

**HAFP-0187- State of Mississippi
Treasury Feedback for Resubmission of Plan**

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

Completeness

- Your plan lists Lisa Coleman as the Authorized Official ("Certifying Official"), while the original application for HAF payments was signed by Elizabeth Welch. 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.

Response: [A request has been submitted.](#)

Homeowner Needs and Community Engagement

Data

- Your HAF plan indicates that no data has been collected and reviewed regarding demographic groups that have historically experienced housing discrimination. Please explain how the program expects to serve populations that have experienced housing discrimination without more specific underlying data. If your HAF plan response was a typo, please provide information on the quantitative data and studies on housing discrimination that Mississippi has reviewed in advance of its HAF plan.

Response: See updated data in MHC's revised HAF Plan (the "Revised Plan"). Also, MHC's 2019 Analysis of Impediments to Fair Housing (attached hereto and data included in the Revised Plan) was relied upon as a basis for development of the Plan and has been incorporated into the Revised Plan. The conclusions of the 2019 Analysis included recommended actions and measurable objectives that MHC and other responsible agencies such as MDA could take to address these impediments. The review of these recommended actions and measurable objectives by MHC informed MHC's expectations of serving population populations that have experienced housing discrimination.

Community Engagement and Public Participation

- Your plan does not note any public input and community engagement in the plan development process. Please explain how community engagement informed your plan's programmatic and outreach design.

Response: Mississippi Home Corporation has engaged in meetings and conference calls with housing counseling agencies, legal service providers and servicers to receive feedback on the plan and the applicants to be served. We have reached out to neighboring state agencies (Alabama and Louisiana) with affordable housing programs and have requested delinquency and forbearance information from their master servicers. These discussions informed MHC's decisions on the best ways to utilize the housing counselors to assist applicants, particularly since Mississippi is a largely rural

and low-income state. Further, MHC's engagement in its Hardest Hit Fund Home Saver Program ("HHF Program") informed its decisions on plan development and the ways to quickly provide assistance to homeowners in need. In addition, MHC staff have participated regularly in calls with the Housing Policy Council, which includes many of the largest servicers in the country, to discuss the best way to assist homeowners as efficiently as possible, as well as ways to implement consistent programs across the country.

Mississippi feedback from these groups included the following suggestions, which were incorporated into the Plan:

- Allow assistance for 2nd liens for reinstatement and monthly payments.
 - Allow the qualification of owned mobile homes for applicants who do not own the land.
 - Accept private sector lenders.
 - Keep Program options and documentation simple to avoid onerous documentation requirements.
 - Ensure that language used will allow ineligible individuals to determine they do not qualify.
 - Utilize the Common Data File
-
- Please describe any coordination you intend with Tribes or Tribal entities.

Response: MHC has contacted the Mississippi Band of Choctaw Indians (the "Tribe"), which is a grantee recipient of the HAF program. MHC is coordinating with the Tribe for those homeowners whose reinstatement amount exceeds \$3000 of the Tribe's program guidelines.

Program Design

- Please confirm that your program will not be assisting homeowners with delinquent property taxes and other property charges (i.e., HOA liens, utility fees, insurance fees, and/or internet service) and explain what steps you have taken to assess the needs of homeowners who may be delinquent on these charges. Please summarize any community feedback or data on which you have based this decision.

Response: MHC has opted to have a separate program to pay delinquent property taxes (but not other charges unless these items are escrowed). Where these items are escrowed, MHC will include these charges in the mortgage payments made. MHC based this decision on its decade-long experience in handling the HHF Program and the most efficient way to provide assistance to the maximum number of homeowners. Further, because the percentage of mortgages that are 90 or more days delinquent in Mississippi is higher than the national average (based on the National Mortgage Database data included in MHC's plan), MHC made the decision to focus its resources on delinquent mortgages. MHC has provided a resource sheet to the HAF application site for available utility assistance in the state.

- 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.

