

**THE STATE OF NEW HAMPSHIRE’S RESPONSE TO
HAFP-0190-New Hampshire
Treasury Feedback for Resubmission of Plan
December 6, 2021**

Definitions

“State of NH” refers to the State of New Hampshire, the Governor’s Office for Emergency Relief and Recovery (GOFERR), and New Hampshire Housing Finance Authority with whom the State of New Hampshire has contracted to run the Homeowner Assistance Fund Program.

“NH Housing” refers to New Hampshire Housing Finance Authority.

“HAF Plan” refers to the State of New Hampshire’s Homeowner Assistance Fund Plan.

“HAF Program” refers to the State of New Hampshire’s Homeowner Assistance Fund Program.

“SDI” refers to Treasury’s definition of socially disadvantaged individuals; those with limited English proficiency; those whose ability to purchase or own a home has been impaired due to diminished access to credit on reasonable terms as compared to others in comparable economic circumstances, based on disparities in homeownership rates that stem from racial or ethnic prejudice or cultural bias within American society; residents of a majority-minority Census tract; or individuals living in a persistent-poverty county.

U.S. Treasury Feedback/Questions and the State’s Responses

Completeness

1. **Your plan lists Chase Hagaman as the Authorized Official, while the original application for HAF payments was signed by Monica Mezzapelle. 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.**

- The Authorized Official will remain Monica Mezzapelle for submission of the State’s HAF Plan.

Homeowner Needs and Community Engagement

Data

2. **Please explain how the plan targeting and outreach reflect the data referenced in your plan.**
- As part of the revised HAF Plan upload, the State of NH will provide a full copy of the

Plan, which reflects the data collected to inform the same.

- Before drafting the HAF Plan, relevant data was gathered & public engagement pursued.
- This data, public comment received, and Treasury guidance were all examined carefully, and the State of NH made policy decisions that best serve NH Homeowners in need of assistance. While data was considered, this is also a policy document consistent with Treasury guidance.
- Paragraphs 3 & 4 of the HAF Plan Executive Summary state:

“NH Housing has worked diligently to identify programs that will be the most beneficial and offer the quickest solutions to ensure homeowners are not displaced. NH Housing has collected and reviewed data as it relates to the unemployment rate for the state and the default of mortgages, property taxes, and utilities. NH Housing has also received input on the program’s design from key stakeholders throughout New Hampshire.

As a result, NH Housing has developed three initial programs to assist in curing mortgage, property charge, and utility/internet defaults and has also dedicated funding to housing counselors and legal services. NH Housing will be reassessing the need for additional programs, or changes in current programs, three to six months from the launch. At that time, NH Housing will determine whether any changes need to be made to eligibility requirements, the document submission process, program maximums, or if there is a need to establish additional programs. NH Housing is committed to helping resolve defaults that threaten a homeowner’s ability to sustain property ownership.”

Community Engagement and Public Participation

3. 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.

- **Stakeholder Input:**

- State of NH sees stakeholders as a key component of the HAF Plan. Stakeholder input informed the HAF plan through establishing relationships, receiving stakeholder advice and input, and by securing buy-in to get the word out about the HAF Program.

Because of this perspective, NH Housing held six stakeholder meetings that included a total of 42 participants. These meetings included mortgage banking and real estate professionals; insurance and community association representatives; housing counselors and legal services providers that focus on socially disadvantaged populations; community organizations and non-profit groups that focus on socially disadvantaged populations; utility providers; and representatives of state and municipal governments. These meetings were available for attendance in person, virtually, and by phone.

- The State of NH through NH Housing staff continue to interact frequently with

these stakeholders to gather input on the HAF Plan and HAF Program launch. Additionally, the State of NH through NH Housing staff continue to attend numerous national calls with other HAF state providers and with national servicers to assure best practices are considered.

