on social media. The campaign will consist of:

- Areas: Disadvantaged communities targeted by zip code
- Demographic: Adults 18 – 65
- Length: Two weeks, \$10/daily (\$140 total budget)
- Estimated reach: 1,200 – 3,400 people daily

IHDA Communications will monitor the efficacy of this outreach and can increase the spend or length of the effort if necessary.

### **Mortgage Servicers**

IHDA will coordinate either through Illinois Bankers Association or directly with the largest servicers in Illinois to work on direct marketing to delinquent borrowers, especially in DIAs. Partners include:

- |                                    |                                    |
|------------------------------------|------------------------------------|
| ▪ Wells Fargo Bank NA              | ▪ Cenlar FSBE                      |
| ▪ US Bank NA                       | ▪ Newrez LLC                       |
| ▪ MIDFIRST BANK                    | ▪ Dovenmuehle Mortgage Inc         |
| ▪ Freedom Mortgage Corporation     | ▪ Fifth Third Bank, NA             |
| ▪ Pennymac Loan Services LLC       | ▪ PNC Bank, NA                     |
| ▪ Nationstar Mortgage LLC          | ▪ Caliber Home Loans Inc           |
| ▪ M and T Bank                     | ▪ Bank of America, NA              |
| ▪ Loan care LLC                    | ▪ PHH Mortgage Corporation         |
| ▪ Flagstar Bank FSB                | ▪ Home Point Financial Corporation |
| ▪ Quicken Loans LLC                |                                    |
| ▪ Carrington Mortgage Services LLC |                                    |

### **Coordination with School Districts**

IHDA will reach out to the Illinois State Board of Education (ISBE) to coordinate with school districts located in DIAs. Potentially include messaging with families receiving assistance through the Free Lunch and Breakfast program as they may need assistance through HAF.

## Performance Goals

Your performance goals use the same metric and goal for three separate program design elements. Please consider adopting metrics and goals that are specific to each program design element.

Performance outcomes will be critical in determining the impact that the Program has on the pandemic-related economic crisis affecting Illinois homeowners. IHDA will develop a variety of performance-based reports to manage and monitor the Program, which will comply with all requirements listed in the U.S. Treasury HAF guidance. Overall Program progress will be measured by the total number of homeowners assisted and success will be measured by the number of foreclosures prevented and the number of homeowners who were assisted in reducing their mortgage delinquency among the targeted populations. IHDA will provide the U.S. Treasury all required reports including: 1) demographic information on all borrowers; 2) status and final outcomes of borrowers served; 3) quarterly progress reports; and 4) additional reports as requested. Some of the detail that may be contained in the Program reports is expected to include, but not be limited to, the following summary and detailed data (awaiting further clarification from Treasury):

- By Owner and Co-Owner(s)
  - Income
  - Home Mortgage Disclosure Act: race/ethnicity/sex
  - Location: Zip codes
  - Program usage: Fund Disbursement Detail
  - Arrearage (by dollar and number of months)
  - Initial past due date
  - Hardship: self-reported categories
  
- By Servicer
  - Program participation rate, quantity and percentage of servicers participating
  - Number of homeowners and total funds disbursed for each servicer
  - Program performance: approval, denial & withdrawn rates
  - Loan performance: post-assistance delinquency status
  - Average arrearage (by dollar and number of months)
  - Average borrower income
  - Average assistance
  
- By Program
  - Program participation rate, and quantity participating by program
  - Number of homeowners assisted, and total funds disbursed by program
  - Program performance: approval, denial, and withdrawn rates
  - Loan performance: post-assistance delinquency status
  - Average arrearage (by dollar and number of months)
  - Average borrower income
  - Average assistance
  
- Process Goals
  - Reducing Mortgage Delinquency Among Targeted Populations
  - Meaningful Homeownership Retention
  - Average Application Processing Time
  - Effectiveness At Serving Socially Disadvantaged Homeowners: Greater than 50%
  - Illinois Emergency Homeowner HAF: disburse 50% of allocated funds by 12/31/2022

- Goals for Design Elements #1 Mortgage Reinstatement and #2 Mortgage Payment Assistance:
  - 10,000 – 13,000 homeowners reinstated by end of 2022
  - 60 percent of homeowners assisted will have a government loan/40 percent conventional;
  - 50 percent of homeowners assisted will self-identify as socially disadvantaged;
  - 80 percent of funding will be provided to homeowners with incomes equal to or less than 100% AMI;
  - 50 percent of homeowners assisted will self-identify as African American;
  - 13 percent of homeowners assisted will self-identify as Hispanic; and
  - 80 percent of funding will be provided to homeowners living within the targeted areas (thus sustaining vulnerable communities).
  
