

## Massachusetts HAF Program Treasury Response Term Sheet

<u>Criteria</u>	<u>Terms</u>
<b><u>Brief description</u></b>	<p>The Massachusetts HAF program is designed as a single program with one application with same eligibility requirements for different design elements. It is primarily designed as a mortgage reinstatement program to provide funds to eliminate or reduce past due payments and other delinquent amounts, including payments under a forbearance plan, on forward mortgages, reverse mortgages, loans secured by manufactured homes, or contracts for deed, due to a financial hardship associated with the Coronavirus pandemic for the purposes of preventing mortgage delinquencies, defaults, and foreclosures. The program’s design elements include:</p> <ul style="list-style-type: none"> <li>• Mortgage payment assistance</li> <li>• Mortgage principal reduction, including with respect to a second mortgage provided by a nonprofit or government entity</li> <li>• Payment assistance for homeowner’s utilities, including electric, gas home energy, and water (as needed to facilitate reinstatement)</li> <li>• Payment assistance for homeowner’s insurance, flood insurance, and mortgage insurance (as needed to facilitate reinstatement)</li> <li>• Payment assistance for delinquent property taxes to prevent homeowner tax foreclosures</li> <li>• Payment assistance for down payment assistance loans provided by nonprofit or government entities</li> <li>• Financial assistance to allow a homeowner to reinstate a mortgage or to pay other housing related costs related to a period of forbearance, delinquency, or default</li> <li>• Facilitating mortgage interest rate reductions</li> <li>• Payment assistance for homeowner’s association fees or liens, condominium association fees, or common charges</li> </ul> <p>HAF Funds may be used to bring accounts fully current, with no remaining delinquent amounts, and to repay amounts advanced by the lender or servicer on the borrower’s behalf for property charges, including property taxes, hazard insurance premiums, flood or wind insurance premiums, ground rents, condominium fees, cooperative maintenance fees, planned unit development fees, or homeowners’ association fees that the servicer advanced to protect lien position. Payment may also include any reasonably required legal fees.</p>
<b><u>Maximum amount of assistance per homeowner</u></b>	<p>Effective September 1, 2022, MA HAF program is capped at \$50,000 per household. In conjunction with the \$50k cap, Massachusetts is participating in the P-Program (Loss Mitigation with State Contribution Program). HAF funds are to be used only for the homeowner’s primary residence.</p>

**Homeowner eligibility  
criteria and documentation  
requirements**

Criteria:

- Income: Income equal to or less than 150% AMI.
- Financial Hardship: Financial hardship after January 21, 2020 associated with or exacerbated by the COVID- 19 pandemic.
- Primary Residence: Owner-occupants of a single-family home, condominium, or 2- 3- or 4-family home located in Massachusetts that is the homeowner’s primary residence.
- Delinquency:
  - Delinquent by at least 3 missed payments, including any missed payments during a forbearance period or otherwise in default, as reflected in documentation from the payee or the payee’s agent. In the case of a reverse mortgage, has delinquent municipal property tax charges for which the homeowner has missed three quarterly property tax payments or has received a demand letter from the municipality and/or delinquent municipal utility charges with a current lien certificate.
  - Delinquent by less than or equal to \$50,000.
  - Delinquency incurred after January 20, 2021.

Documentation:

- Homeowner Identification: The homeowner must provide a copy of official identification containing his/her full name and date of birth (e.g., driver’s license, passport, birth certificate) Note: Expired forms of Homeowner Identification Documentation such as driver’s licenses and State IDs are acceptable
- Income Source Documentation
- Self-Certification of Financial Hardship after January 21, 2020: In their application, homeowners must self-certify that their financial hardship is related to or exacerbated by the COVID-19 pandemic and describe the nature of the hardship.
- Property Taxes, Utilities, Fees, Other (applicable if delinquencies are preventing reinstatement)
  - Homeowner is at least one installment payment in arrears on utilities, such as water and sewage that prevents a mortgage reinstatement or is in process of becoming a lien against the property, OR
  - Homeowner is at least one installment payment in arrears on one or more property charges that prevents a mortgage reinstatement or is in process of becoming a lien against the property, including: property taxes, municipal utilities, insurance (hazard, flood, wind premiums), HOA fees/liens, condominium fees/liens, and cooperative maintenance or common charges.
- Mortgage Statement and Lender Documentation: Mortgage statement that is the most recent one available and not older than 60 days, showing borrowers’ full names, mortgage company name and contact information, property address, account number, unpaid principal balance, principal, interest, escrow amount breakdown, and total monthly payment.
  
- Authorization to Speak to Lender/Service on Borrowers Behalf

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	<ul style="list-style-type: none"> <li>○ At the time of application, homeowners must be asked to provide consent to the Administering Agency and its Vendor to speak directly with their mortgage lender or servicer on all matters necessary to payment to the mortgage lender or servicer related to this delinquency amount. The form of homeowner authorization shall be consistent with industry standards.</li> </ul>
<u>Loan eligibility criteria specific to the program</u>	<p>Delinquent by at least one payment by at least 90 days, including any payments during a forbearance period or otherwise in default, as reflected in documentation from the payee or the payee’s agent.</p> <p>In the case of a reverse mortgage, has outstanding property charges whether in default or in repayment plan.</p>
<u>Form of assistance</u>	<p>All assistance will be structured as a non-recourse grant.</p>
<u>Payment requirements</u>	<p>Mortgage payments will be made directly to the lender or servicer or other third-party payee authorized by the servicer or authorized to collect eligible charges in accordance with reinstatement instructions received from the payee.</p> <p>Insurance payments will be paid directly to the insurance provider or other applicable third party authorized to collect eligible charges.</p> <p>Utility payments will be paid directly to the utility provider or other applicable third party authorized to collect eligible charges.</p>