- **Public Comment:**

- In accordance with the law and Treasury's HAF Guidance, the State of NH developed a draft HAF Plan for submission to Treasury, made the draft HAF Plan available for public comment, held a public hearing on September 8, 2021, and accepted public comments up until September 13, 2021, via email.
- This public hearing was attended by 41 individuals representing 25 organizations and 8 of the 10 counties in New Hampshire. Of the organizations present, 44 percent primarily serve LMI households and 60 percent directly address the impacts of housing discrimination.
- Legal services reports based on their interactions with homeowners and data collected from the State's consultant Guidehouse indicate there is a substantial need for property tax assistance.
- Data summarizing New Hampshire homeowners' needs provided to housing counseling services during the 9 months prior to HAF Plan development showed the average reinstatement amount would likely fall between \$18,000 and \$20,000.
- NH Housing reached out to utility providers and municipalities to secure their cooperation for public outreach and coordination of requests/payment processing.
- The State of NH, consistent with Treasury guidance, is fully committed to utilizing housing counseling, legal services, stakeholder engagement, and other community navigators and includes them as a core part of its HAF Plan.

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

- New Hampshire has no federal or state-recognized tribes; however, outreach will be made to Native American organizations with geographical/cultural interests in New Hampshire (contact information provided on the New Hampshire Division of Historical Resources: [NH Tribal Organizations](#)).

5. 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 State of NH has made the HAF Plan available online for public comment. (See: <https://www.nhhfa.org/public-hearing-draft-homeowner-assistance-fund-plan/>.)
- The public comment period was from Tuesday, August 31 until Monday, September 13, 2021.
- The following responses were received and responded to during the public comment period:
 - Insurance Agency - HAF Plan should include homeowner's insurance, flood insurance, and mortgage insurance.

- New Hampshire Community Loan Fund - Ensure residents of manufactured homes, both on their own land and in parks, have access to HAF programs.
- New Hampshire Credit Unions and the Cooperative Credit Union Association, Inc. - Support for the HAF Plan as proposed including support for:
 - Homeowners will be required to show that they suffered a financial hardship due to the coronavirus pandemic;
 - Flexibility within the use of HAF funds’
 - Incorporating counseling as a financial education tool for homeowners; receiving HAF funds;
 - Continuing review and evaluation; and
 - Outreach and marketing approach, including the development and availability of materials in multiple languages
- Legal Services
 - Concern about the \$20,000 household program cap being too small.
 - Include in the HAF Plan that HAF Funds can be used to pay for unpaid principal, deferred interest, escrow shortages, and/or attorneys’ fees or other fees imposed by the servicers.
 - Include in the HAF Plan that HAF Funds can be used to pay for current water and sewer bills, as well as to cure accruing interest and attorneys’ fees in connection with the delinquent taxes, water or sewer bills, and HOA or condo fees.
 - Consider adding a program that would allow for assistance with deferred home maintenance.

Ongoing Assessment of Homeowner Need

6. No questions.

Program Design

7. **Please explain how the sources of data listed in the section on Homeowner Needs informed the Program Design Elements included in your plan.**

- Please see answers to Questions #2 and #3 above.

8. **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)?**

- Homeowners will have access, upon initial application, to housing counseling. If the imminent threat of foreclosure, sheriff’s sale, tax deed, or shut-off notice exists, homeowners will also receive referral to legal services.
- Due to our experience with the National Mortgage Settlement following the Great Recession, the State of NH already has a well-established relationship between housing counseling and legal services providers. (See: www.HomeHelpNH.org.)

Through NH 211 and through the existing HomeHelpNH website, referrals are already being provided to housing counseling and legal services providers across the state.

- As part of the HAF Launch, the State of NH intends to do outreach to municipalities, utilities, the NH Bar Association, the court system, and to HOAs.

9. 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:

a. Whether your program will connect homeowners with housing counseling or legal services early in the process.

