

HAFP-0294-Iowa Treasury Feedback for Resubmission of Plan

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

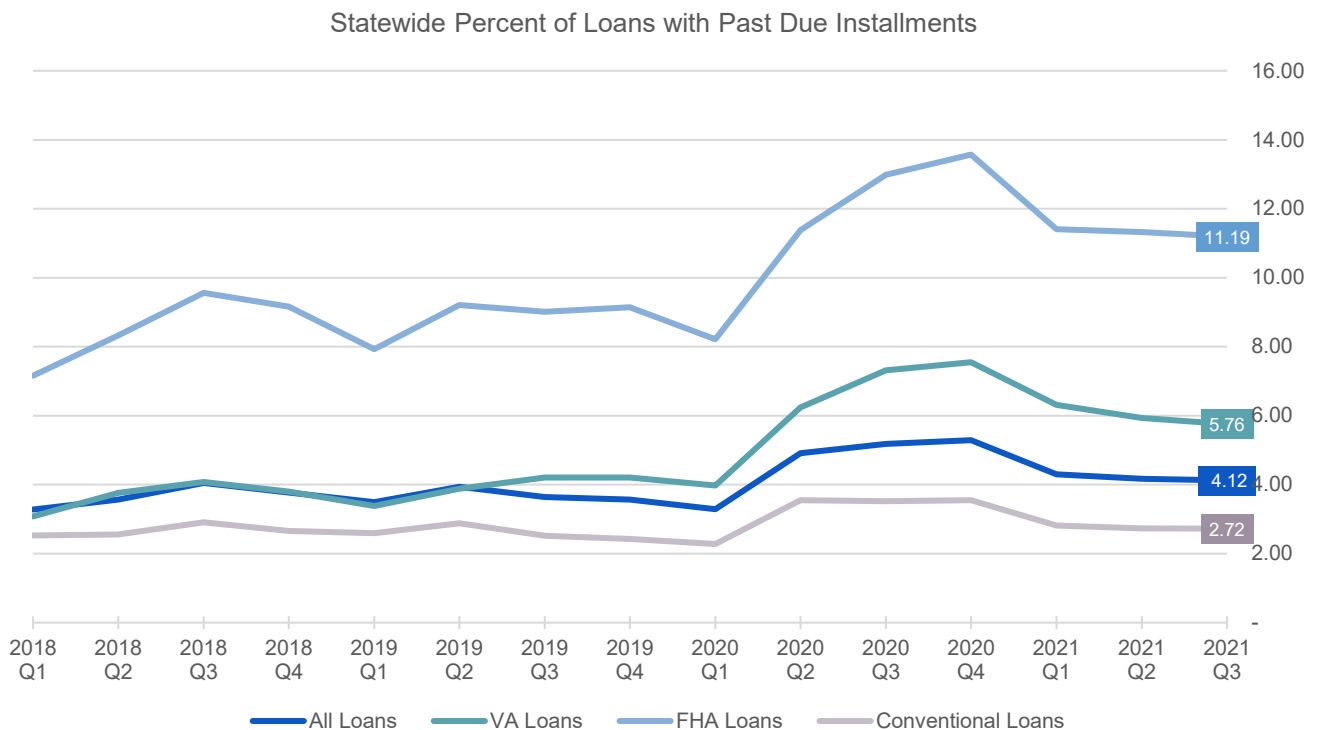
Completeness

- No questions

Homeowner Needs and Community Engagement

Data

- Please explain how the program expects to serve targeted populations without more specific underlying data.
 - IFA has obtained HMDA information regarding loans originated between 2007 and 2020 to households earning $\leq 100\%$ AMI, the main targeted population identified by HAF Treasury Guidance. These households make-up 46% (555,935) of all loans originated (1,207,138) in the referenced timeframe. Of that population, 65% (361,998) of those households live in Iowa Regions 1 and 6, which are also the Regions with the highest levels of homeownership by SDI populations. This data will be used to help inform targeted populations of the availability of the program through outreach and marketing.
- Please explain how the plan targeting and outreach reflect the data referenced in your plan.
 - In Iowa, government mortgages represent a larger share of the total delinquencies than other loan types, according to data from the Mortgage Bankers Association. IFA will prioritize assistance to homeowners with Federal Housing Administration (FHA), Veteran's Administration (VA), and United States Department of Agriculture (USDA) mortgages and homeowners who have mortgages made with proceeds of mortgage revenue bonds will be prioritized for assistance.
 - Many of these loans will be in our own portfolio as an HFA that issues mortgage revenue bonds. IFA will prioritize assistance to eligible homeowners with FHA, VA, and USDA mortgages and homeowners who have mortgages made with the proceeds of mortgage revenue bonds or other mortgage programs that target low- and moderate-income homeowners.



