

**HAFP-0206-Connecticut
Response to Treasury Feedback
Resubmission of Plan**

Note: Connecticut changed their term sheets: the asset test has been removed; a requirement that must have enough award available to make at least 6 months payments after reinstatement has been added; proof of occupancy and ownership has been added as required documents; clarified that fees advanced by a reverse mortgage servicer on an applicant's behalf are eligible; and removal of forward payments of water/sewer.

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

Completeness
No questions.

Homeowner Needs and Community Engagement Data
No questions.

Community Engagement and Public Participation

Your plan indicates that only 1 of the organizations involved in your public input process primarily 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.

During the public input process CHFA engaged with housing counseling agencies and a legal assistance provider. The template asked whether the provider's primary purpose is to serve low to moderate income households or to address impacts of housing discrimination. In the original template, CHFA thought only one box should have been checked; however, now realizes that both boxes should have been checked for each of the providers. All organizations serve the purpose of serving low to moderate income households and are also committed to addressing the impacts of housing discrimination.

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.

As required by Treasury guidance, CHFA held a HAF Plan public comment period between September 8th and 17th and received twenty-six formal written comments and four comments in a virtual public hearing held on September 17th. CHFA also held individual meetings with several stakeholders, including Connecticut's Congressional Delegation offices and the Connecticut General Assembly's Housing and Banking Committees.

Below are the primary comments and concerns from the public comment period:

- Several advocates raised concerns about the requirement for applicants to complete a "Back-to-Basics" financial fitness and foreclosure prevention class. Specifically, they questioned whether the class was necessary because it is not a Treasury requirement. They also questioned the

logistics of the classes and how applicants would participate.

In response to concerns raised as described above, CHFA will not require education for a reinstatement only grant but will require education for applicants who are approved for on-going monthly mortgage or non-mortgage assistance. "Back-to-Basics" education will provide the latter applicants with the tools and knowledge for managing their finances to sustain long term home ownership.

☑ Advocates and elected officials urged CHFA to actively promote non-digital application options and to pursue non-digital media and outreach efforts.

In response, CHFA revised the Marketing and Outreach and Equity and Accessibility section of the HAF plan to describe the non-digital application options and outreach plan more clearly.

- Several comments urged CHFA to expand the qualified expenses eligible for assistance to include non-delinquent mortgages, utility assistance, and home repairs. Other comments asked that CHFA more clearly define financial hardship, specifically to include those who are "underemployed" and to further define what is included in the asset test for those who certify they have over \$20,000 in liquid assets.

CHFA more clearly defined these and other important terms in its HAF program. For example, we included an example of a qualified non-mortgage expense and who may qualify in the Program Design section of the Plan. Utility assistance may be considered in a later phase of the HAF program.

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

During the intake and application process, applicants will be asked if they have received other mortgage assistance funds. To the extent that we have the information, we may coordinate with Tribes or Tribal Nations to avoid duplicate awarding of HAF program 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.

Connecticut has not received any substantive public comments on the Plan since submission. Inquiries were either scenario specific or questions regarding when the program will be available.

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.

CHFA used data from Idaho Housing and Finance Association, one of its largest servicers.

CHFA also analyzed census data via IPUMS to understand the potential applicant pool at 100% and 150% AMI and by minority status. Finally, CHFA used the Atlanta Federal Reserve's Mortgage Analytics and Performance Dashboard to inform our decision to provide forward and retroactive payments.

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)?

During the application intake process the applicants will be asked a series of questions to evaluate immediate displacement threats. Based on answers received to these questions, an application may be prioritized and funded provided there are funds remaining in its AMI funding tranche.

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.

CHFA will encourage applicants to use program resources such as housing counseling and legal services. Educating applicants and having foreclosure prevention resources readily available provides the necessary tools a homeowner may need to make an informed housing decision, a decision that will help build a foundation for continued housing stability. Housing counseling and legal services providers will assist applicants working with their respective servicers in considering loss mitigation options. Housing counselors will also provide education opportunities to applicants in managing their finances to sustain long term home ownership.

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 will self-certify during the application process whether they have reviewed loss mitigation options with their servicer. If they have, evaluation will be made to determine what, if any, additional assistance may be needed using HAF funds. If the applicant has not explored loss mitigation options, the applicant will be encouraged to work with their servicer, a housing counseling agency or legal service provider for loss mitigation options that may be available to them. However, Applicants will not be excluded from eligibility if they have not explored loss mitigation options.

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.

Applicants will self-certify their ability to resume regular payments. In the event an applicant discloses that they cannot afford their regular monthly payment the applicant will be encouraged to have a loss mitigation conversation with their servicer. Resources for housing counseling and legal aid will also be provided to the applicant.