- The State of NH, consistent with Treasury guidance, is fully committed to providing housing counseling and no-cost legal services.
- The State of NH has awarded grants for housing counseling (approximately \$255,000 per program year) and legal services (approximately \$290,000 per program year).
- Pre-launch, the State of NH is utilizing the NH 211 provider to provide direct referral to housing counseling and if foreclosure, sheriff's sale, or tax deed, is imminent will also provide direct referral to legal services.
- Post-launch, homeowners will have access, upon initial application, to housing counseling. If foreclosure, sheriff's sale, tax deed, or shut-off notice exists, homeowners will also receive referral to legal services.

b. The role housing counseling or legal services providers will play in supporting homeowners' efforts at engaging in loss mitigation.

- HUD-certified housing counseling will be offered to HAF applicants to help assess budget, affordability, and sustainability. Housing counselors will provide direct assistance with loss mitigation efforts and assistance with the HAF application, if needed.
- Such systems are already in place in the State. A well-established relationship between housing counseling and legal services in New Hampshire (HomeHelpNH program, launched in 2009) already exists, and housing counselors provide direct referral to legal services as needed.

10. 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?

- The HAF Plan requires loss mitigation first and will supplement those efforts with HAF funds.

The Mortgage Reinstatement Program states:

“HAF Funds will be used only to supplement other loss mitigation options offered by the servicer under investor requirements or where, without HAF funds, the

homeowner would not qualify for a loss mitigation option. NH Housing will undertake a best effort approach to leverage the assistance that might be available for eligible homeowners through other programs.”

- **Note:** Servicers will need to agree to any approach that involves HAF in conjunction with a loss mitigation waterfall.
- HUD-certified housing counseling will be offered to HAF applicants to help assess budget, affordability, and sustainability. Housing counselors will provide direct assistance with loss mitigation efforts and assistance with HAF application, if needed.

11. 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.

- The State of NH has contracted with housing counseling that will assess budget, affordability, and sustainability. Although the State of NH will provide HAF assistance even if full delinquency cannot be cured, housing counseling will be utilized to determine other resources and assistance to move toward full reinstatement and sustainability.
- Applicants will be specifically asked if they can afford monthly mortgage payments moving forward.
- Based on servicer conversations, the State of NH understands that servicers will be looking at achieving long-term sustainability with their loss mitigation process.
- While long-term success is a laudable goal, the reality is that not all homeowners will be successful at staying in their homes. Given New Hampshire’s extremely high rental prices and low rental vacancy rate, HAF funds may be used to keep homeowners in their homes and provide additional time so they can transition to other housing options (rental) with dignity.
- The State of NH recognizes that sometimes there may not be enough HAF funds available to a homeowner to cure some of the longer-term challenges homeowners are presenting. In these cases, with housing counselor input, the State of NH plans to use HAF funds wisely to maximize the assistance to the homeowner’s advantage.
- Based on experience with administering New Hampshire’s response to the mortgage foreclosure crisis during and following the Great Recession, with funding from the 2012 National Mortgage Settlement, NH Housing recognizes that not all homeowners will be able to afford their homes long-term. The State of NH will work with housing counseling and legal services to assist with graceful transitions, when necessary.

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

- The State of NH understands that home energy costs will be significantly higher this winter and will work with homeowners to see if there are other resources available and when necessary, supplement those programs with HAF funds.
- The State of NH’s Utility/Internet/Payment Assistance Program provides assistance for past due utilities, including heat and electricity. State of NH understands the high

costs of home heating resources in the cold climate here in New Hampshire.

13. Your programs set \$20,000 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.

- The decision about the maximum amount was based on two key factors: data and policy.
 - i. Data: Two key data points were considered: 1) NH Housing’s portfolio (partial FHA claims averaging \$15,000 to \$18,000); and 2) information from counseling agencies (between \$18,000 and \$20,000 needed to cure).
 - ii. Policy: In setting the \$20,000 maximum, the State of NH considered several factors, including:
 1. Significant uncertainty about the course and length of the COVID-19 pandemic and wanting funds available as truly needed;
 2. A goal of serving as many homeowners as possible; meaning, a lower maximum will allow more people to be served; and
 3. Uncertainty about the actual need in New Hampshire given that other actions, e.g., forbearance options and foreclosure moratoriums, could be masking the real need.

