

**HAFP-0179 Wisconsin Department of Administration
Treasury Feedback for Resubmission of Plan**

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

Completeness

No Questions

Homeowner Needs and Community Engagement

Data

- Please explain how the plan targeting and outreach reflect the data referenced in your plan.
- Using HMDA, ACS and Federal Bank of Atlanta data to identify targeted areas, DEHCR identified areas in Wisconsin where more than the statewide average of home loans originated between 2007 and 2019 were made to households with incomes at or below the median income. In addition, using these sources, DEHCR identified where more than the statewide average were made to Socially Disadvantaged homeowners with incomes at or below one hundred and fifty percent (150%) of the AMI.

Homeowners & Homeownership Rates by District (All Races/Ethnicities & Households of Color)

District	Homeowning Households	Homeownership Rate	Median Household Income	% Households of Color	Households in Forbearance	Households in Delinquency
District 1	194,441	69.64%	\$67,231	19.87%	9,621	5,553
District 2	196,927	61.70%	\$67,394	18.45%	7,324	3,951
District 3	201,172	68.73%	\$57,953	8.66%	5,097	2,765
District 4	127,275	45.23%	\$45,057	58.66%	19,487	12,595
District 5	209,089	70.27%	\$70,271	13.71%	12,462	6,118
District 6	210,792	71.50%	\$59,868	11.28%	6,582	3,459
District 7	231,702	75.78%	\$57,200	8.66%	7,185	3,564
District 8	221,042	73.36%	\$61,423	13.56%	8,957	4,673
Statewide	1,592,440	67.14%	\$60,800	19.02%	76,715	42,678

Source: U.S. Census Bureau, American Community Survey (ACS) 5-Year Estimates 2015-2019; Atlanta Fed calculations using Black Knight's McDash Flash daily mortgage performance data (available with a two-day lag)

- Significant concentrations of socially disadvantaged households live in Congressional District 4, which encompasses large parts of Milwaukee County and the City of Milwaukee.
- The State is engaging a team of community-based organizations located in the communities with high concentrations of targeted homeowners, including Congressional District 4. Members of Take Root Wisconsin agencies, which started out as Take Root Milwaukee, may host a series of in-person or on-line events to engage the public, including stakeholders with a vested interest in homeowner assistance, on the Homeownership Assistance Fund created by the American Rescue Plan.
- DEHCR has also selected the Wisconsin Community Action Program Network (WISCAP) and its member agencies including Housing Resources Inc, and the Foundation for Rural Housing to administer the WI HAF program. These organizations have extensive experience administering and

marketing housing assistance programs to households that are socially disadvantaged and whose primary language is not English.

- In addition to paid media, the State and its partner agencies will launch and sustain a targeted social media campaign aimed at these same geographies. Social media will be utilized in partnership with community-based leaders, faith-based leaders, and local elected officials to amplify the social media messaging through stakeholders who have direct ties to the impacted communities.
- The State will also contractually establish a dedicated, well-staffed and multilingual homeowner hotline which will be promoted in all paid and earned media communications. The hotline will also serve as a tool to connect homeowners to partner agencies if they need assistance with applying to the WI HAF.
- The State will work with service providers who will assist homeowners across the state to assess their current mortgage/housing situation and may assist eligible clients to apply to the Program. In addition, DEHCR, WISCAP, its member agencies, and the Office of the State Treasurer also will work with local stakeholders, such as elected officials, places of worship, taxing authorities, and community-based organizations that represent neighborhoods that are socially disadvantaged and assist households whose primary language is not English.
- All outreach materials and applications materials used will be available in multiple languages including English, Spanish, Somali and Hmong.

Community Engagement and Public Participation

- 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.
 - The State worked extensively with a variety of stakeholder, community-based organizations and advisory groups to formulate the HAF Plan, prior to receiving public input. Upon passage of ARPA, the State convened an advisory team consisting of members of WISCAP, The Wisconsin Housing and Economic Development Authority (WHEDA), The Wisconsin State Treasurer's Office, county treasurers, Take Root Wisconsin and the University of Wisconsin to discuss program components, eligible uses, data sharing, partnerships and outreach. This advisory team reviewed and approved each component of the Plan as well as provided expertise and advise, grounded in programmatic knowledge and experience.
 - Perspectives shared include mortgage servicing and mortgage assistance provided to households at or below the income levels under the HAF. In addition, the advisory team consisted of members of organizations with experience in administering mortgage and property tax assistance to homeowners in need throughout Wisconsin. The advisory panel consisted of recognized academic experts in the field of housing, affordable housing finance and policy, land use, and municipal finance. Panel members included representatives of organizations that provided community-based assistance to households facing a variety of needs including housing instability, utility and water arrearage as well housing counselling and legal assistance. Lastly, the panel consisted of state and municipal treasurers with in-depth, timely time knowledge of property tax arrearages and payment scheduling.