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

No. However, if an applicant did experience higher than normal winter home energy costs that impacted their ability to pay the mortgage, they may apply for HAF.

Eligibility

No questions.

Outreach

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

CHFA's marketing and outreach plan involves connecting with multilingual audiences in a manner that goes beyond translation. CHFA is finalizing an extensive list of community partners, which includes multilingual stakeholders that are deeply embedded in their respective communities. CHFA plans to implement the following multilingual strategy:

- Translated content available on the HAF page of the CHFA website.
- Translated marketing program brochures (electronic and printed copies).
- Translated program applications (electronic and printed copies).
- Display advertising, social media advertising, email marketing in multiple languages.

Information Accessibility: During preliminary discussions with CHFA's network of community organizations, we will be requesting language information for those who work primarily with multilingual beneficiaries. Secondly, CHFA will review Connecticut data of predominant languages other than English and Spanish and will create marketing materials based on those results. Lastly, printed materials will be available at in-person events and targeted community gathering places. Digital marketing materials will also be available to help the public access important program information.

Program Inclusion: Necessary accommodations for individuals with disabilities and others with access and functional needs will also be made.

Language Translation: CHFA plans to provide marketing materials in the following languages: English, Spanish, and Portuguese. Other preferred language accommodations will be granted upon request.

Please explain how the program will provide culturally relevant marketing.

The program's culturally relevant marketing will include but will not be limited to:

- Homeowner testimonials will help to establish the program's credibility and portray program beneficiaries and their circumstances as relatable.
- Partner with community-based organizations that can raise awareness among various cultures and ensure accessibility to this program.

- Deploy program outreach by posting accessible, multilingual information in local amenities (e.g., grocery stores, restaurants, community centers, housing fairs).
- Create program marketing materials that have a direct/simple call-to-action.

Prioritization

No questions.

Performance Goals

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

CHFA's communication of the performance progress to the public will include but will not be limited to:

- Periodic MyHomeCT Newsletter will contain important news and updates sent via email. People can sign up to receive this newsletter from the MyHomeCT webpage.
- Web-based dashboard will provide the public with a detailed overview of the program's progress. This dashboard will be posted on the MyHomeCT webpage and updated regularly.
- Monthly infographic will allow the public to easily digest program information through visual data, charts, and statistics.

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

- Overall program volume in areas with higher risk of mortgage delinquency and foreclosure as determined by Connecticut's Homeowner Hardship Index (HHI)
- CT's 30+ days delinquency rate (tracked by Corelogic)
- % of awards allocated to socially disadvantaged individuals

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

CHFA will track and publish this disaggregated information on its public dashboard.

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 acknowledge Treasury's interest in this metric. CHFA will continue to assess ways to evaluate the number of homeowners assisted/foreclosures prevented solely through counseling or legal services without payment of HAF funds to resolve the homeowners' defaults or delinquencies.

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?

CHFA has a program director and an operations manager dedicated full-time to the program. In addition, CHFA is using a third-party vendor that will provide an application intake and data management software, call center and staffing for processing and quality control. A different third-party vendor is being engaged to handle approved disbursements. CHFA also currently employs two full-time temporary employees and may consider increasing the temporary staff as needed. CHFA anticipates accepting applications by early spring 2022.

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.

CHFA has conducted two rounds of a pilot HAF program focusing on mortgage reinstatements and has begun a third to cover non-mortgage delinquencies. The first two rounds of the Pilot disbursed \$4,830,032 to 343 households. Additional details on the results of first two rounds can be found here: <https://www.chfa.org/haf-pilot-dashboard/>. CHFA has used approximately \$138,000 for HAF administrative and start-up costs to-date.

Budget

Your plan indicates the following program design elements will be offered with no corresponding budget allocation. Please provide a budget allocation by each program design element. Alternatively, you may group similar types of program design elements, i.e., mortgage- related program design elements (i.e., payment assistance, principal reduction, or reinstatement), taxes and insurance (outside of mortgage), etc.

- Mortgage payment assistance
- Homeowner insurance
- Delinquent property taxes
- Reinstatement
- Homeowner association fees/liens

The budget allocation is as follows:

Total Award	\$123,136,792
Admin Total	\$11,983,660
Contingency	\$599,183
Legal Aid	\$1,500,000
Program Funds	\$109,053,949
- Mortgage Assistance Grant	\$70,885,067
- Mortgage Payment Assistance Grant	\$21,810,790
- Non-Mortgage Assistance Grant	\$10,905,395
- Non-Mortgage Payment Assistance Grant	\$5,452,69