After deducting for administration, housing counseling, and legal services, the State of NH has approximately \$40-43 million available for HAF payments. While this is a significant amount, the State of NH decided from a policy perspective to set a reasonable number that could be adjusted if actual need demonstrated that the maximum amount of assistance per homeowner needed to be altered.

The State of NH will have the data that will show what the actual dollar need is and can , if needed, amend the HAF Plan to adjust the maximum.

- While research, data, public comment, and Treasury guidance were all examined carefully, the State of NH made policy decisions that best serve New Hampshire homeowners. While data was considered, this is also a policy document consistent with Treasury guidance.

Eligibility

14. 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.

i. Term sheets restrict qualified financial hardship to reduction of income or increased living expenses that occurred after January 21, 2020, while the guidance allows for hardships that started before that date but continued after that date.

- Based on Treasury guidance, the State of NH recognizes that financial hardship must have occurred after January 21, 2020; however, once such hardship has been established, the HAF plan will allow for eligible expenses to be paid that were incurred prior to the 1/21/2020 date (for example, past due property taxes).
- Term sheets indicate a maximum of 125 percent area median income or 100 percent U.S. median income (whichever is greater), while the guidance allows for up to 150 percent area median income or 100 percent U.S. median income (whichever is greater).
- In setting the 125 percent AMI standard State of NH seeks to find a balance between Treasury guidance (150 percent AMI maximum, but 60 percent targeted at \leq 100 percent AMI) and an income standard that directs limited resources to the most vulnerable homeowners. The State of NH intends to collect income data from all applicants. Once the program is launched, there will be a regular review to see how the State of NH is performing in terms of the actual need (as shown by applications) and the required Treasury income targets. If this review shows that a change is needed, the State of NH will amend HAF Plan.

15. Please explain how the program will target outreach and provide access to homeowners with limited English proficiency.

- The State of NH is committed to and NH Housing has already engaged with community navigators, local non-profits; community organizations; and churches that serve SDI populations.
- All program collateral and paid media will be presented in English and Spanish. Some program collateral will be presented in French, Arabic, Indonesian, Kinyarwanda, Nepali, Portuguese, Swahili, Vietnamese, Dari, and Pashto.
- All online HAF Program applications will allow for Google translation.
- NH Housing, using its own non-HAF resources, has contracted with a non-profit that works in areas identified as including SDI homeowners. The non-profit will provide on-the-ground outreach and communication.
- NH Housing on behalf of the State of New Hampshire is administering the Emergency Rental Assistance Program (ERAP). As a result, NH Housing has gained experience on how to conduct outreach to SDI populations. The State of NH will capitalize on coordinated ERAP and HAF communication, outreach, and marketing efforts.

16. Please explain how the program will provide culturally relevant marketing.

- The State of NH has hired a marketing firm to identify and provide collateral with language flexibility; visually depicting diverse groups of homeowners; welcoming to all and inclusive of all SDI populations; and auditory marketing with culturally

diverse music/sounds.

- Please see answer to Question #14 for additional detail.

Prioritization

17. 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.

- Through the application process, the State of NH will gather information on those homeowners who self-identify as SDI.
- The State of NH will continually review SDI application data to determine if the State of NH is meeting Treasury SDI prioritization goals
 - Treasury guidance states:

“Not less than 60 percent of amounts made available to each HAF participant must be used for qualified expenses that assist homeowners having incomes equal to or less than 100 percent of the area median income or equal to or less than 100 percent of the median income for the United States, whichever is greater. Any amount not made available to homeowners that meet this income-targeting requirement must be prioritized for assistance to socially disadvantaged individuals, with funds remaining after such prioritization being made available for other eligible homeowners.”

- If falling short, the State of NH will change administrative procedures and/or outreach efforts to improve results.
- Please see answers to Questions #14 and #15 for additional detail.

Performance Goals

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

- The program’s technology / administrative vendor will provide a statistical reporting dashboard that will be posted on the NH Housing and GOFERR websites. Social media visual uploads with statistical reporting will also be provided.