Community Engagement and Public Participation

- Your plan indicates that only one organization involved in your public input process primarily serve low- or moderate-income populations, and none address housing discrimination. Please explain how the program is confident in its ability to reach targeted populations without engaging such organizations in planning and implementation.
 - IFA presented a draft of the plan for public review and comment as well as hosting two (2) public hearings to allow citizens and stakeholders the opportunity to share their views and suggestions. IFA also maintains close working relationships with the HUD Certified Housing Counseling Agencies across the state. We intend to utilize their knowledge as counselors and advocates for the households we are looking to assist in the planning and implementation of the IFA HAF program.
- Your plan notes public input in the plan development process. Please explain how community engagement informed your plan's programmatic and outreach design.
 - IFA held two public hearings and had a longer public comment period on the proposed plan.
- Please describe any coordination you intend with Tribes or Tribal entities.
 - Our understanding was that Treasury was setting aside additional funding specifically for Tribal areas. Iowa's only federally recognized Indian tribe, the Sac & Fox Tribe of the Mississippi in Iowa, is known as the Meskwaki Nation. They are currently surveying members of their community to gauge the need for HAF assistance.
 - IFA has engaged in conversations with the Sac & Fox Tribe of the Mississippi in Iowa to establish a means to coordinate HAF assistance. One potential way to do this is developing a shared database of HAF participants receiving assistance that will be updated daily or weekly. Applicant information could be cross referenced on several identifying factors such as name of head of household, household address, and timeframe for which assistance was provided.
- 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.
 - IFA has not received any public comments since we submitted our HAF plan to Treasury on December 1, 2021.

Ongoing Assessment of Homeowner Need

- Please explain how the program will address changes in homeowner needs in the coming years.
 - As noted in our Plan, IFA will reassess the need for additional programs or changes in current programs within three months from the launch. At that time, a determination will be made as to whether any program changes are necessary, or if new programs need to be established to serve the goals of HAF.
 - On an ongoing basis, IFA will conduct periodic reviews of the program, not less than quarterly, reviewing a random sampling of applications (not less than 10%) to evaluate performance, and to ensure that the required elements of the program are being met.
 - Furthermore, IFA will review its outreach and marketing efforts periodically, in conjunction with its Performance Goals, to ensure that outreach and marketing efforts are effectively reaching target homeowners. Adjustments to the outreach and marketing plan will be made accordingly.

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.
 - The primary data sources that informed our program design were the American Community Survey (ACS), Mortgage Bankers Association (MBA), the Federal Reserve Bank of Atlanta (Black Knight), and Iowa Workforce Development's Local Area Unemployment Statistics.

- The main takeaway from the data sources indicated that while the overall picture of mortgage and property charge delinquency is relatively low in Iowa (less than 6% of all loans at the pandemic's peak), certain loan types and borrower populations experienced an outsized impact (government loans, as evidenced by data from MBA, and socially disadvantaged individuals, as evidenced by the data from the Federal Reserve Bank of Atlanta).
 - In addition, we incorporated comments from the public asking that we include assistance for those residing in manufactured housing, particularly on rented land.
- 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)?
 - This will be addressed in the initial application process. The initial eligibility questions will be designed to identify applicants that require expedited assistance, based on their responses. This will allow the case review team to assist and/or refer the household to the proper services in a timely manner.
- Please confirm your exclusion of reverse mortgages and explain what steps you have taken to assess the needs of homeowners with reverse mortgages. Please summarize any community feedback or data on which you have based this decision.
 - Delinquencies experienced by homeowners with reverse mortgages, while not explicitly mentioned in the program plan, will be assisted by the Property Charge Default Resolution Program.
- 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.
 - Based on an applicant's responses to the initial eligibility questions, they will be referred to Housing Counseling for loss mitigation and budgeting assistance or Legal Services for foreclosure mitigation assistance or any other legal issues that may preclude them from approval in the HAF program.
- 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?
 - Applicants who may benefit from other loss mitigation options will have an opportunity to work with a housing counselor. In these instances, HAF funds may be used to support those other loss mitigation efforts. During the initial eligibility phase, applicants will be asked if they have received other loss mitigation assistance so that the HAF team can check for any type of duplicate relief received. We will also pay close attention to the CDF information provided by the servicer to avoid duplication of relief.
- 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?
 - We intend to have all applicants fill out a pre-application questionnaire through the portal that will determine the housing cost ratio (to pre-hardship gross income). While the final ratio has yet to be determined, applicants with high and/or unsustainable housing cost ratios will be referred to a housing counselor for assistance prior to applying for HAF assistance.
- Are you anticipating increased winter home energy costs and their potential impact on the homeowners that HAF will serve?
 - We anticipate that increased winter home energy costs will have had an impact on Iowa homeowners. However, as mentioned in our plan, we will initially focus our assistance on curing mortgage and property charge delinquencies.