- During the multiple public hearings it conducted, the State received several questions on its Plan, which are attached. All questions were responded to and in some cases resulted in a modification to the Plan.
- Please describe any coordination you intend with Tribes or Tribal entities.
 - The State and its partner organizations will contact each Tribal Nation to market and create awareness of the HAF program. The State will require each CAP agency with a sovereign nation in its service area to work with each nation to ensure adequate coverage and to eliminate duplication of benefits. Each CAP agency will be encouraged to enter into an agreement with each entity in its service area identifying how tribal members will be served with HAF funds.
- 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.
 - See attachment.

Ongoing Assessment of Homeowner Need

No Questions

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.
 - Treasury’s guidance identifies the following uses of HAF funds:
 1. mortgage payment assistance;
 2. 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;
 3. mortgage principal reduction, including with respect to a second mortgage provided by a nonprofit or government entity;
 4. facilitating mortgage interest rate reductions;
 5. payment assistance for:
 - a. homeowner’s utilities, including electric, gas, home energy (including firewood and home heating oil), water, and wastewater;
 - b. homeowner’s internet service, including broadband internet access service, as defined in 47 CFR 8.1(b) (or any successor regulation);
 - c. homeowner’s insurance, flood insurance, and mortgage insurance;
 - d. homeowner’s association fees or liens, condominium association fees, or common charges, and similar costs payable under a unit occupancy agreement by a resident member/shareholder in a cooperative housing development; and
 - e. down payment assistance loans provided by nonprofit or government entities;
 6. payment assistance for delinquent property taxes to prevent homeowner tax foreclosures;
 7. measures to prevent homeowner displacement, such as home repairs to maintain the habitability of a home, including the reasonable addition of habitable space to alleviate overcrowding, or assistance to enable households to receive clear title to their properties;
 8. counseling or educational efforts by housing counseling agencies approved by HUD or a tribal government, or legal services, targeted to households eligible to be served with funding from the HAF related to foreclosure prevention or displacement, in an aggregate amount up to 5% of the funding from the HAF received by the HAF participant;

9. reimbursement of funds expended by a state, local government, or entity described in clause (3) or (4) of the definition above of “eligible entity” during the period beginning on January 21, 2020, and ending on the date that the first funds are disbursed by the HAF participant under the HAF, for a qualified expense (other than any qualified expense paid directly or indirectly by another federal funding source, or any qualified expenses described in clauses (6), (7), (8), or (10) of this definition); and
10. planning, community engagement, needs assessment, and administrative expenses related to the HAF participant’s disbursement of HAF funds for qualified expenses, in an aggregate amount not to exceed 15% of the funding from the HAF received by the HAF participant.

- After discussions with agency administrators, affiliated partner groups, community leaders, and members of the public, the State has included all the above itemized activities as eligible under the State’s Wisconsin Help for Homeowners program except for number 8.
- The State has excluded this use primarily as there currently exist other resources, both federal, state, and local that may be utilized for these costs. The State emphasized in its Plan the importance of focusing its HAF funds on costs that are more in line with the legislation (mortgage, tax and utility arrearages as well as ongoing assistance coupled with providing the maximum amount of counselling and legal assistance allowed under statute).
- 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)?
 - All completed on-line applications submitted through the State’s portal will be immediately assigned to Program Administrators within the service area of the applicant. Program Administrators will have a target period to review applications and determine both the eligibility as well as the criticality of need. Applications submitted in person will also be reviewed for criticality of need. Both processes will result in households being referred to HUD Certified Housing Counselors and legal counsel as needed.
- 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.
 - All completed on-line applications submitted through the State’s portal will be immediately assigned to Program Administrators within the service area of the applicant. Program Administrators will have a target period to review applications and determine both the eligibility as well as the criticality of need. Applications submitted in person will also be reviewed for criticality of need. Both processes will result in households being referred to HUD Certified Housing Counselors and legal counsel as needed.
 - Wisconsin’s HAF Plan allocates the maximum 5% to eligible housing counseling and legal services as prescribed under the authorizing language. The State will allow applicants to receive both housing counselling as well as legal services even if no further monetary assistance is needed to stabilize their housing situation.
 - the role housing counseling or legal services providers will play in supporting homeowners’ efforts at engaging in loss mitigation.
 - Housing counselors will review the loss mitigation options being offered by a loan servicer upon referral from the program administrator. The housing counsellor will help the household understand

the loss mitigation option(s) being offered and if they are appropriate and advantageous for the household to accept. Legal counsel referrals may also be used when a lis pendens or other foreclosure action has been initiated by a loan servicer. Legal counsel may also be used to clear title issues on behalf of households to prevent the household from losing their housing.