- Goals for Program Design Element #3 Property Charge Default Resolution:
  - 25,000 residential properties cured of delinquent tax issue

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

We will communicate our progress in a number of ways, including:

- Capturing accomplishments and progress over time by capturing the real-life impact of the assistance on our applicants and sharing via social media.
- Educating decision makers and partners about the impact and reach of our program.
- Demonstrating responsible use of resources and funding to stakeholders via a real-time dashboard.
- Sharing “best practices” with other similarly funded programs.
- Attracting new organizational partners for collaboration and outreach.

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

- Reducing Mortgage Delinquency Among Targeted Populations: 10,000 – 13,000 homeowners reinstated by end of 2022
- Illinois Emergency Homeowner HAF: disburse 50% of allocated funds by 12/31/2022
- Effectiveness At Serving the Most Vulnerable Homeowners: 80 percent of funding will be provided to homeowners living within the targeted areas (thus sustaining vulnerable communities).

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. **IHDA will include.**

### **Readiness**

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

- IHDA employs a comprehensive project management approach to the development of programs that involves subject matter experts from within IHDA, complemented, as necessary, by outside expertise, and a detailed project tracking approach to ensure timely delivery of programs. Our depth of management experience will add significant value to the Program and ensure proper development, implementation, quality, compliance, controls and adherence to policies and procedures. Within IHDA, staff will be dedicated to providing outreach and training to borrowers,

lenders, partners, HSS organizations and local governments to ensure a complete understanding of our programs is had by all. This outreach effort will be coupled with our in-house marketing division that provides the necessary materials and media connections to promote programs. IHDA intends to leverage its current systems and protocols in fulfilling the compliance and monitoring requirements that come with receiving the monies from the Homeowner Assistance Fund.

- Policies and procedures will be foundational to IHDA's governance and, as such, will be sponsored from the top down, approved by executive leadership, and documented and implemented at the executive, managerial and staff levels with responsibility and accountability for compliance held at each level. They will serve as the roadmap for day-to-day operations, define employee responsibilities and provide guidance on decision-making throughout all operational aspects of the Program. Extensive training will augment the established policies and procedures to further reinforce adherence and ensure a more streamlined, effective, and efficient operation.
- IHDA's technology and system infrastructure will leverage a commercial, secure, cloud-based client management system to ensure effective program delivery, compliance, and reporting, in a manner that will meet the Program requirements and guidance from U.S. Treasury. The system is mobile friendly and accessible, and it provides multi-language support. It also provides data to document outreach efforts and quantify success metrics. In order to ensure performance goals and metrics are managed, the complete system will be integrated from a reporting perspective and will provide detailed information that will enable IHDA to provide all necessary reporting requirements.
- Internal controls will be developed around program risks identified in areas such as strategy, operations, finance, information security, fraud, systems, and compliance. The internal control program will be designed to minimize the aforementioned risks, mitigate conflicts of interest, maximize operational efficiency, and ensure effectiveness of program administration. A quality assurance program will be developed to serve as a means to measure, report and identify improvement opportunities with respect to adherence with policies, procedures, productivity, guidelines, and quality standards set by management.
- The HAF program will be overseen and administered by a highly experienced IHDA team of middle and senior-level managers with decades of experience in the mortgage industry and in single-family low-to-moderate income housing programs. IHDA as a whole has developed extensive experience over the course of its 50+ year existence in the creation, implementation, and management of new programs.
- IHDA will use its own staff to fulfill as many Program roles as possible. However, due to the urgency needed to make the Program available to eligible homeowners, and the amount of time needed to recruit and hire staff employed by IHDA, many roles will be filled by approximately 100 temporary staff. IHDA has had success utilizing a temporary workforce in the administration of previous rental and mortgage relief programs and so it will continue that practice with HAF.

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

- IHDA intends to launch the Illinois Emergency HAF Program eight (8) to twelve (12) weeks after Treasury approves our proposed plan; we are currently targeting a March 2022 opening.

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.

- IHDA did not run a pilot HAF program. None of the initial 10% payment has been spent to date.

### **Budget**

Your budget indicates that Payment for Delinquent Property Taxes will be allocated \$3,000,000, but your plan indicates that it will not be offered as a design element. Please explain whether you plan to include this design element.

- Yes, Payment for Delinquent Property Taxes will be included as a design element.

Your total allocation amount is \$386,903,117.00. Our records indicate that you have received an initial 10% payment of \$38,690,311.70, and that upon plan approval, you may draw up to \$348,212,805.30. The total budget in your draft HAF plan is for \$250,000,000. Please confirm your budget is correct, and that at this time, you wish to receive less than your remaining allocation. If necessary, please revise your budget, including the initial 10% that was paid in your initial payment.

- IHDA intends to design an additional program(s), funded by HAF, and submit that program's plan to Treasury at a future date. It is because of the future program that IHDA is not seeking the entire allocation at this time. This should not be interpreted to mean IHDA is not in need of the monies, quite the opposite. Should the program presented in the current plan be oversubscribed, IHDA may approach Treasury for release of the full allocation to apply to the current program and forego proposing a new program for homeowners in Illinois.