- Your programs set \$25,000 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?
 - IFA believes \$25,000 is sufficient to cure most of the mortgage and property charge delinquencies in Iowa. We arrived at the \$25,000 figure by examining the average mortgage payment in Iowa and how many months of delinquency we are able to cure per the American Rescue Plan Act's Homeowner Assistance Fund program.

Eligibility

- Please provide the rationale for not using a fact-specific proxy as one method for establishing eligibility under your plan, including how you determined that without such a proxy, your program can avoid unnecessary barriers to participation by eligible homeowners.
 - Initially we had decided not to use a fact-specific proxy for establishing eligibility. However, we will be adjusting our plan to allow for two alternatives, provided that the applicant can provide appropriate supporting documentation that they qualify for the following programs:
 - Temporary Assistance for Needy Families (TANF)
 - Low-Income Home Energy Assistance (LIHEAP)

Outreach

- Please explain how the program will provide culturally relevant marketing.
 - IFA's communications team will develop materials in both English and Spanish, the languages spoken at home by 95.5% of all Iowans.
 - Our application portal will be available in multiple languages via an online translation tool.

Prioritization

- 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?
 - In the Iowa term sheets, SDI communities are prioritized before those earning $\leq 150\%$ AMI who are not in SDI communities/households. Specific marketing and outreach campaigns will be focused in SDI communities to help increase participation from those households.

Performance Goals

- Please explain how you intend to communicate your progress towards performance to the public.
 - IFA is considering developing a dashboard similar to the one used for the Emergency Rental Assistance program.
- Please indicate which three metrics will serve as the best indicators of the success of your program.
 - The number of homeowners assisted
 - The number of homeowners assisted through housing counseling and/or legal aid
 - Percentage of funding received by SDI households
- Please indicate whether you intend to disaggregate metrics by income, race, gender, etc.
 - IFA intends to disaggregate performance metrics by income, race, gender, etc.

- 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.
 - We will coordinate with participating program partners (housing counselors and legal aid providers) to track and report the number of homeowners assisted/foreclosures prevented solely through counseling or legal aid services.

Readiness

- Please provide the most recent available information about your program's readiness, including staffing, contractors, etc.
 - Witt O'Brien's is now under contract as the prime contractor for Iowa's HAF program. They are providing the application platform (Yardi Mortgage Relief), and will handle application review, prioritization, underwriting, and approvals. They will also handle calculating and processing relief payments, Treasury reporting, and call center operations.
 - IFA staff will have general oversight over the program and will coordinate with Witt O'Brien's and other partners on any necessary program adaptations.
- Is your program prepared to launch upon approval and, if not, by what date will you be ready to launch following approval?
 - Our program is not currently ready for launch. We are still developing the application portal and setting up the call center infrastructure that will be used to assist HAF participants. Additionally, we are still engaging with loan servicing companies.
 - We anticipate launching a short pilot program by the beginning of April 2022 and have targeted late April 2022 as a "go live" statewide (pending Treasury 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.
 - IFA has not launched a pilot program yet. Now that our prime contractor is officially on board, we anticipate rolling out a pilot program by the beginning of April 2022. IFA staff has already had discussions with servicers on how this will roll out.

Budget

- No questions.