

**Illinois Emergency Homeowner Assistance Fund (HAF)
PROGRAM DESIGN ELEMENTS TERM SHEETS**

PROGRAM DESIGN ELEMENT #1: Mortgage Reinstatement Program

Criteria	Terms
Brief description	<p>Provide funds to eliminate or reduce past due payments and other delinquent amounts, including payments under a forbearance plan, on forward mortgages, reverse mortgages and loans secured by manufactured homes. HAF Funds will be used to reinstate the borrower in full, up to the maximum grant amount of \$30,000 per homeowner. The waterfall of payment priority will be as follows:</p> <ol style="list-style-type: none"> 1. First mortgage (PITI) arrearage including payment assistance for homeowner’s insurance, flood insurance, and mortgage insurance; 2. Second mortgage arrearage including payment assistance for down payment assistance loans provided by nonprofit or government entities; 3. First mortgage future/prospective PITI for up to three months, if necessary; 4. Homeowner’s association fees, co-op fees, condominium association fees or common charges, including for lien extinguishment, in full or partial payment until reach \$30,000 maximum grant amount <p>Specifically, housing obligations as listed below are Eligible Expenses for the Program grant:</p> <ul style="list-style-type: none"> • Existing first mortgage lien loan payment (principal and interest), escrow shortages. • Payment assistance for homeowner’s insurance, flood insurance, and mortgage insurance as a component of first bullet point. • Financial assistance to allow a homeowner to reinstate a mortgage or to pay other housing-related costs related to a period of forbearance necessitated by the pandemic. • Subordinate mortgage lien payment (P&I) and/or principal reduction or payoff of a non-profit/government bond second lien including payment assistance for down payment assistance loans provided by nonprofit or government entities. • Manufactured/mobile home loan monthly payment and lot rent, if applicable. • Homeowner’s association fees, co-op fees, condominium association fees or common charges, including for lien extinguishment. • Homeowner’s hazard, flood and/or mortgage insurance. • Delinquent real estate property taxes. • Corporate advances made by the loan servicer, if applicable (EMA average \$900) • Escrow Advances, if applicable (EMA average \$1,300) • De minimis lender-assessed fees.

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	HAF funds may be used to supplement other loss mitigation measures offered by the servicer or where HAF funds are necessary for the homeowner to qualify for other such loss mitigation measures.
Maximum amount of assistance per homeowner	Each Homeowner will be eligible for up to \$30,000 through this program to be used only for the homeowner's primary residence.
Homeowner eligibility criteria and documentation requirements	<p>Same as General Eligibility Requirements plus:</p> <ul style="list-style-type: none"> ▪ Statement of current ability to resume any required regular monthly mortgage payments after account is reinstated or, in the alternative, statement that applicant is currently unable to resume any required regular monthly mortgage payments and is also seeking assistance with prospective payments. <p>Documentation requirements:</p> <ul style="list-style-type: none"> ▪ Program application ▪ Third party authorization and disclosure form ▪ Grant agreement ▪ Qualifying financial hardship attestation from homeowner certifying and identifying the eligible hardship and that it occurred after January 21, 2020, as required ▪ Self-certification or attestation of socially disadvantaged status ▪ Written attestation from the homeowner as to household income if homeowner resides in one of the 88 Illinois counties with less than the state's median income level. ▪ Income documentation for applicants that do not reside in a geographic proxy area: <ul style="list-style-type: none"> • W2's, paystubs, previous years' tax returns or alternative income documents as applicable ▪ Mortgage Statement for each lien (e.g., first mortgage, second mortgage, down payment assistance mortgage). ▪ Mobile home loan statement and/or lot rental agreement ▪ Forbearance agreement, if applicable ▪ Homeowner association statement (HOA), if applicable ▪ Condo association fee statement, if applicable ▪ Co-op association fee statement, if applicable ▪ Property tax and insurance statements, if applicable ▪ Government-issued photo ID (regardless of expiration date) ▪ W-9 from each payee, if necessary

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Loan eligibility criteria specific to the program	Delinquent by at least one payment, including any payments during a forbearance period.
Form of assistance	Assistance will be structured as a non-recourse grant.
Payment requirements	IHDA will disburse HAF assistance directly to mortgage lender/servicer, manufactured/mobile home lender/park (lot fees), county treasurer or local taxing authority, condominium/co-op/homeowners' association. IHDA will disburse the amount quoted by the lender/servicer; any discrepancies to be resolved by the homeowner and lender/servicer. If homeowner's past due amount exceeds the amount that IHDA can provide, homeowner may pay the difference and IHDA will pay the max of their limit.

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PROGRAM DESIGN ELEMENT #2: Mortgage Payment Assistance (prospective payment plan)

Criteria	Terms
Brief description	Provide full or partial payment assistance to homeowners who are approved for the mortgage reinstatement program design element but are unable to make full mortgage payments due to a continuing financial hardship associated with the Coronavirus pandemic. HAF funds may be used to reduce a homeowner's monthly mortgage/loan payments for a period up to three months or until the Maximum Amount of Assistance is reached.
Maximum amount of assistance per homeowner	Each Homeowner will be eligible for up to three months of assistance, with a maximum \$30,000 per household (across program design elements) to be used only for the homeowner's primary residence.
Homeowner eligibility criteria and documentation requirements	Statement of current inability to resume mortgage payments due to unemployment, underemployment, or other continuing hardship. All other document requirements will be collected under the mortgage reinstatement program design element.
Loan eligibility criteria specific to the program	No additional forbearance available.
Form of assistance	Assistance will be structured as a non-recourse grant.
Payment requirements	IHDA will disburse HAF assistance directly to mortgage lender/servicer, manufactured/mobile home lender/park (lot fees), county treasurer or local taxing authority, condominium/co-op/homeowners' association.

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PROGRAM DESIGN ELEMENT #3: Property Charge Default Resolution

Criteria	Terms
Brief description	<p>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.</p> <p>General Population – Homeowners who reside in any Illinois county other than Cook County, 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.</p> <p>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.</p> <p>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.</p> <p>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.</p>

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Maximum amount of assistance per homeowner	While the amount will vary per residential property, data suggests that the over 70 percent of residential properties scheduled for the May 2022 sale owe \$5,000 or less in delinquent taxes.
Homeowner eligibility criteria and documentation requirements	Same as General Eligibility Requirements that apply plus documentation that the property is in fact on the sale docket for May 2022.
Loan eligibility criteria specific to the program	n/a
Form of assistance	Assistance will be structured as a non-recourse grant.
Payment requirements	Funds will be paid, as applicable, to the tax assessor or other third party authorized to collect eligible charges in accordance with curing the delinquent tax issue.