Response: The role of housing counseling agencies under the HAF program focus to intake, application processing and triage, although foreclosure prevention counseling may include a range of activities depending on the client's financial situation and the severity of the mortgage delinquency. Housing counseling agencies may choose to have certain staff members dedicated to intake with more experienced staff members completing applications and facilitating communication with the Servicer. Trained counselors will work with each homeowner to complete an individualized application to address the homeowner's particular needs, and the counselor will complete an action plan assessing mortgage sustainability, loss mitigation options, and other counseling services needed.

- How will your program leverage resource 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?

Response: MHC will not solicit matching funds for HAF due to the short time frame required to submit the HAF application. Efforts to avoid duplication of HAF Funds will include communication with the loan servicers and lenders.

- 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?

Response: As mentioned previously, housing counselors will provide intake to determine applicant vulnerability for sustainability. The housing counselors will work with applicants and provide their existing knowledge of available relief to understand what loss mitigation options may be available to homeowners. MHC has provided a welcome letter in the HAF application that includes "Know Your Options" as it relates to receiving HAF funds and loss mitigation options.

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

Response: No.

- Please explain how the program expects to serve targeted populations without more specific underlying data, including the prioritization process for the SDI population?

Response: MHC has ten years of experience in serving unemployed or underemployed homeowners in the HHF Program, as well as vast experience in serving low-income individuals in various other programs such as the Emergency Rental Assistance and Emergency Solutions Grant Program and assisting homeowners with down payment assistance. MHC will also work with community partners to ensure there are grassroots efforts to engage the SDI population. MHC's application portal will identify SDI applicants at application intake.

Eligibility

- Please provide the rationale for establishing the requirement that homeowners receiving MPA assistance have debt-to-income (DTI) ratios *greater than 40%* and homeowners receiving reinstatement-only assistance have DTI ratios *less than 40%*.

Response: The Debt to Income (“DTI”) calculation is used to determine whether the homeowner can sustain the monthly mortgage payment at their current income. For homeowners that receive mortgage payment assistance, the DTI must be greater than 40% (which is determined as unsustainable), in order for the homeowner eligible for monthly payments. Monthly payments will be made on behalf of the homeowner for up to 18 months. The Program’s goal is that at the end of the period of monthly assistance, the homeowner will have regained employment or replaced the income that was lost during the pandemic.

For homeowners receiving reinstatement assistance, the DTI must be less than 40%. Homeowners under the 40% DTI threshold are deemed sustainable. The reinstatement payment, along with three additional monthly payments, are made on behalf of the homeowner to bring them current on their mortgage. The intention of the reinstatement payment plus three monthly payments is that thereafter the homeowner will be able to afford and sustain his or her mortgage payments.

Performance Goals

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

Response: MHC will post the program quarterly performance to MHC’s website.

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

Response: MHC will measure performance by evaluating the following:

- The number of households served and the dollar amount by which the assistance reduced mortgage loan delinquency, assisted homeowners to exit forbearance plans, and fully reinstated previously delinquent mortgage loans.
- The number and percentage of applicants that receive assistance through the Program (versus the number and percentage denied assistance).
- The number of households who are no longer in HAF Program and reach an alternative outcome or program completion/transition.

- Please indicate whether you intend to disaggregate metrics by income, race, gender, etc.

Response: MHC will aggregate metrics by race, gender and county.

- 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.

Response: Yes, MHC will provide the number of homeowners whose default or delinquencies were resolved with non-monetary HAF funds. We were able to provide this data for the HAF Interim Report.

Readiness

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

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

Response: 60 days after 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.

Response: MHC's HAF pilot program opened for applications on September 13, 2021. MHC received 10% of its allocated funding in the amount of \$7,228,167.50 and, to date, 43% of funds has been spent. During the period of 9-12-2021 to 1-31-2022 there were 3,360 homeowners registered for mortgage assistance in the application portal. Application status of those applications are as follows:

- 1210 Application Processing
- 1052 Withdrawn
- 342 Declined
- 270 Underwriter Review
- 248 Approved (Pending Servicer Validation)
- 240 Grant Funded