- Please explain what steps, if any, your program will take to assist the homeowner in the loss mitigation process and whether you will require the homeowner provide any documentation of their efforts. If you are requiring documentation, please explain how you will ensure that the documentation requirement is not a barrier to homeowners who need HAF assistance.
 - The State's HAF application will ask homeowners if they have either requested or received loss mitigation options from their loan servicer and either the status of the offer or outcome of the decision. As stated in the Plan, the State requires homeowners to request loss mitigation solutions from their loan servicer and to accept loss mitigation solutions offered if they make financial sense for the homeowner.
 - Documentation of the loss mitigation will also be a required step in the application process. If the homeowner is unable to provide the documentation, program administrators will work with and on behalf of the homeowner to obtain the information from the loan servicer. Housing counselors may also work directly with the loan servicer and homeowner to navigate the loss mitigation process and to help ensure the agreement is beneficial and realistic for the homeowner.
- Are you anticipating increased winter home energy costs and their potential impact on the homeowners that HAF will serve?
 - Yes.
- Your programs set \$40,000 as the maximum amount of assistance per homeowner. Please explain how you determined this amount will be sufficient to resolve housing-related delinquencies and whether the cap will be sufficient in areas with higher housing costs?
 - 2018 ACS data suggests that the median home mortgage payment in Wisconsin is \$1,418/month. Tax data provided by partner organizations suggests that the median property tax payment is \$3,007/yr in Wisconsin. The State is allowing eligible costs beginning January 1, 2020. If the State receives approval of its Plan to launch its program starting January 1, 2022, an eligible homeowner could apply for up to 24 months of assistance. Based on these median expenses, the total cost would be approximately \$40,000. However, the State expects most applicants would request a fraction of that total in eligible expenses.

Eligibility

- Please provide the rationale for establishing the following additional eligibility requirements specified in your plan, including how you determined these requirements will not create unnecessary barriers to participation by eligible homeowners:
 - Prioritizing applicants for the non-mortgage assistance program based on whether the entity to which they are seeking funding to cover arrears is willing to forgo penalty fees.
 - The full language from this section of the Plan is as follows:
 - Funding will be prioritized to the applicants whose taxing entity, lender, or Board of Directors, etc., agrees to waive penalties, fees or arrearages *that exceed the WI HAF Maximum Per Household Assistance*.
 - The State has proposed this language to enable it to fully offset outstanding issues faced by households that may otherwise find themselves unable to remain in their home, even with a maximum award.

- It can therefore be argued that without this prioritization, the State may encounter a situation where it would potentially have to deny the household assistance as their housing situation may not stabilize, even with a maximum award.
 - In this scenario, it would work to both the household's advantage as well as the debt-holding entity to waive *sufficient* fees to retain eligibility for the household.
 - The State will commit to not eliminating this household from eligibility; rather, it will seek to leverage this language to entice debt-holding entities to waive fees.
 - The State will further commit to utilizing housing counsellors to assist with the negotiation and make a recommendation as to the dispensation of the awarding decision.
- You state that you will accept fact-specific proxy, but it is unclear how self-attestation will be used to address income eligibility. Please clarify.
 - The State intends to follow the process of determining income eligibility according to the first approach identified in Treasury's HAF Guidance, dated August 2, 2021, updated November 12, 2021: "the household may provide a written attestation as to household income together with supporting documentation such as paystubs, W2s or other wage statements, IRS Form 1099s, tax filings, depository institution statements demonstrating regular income, or an attestation from an employer". As stated in paragraph 3 of the same guidance, the State "may provide waivers or exceptions to this documentation requirement as reasonably necessary to accommodate extenuating circumstances, such as disabilities, practical challenges related to the pandemic, or a lack of technological access by homeowners".