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

- Number of homeowners served and amount of financial HAF Program assistance provided.
- The speed by which an applicant receives a final determination of benefit assistance, from initial inquiry to disbursement of funds, denial, or withdrawal of application. The State of NH will assure the time from full application submission to disbursement, denial, or withdrawal is no longer than 45 days.

- The number and percentage of applicants who received assistance through the program (versus the number and percentage of denied and/or withdrawn applications).
- Effectiveness in broad outreach and providing assistance to SDI communities and homeowners. This will be judged on demographic data of homeowners in SDI communities as compared to HAF homeowners served.
 - The State of NH will compare New Hampshire’s SDI data, determine the percentage of SDI homeowners in New Hampshire and compare those numbers with HAF homeowners served.
- As presented below in Question #21, housing counseling and legal services are an essential part of the State of NH approach to the HAF Program and therefore an additional measure of success will be how many homeowners were assisted or represented by either obtaining favorable results or helpful advice in a time of great emotional, familial, and financial stress.

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

- Yes, this will be done for all metrics with the exception of “The speed by which an applicant receives a final determination of benefit assistance, from initial inquiry to disbursement of funds, denial, or withdrawal of application.” This metric will be looked at only as applicable to the entire applicant pool.

21. 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 NH, consistent with Treasury guidance, is fully committed to housing counseling and legal services. This includes working with the HAF Program and helping homeowners who can secure a resolution outside of the HAF Program or HAF resources.
- The State of NH will track the number of households assisted by housing counseling and/or legal services that were able to resolve delinquency without HAF Funds or resources.
- NH Housing ran a similar program during the Great Recession and, therefore, both legal services and housing counseling know how to collect and provide this data, which includes testimonials and satisfaction surveys.
- The State of NH will hold joint meetings with housing counseling and legal services to share collaboration ideas, best practices, data, and information. These meetings will also ensure SDI communities are being reached.

Readiness

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

- The State of NH has contracted with NH Housing to administer the HAF Program.
- NH Housing has put in place the staffing to administer the HAF Program.

- The State of NH has:
 - Contracted with Legal Services and Housing Counseling – they are hiring/preparing staff and getting ready for launch.
 - Contracted with a Technology / Administrative vendor that has experience helping with the Hardest Hit Fund program, the ERAP program, and are currently working with three other states on the HAF Program. They will provide:
 - A micro-site that will launch within the next two weeks.
 - Although this site does not provide for full application, it will allow the State of NH to gather general applicant data. This data will allow for better assessment of homeowner needs, effective outreach and marketing strategies, and preparations necessary for full HAF Program roll-out.
 - This micro-site and the following listed portals will all integrate with the newly re-launched HomeHelpNH.org website, which provides both Homeowner Assistance Fund and Emergency Rental Assistance Program resources and access.
 - An application portal that will launch within three weeks of Plan approval
 - A case management portal that will launch, and first payment will be made on behalf of homeowners, within four weeks of application portal launch
 - The State of NH is ready to launch communications and its outreach and marketing plan as soon as the HAF Plan is approved.

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

- The actual launch date depends on approval of the HAF Plan.
- The State of NH is working toward full launch of the HAF program by the end of 2021; however, until the State of NH has Treasury’s approval, it cannot put in place the final Application Portal, Case Management Portal, and approval process for payments.

24. 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. Your plan notes that \$0 of the initial payment was obligated but also notes that some initial funds were used for staffing, consultants, and communications/outreach/marketing. Please share more details on how the initial funds have been obligated and expended.

- The State of NH has allocated **\$1,563,558** in funds as of November 20, 2021, broken down as follows:
 - Consultant: \$32,375
 - Communications Outreach & Marketing: \$25,382
 - Salary/Benefits: \$33,961
 - Housing counseling: \$255,000
 - Legal services: \$285,390

- Technology/Administrative vendor: \$931,450

Budget

25. **No questions.**