Outreach

- Please explain how the program will target outreach and provide access to homeowners with limited English proficiency.
 - The State will print all application and marketing materials in Spanish, English and Hmong and the State's HAF website will also feature language translation. The State's radio marketing will be channeled across both English and Spanish stations. Targeted marketing in communities and/or neighborhoods with limited English proficiency will be carried out by the State's program partners. As part of the State's agreement with program administrators, outreach at the local level to homeowners who may be considered socially disadvantaged is required.
 - The State's HAF partners are experienced in developing effective marketing campaigns to renters with limited English proficiency; these methods will be utilized to market the HAF program to homeowners.
- Please explain how the program will provide culturally relevant marketing.
 - Effective marketing to reach Wisconsin's culturally and geographically diverse populations is key to the success of the Wisconsin Help for Homeowners Program. Program administrators will seek to reach struggling homeowners both through paid and earned media strategies.
 - The program will partner with trusted social service providers through the Wisconsin Community Action Program (WISCAP) network, which is connected to 16 local community action agencies across the state. Community Action Agencies have a diverse staff that reflects the communities they operate in. Bilingual/bi-cultural employees may serve homeowners that speak Spanish and Hmong. Materials will be available in Spanish, Hmong, and other languages as needed. Multilingual capacity will be available through the Language Line services.

- Where appropriate, the program will work with the WI United Coalition of Mutual Assistance Associations (WUCMAA) agencies for outreach to Southeast Asian communities in different regions of the state.
- Online forms should be formatted to be read and completed either by computer or mobile device to account for limited access to devices and broadband access in some areas.
- Targeted social media campaigns for socially disadvantaged communities should be considered. Additionally, earned media opportunities on Black, Latino, and Hmong community radio stations will be pursued after the program receives Treasury approval.

Prioritization

No Questions

Performance Goals

- Please revise your goals to reflect the program design changes you have made to separate elements of your program
 - The State developed its HAF programs strategically to enable partner agencies to effectively market two, easy to understand paths to entry for potential households seeking assistance under the Wisconsin Help for Homeowners program.
 - The State is poised to announce a partnership with a national software provider that will operate a portal for homeowners to apply to the program. All on-line as well as in-person applications will run through the portal.
 - The portal will have both a dashboard feature as well as reporting capabilities to enable the State to produce a variety of reports so citizens and funding partners may understand spend rate, geographical awards, socioeconomic and socially disadvantaged awardees and types of expenses offset.
 - In conformance with Treasury's recommendations, the State is proposing a third metric for both the Mortgage Reinstatement/Principal Reduction Program and Non-Mortgage Arrears Satisfaction Program:
 - Percentage of households assisted receiving housing counselling.
- Please explain how you intend to communicate your progress towards performance to the public.
 - The State of Wisconsin will provide a web-based, public facing dashboard, identifying funds spent, households assisted and progress towards goals established in the HAF Plan.
- Please indicate which three metrics will serve as the best indicators of the success of your program.
 - For both the Mortgage Reinstatement/Principal Reduction Program and Non-Mortgage Arrears Satisfaction Program, the State included the following ranked metrics:
 1. Number of homeowners retained in their home
 2. Number of tax delinquencies eliminated

And has added:

 3. Percentage of households assisted receiving housing counselling.

- The State will collect data on program participants disaggregated by both racial and ethnic demographics but also by socio-economic factors and geographical areas served. This data will be analyzed on an on-going basis by DEHCR as well as the University of Wisconsin's Institute for Research on Poverty to study the effectiveness of program design and assistance provided.
- Please indicate whether you intend to disaggregate metrics by income, race, gender, etc.
 - The State will collect data on program participants disaggregated by both racial and ethnic demographics but also by socio-economic factors and geographical areas served.
- 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.
 - The State of Wisconsin is not proposing additional metrics, other than what was proposed above at this time.

Readiness

- Please provide the most recent available information about your program's readiness, including staffing, contractors, etc.
 - The State is preparing final contracts for signature with its program administrators and expect agreements to be fully executed in early January 2022. Program administrators either currently employ HUD-certified counselors or will execute a contractual agreement to ensure their readiness for a late January 2022 launch date. The State is also working with its program administrators to engage and contract for statewide legal services for program participants who may require legal services. The State is entering into an agreement with a third-party software provider to support the WHH HAF program portal. The portal is expected to be ready for launch in mid-January 2022.
- Is your program prepared to launch upon approval and, if not, by what date will you be ready to launch following approval?
 - Yes, depending on how soon Treasury approves the State's Plan after the submittal of this additional information, the State is prepared to launch its program within 30 days of approval.
- 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.
 - Not applicable.

Budget

- No questions.