

**HAFP-0336- State of Washington
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

- No questions

Community Engagement and Public Participation

- 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. [WSHFC RESPONSE: Attached as Exhibit A to this response are the comments received during the public process and the WSHFC's responses thereto. This includes email and survey comments received prior to March 24, 2022 \(the hearing on approval of the plan\) as well as the Department of Commerce's comments received after that meeting.](#)

Program Design

- 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)? [WSHFC RESPONSE: For the \\$60,000 grant program, the homeowner engagement will be provided by housing counselors and civil legal aid that will evaluate the homeowner's current situation and options available to curing any delinquency or default without the use of HAF financial assistance. For the \\$15,000 grant component, the on-line application process will inquire of current status of action and, when appropriate, provide a referral to housing counseling or civil legal aid to support the application.](#)
- 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.
- [WSHFC RESPONSE: A requirement of the \\$60,000 grant component is having a homeowner's situation evaluated by a housing counselor or civil legal aid. Counseling and](#)

civil legal aid will be required to evaluate loss mitigation options before seeking financial assistance.

- 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? **WSHFC RESPONSE:** Stopping short of requiring that ALL loss mitigation options be EXHAUSTED, counselors and civil legal aid will be encouraged to ensure that all loss mitigation options that a servicer should be offering or providing ARE offered and provided to a homeowner to ameliorate the situation prior to requesting financial assistance.
- 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? **WSHFC RESPONSE:** Counseling and civil legal aid services provided to a homeowner in this program is not simply to access the financial assistance offered by HAF. It is also—as is normal in the counseling process—to ensure the likelihood of future payment being made, those payments being sustainable, and assisting in eliminating future barriers to homeownership.
- Your HAF term sheets contain two versions of a Mortgage Reinstatement program, one with a cap of \$60,000, and another with a cap of \$15,000. Can you explain the rationale for creating two similar programs with difference assistance caps? **WSHFC RESPONSE:** Although the two programs are similar in scope, the \$60k program requires the assistance of a housing counselor or civil legal aid. The \$15k program is a limited option available for homeowners that prefer to not work with a third party and are facing limited challenges. For example, it is contemplated that past due taxes or COA/HOA fees could be a candidate for the \$15k program. Although movement between the two programs is allowed (for example, a homeowner applies to the \$15k program, but upon review would be better served in the \$60k program) the total funding is capped at the program limit and cannot be combined to exceed the \$60k total grant limit.
- Please clarify if homeowners can receive assistance under multiple program design types, such as mortgage reinstatement and non-escrowed property taxes. If so, what is the total program assistance cap? **WSHFC RESPONSE:** Although the Treasury application process has us set forth available funding in subcategories, holistically, the program is intended to address whatever needs are identified by the homeowner and their representative. For example, they may need financial assistance for past due mortgage payments AND non-escrowed taxes. Payment of both of those items would be available under the program, but the program grant limit is a maximum of \$60,000.

Eligibility

- Your HAF plan indicates individuals who have received ERA assistance will not be eligible. Can you explain the rationale behind this requirement? **WSHFC RESPONSE:** The WSHFC has re-evaluated this statement and believes it overstates the intent. The program will review for instances of “double-dipping” and ensure that recipients have not received similar funding for the same request, but it does not intend to outright prohibit homeowners that have received other sources of assistance from participating. That

statement has been removed from all of the previously submitted term sheets. The updated term sheets have been resubmitted to the Treasury application replacing the originally submitted term sheets.

Outreach

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

WSHFC RESPONSE: Program outreach will be targeted specifically to those in underserved communities, including those that have Limited English Proficiency, by using multiple languages and culturally relevant messaging. The intent of the outreach will be to reach—in a culturally relevant and linguistically appropriate manner—underserved communities with a simple message: Call the established hotline (or website) for free help. The hotline, counseling agencies and civil legal aid will then provide the homeowner with appropriate assistance necessary to overcome any barriers the homeowner may face (for example, language, impairment, lack of computer skills or access).

It is also our intention to reach into communities by engaging community leaders as well as community action groups (By and Fors) to be the trusted source of the message. We are also cognizant that many underserved communities have a reasonably based distrust of governmental programs and we will work within the communities to build trust and confidence in the program to encourage participation. We are currently working with an agency that specializes in marketing to underserved communities and will continue to do so throughout the entire process.

Performance Goals

- Please explain how you intend to communicate your progress towards performance to the public. WSHFC RESPONSE: Program progress will be communicated via the WSHFC Board of Commissioner meetings and packets which are open and available to the public on a regular basis. In addition, it is our intention that our IT Solution provide programmatic dashboards that the public, press and governmental leaders can easily access. We also will be transparent with any reporting done to Treasury (or other interested parties) and that will be available to the public.
- Please indicate which three metrics will serve as the best indicators of the success of your program. WSHFC RESPONSE: The WSHFC believes that speed of funding distribution is not a metric of success. To that end, it would suggest that the three best metrics would be: 1) Impact and reach to lower AMI; 2) Impact and reach to SDI; and 3) Geographic distribution.
- Please indicate whether you intend to disaggregate metrics by income, race, gender, etc. WSHFC RESPONSE: We do intend to collect and disaggregate that data.
- 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. WSHFC RESPONSE: This data is already being collected and will continue to be collected.

Readiness

- Please provide the most recent available information about your program's readiness, including staffing, contractors, etc.. **WSHFC RESPONSE:** The WSHFC believes the WSHFC is fully staffed for program implementation. However, it does have the ability to increase staff. We believe the hotline, counseling and civil legal aid support network is also ready for the increase in homeowner participation. Also, we have also proposed an RFQ for additional counseling agencies if necessary. The IT and ADMIN solution will be provided by a vendor. The RFP process has been conducted and we are currently finalizing the contract with the potential awardee. They are an established provider and currently have other HAF programs in action for other states.
- Is your program prepared to launch upon approval and, if not, by what date will you be ready to launch following approval? **WSHFC RESPONSE:** We believe that in many respects, we have already launched the program. We are actively encouraging homeowners to contact the hotline to be referred to a housing counselor so that they can start working through their loss mitigation options in preparation for financial assistance. However, we would assume that this question is more towards the “official” launch of the portal and financial assistance review process. To that end, our IT and ADMIN solution provider has provided an estimate of 45 days to get the system up and active. Therefore, we are striving for a fully operational system by June 30, 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. **WSHFC RESPONSE:** As more fully set forth below in our response to the budget questions, the following allocations of the initial 10% have been made:
 - \$2,000,000 for counseling services through June 30, 2022
 - \$1,200,000 for Civil Legal Aid services through June 30, 2022
 - \$11,000,000 to PILOT Program *(explained more fully below)
 - \$880,000 to PILOT Program Administration
 - \$1,500,000.50 to PILOT and Large Plan Marketing and Outreach efforts
 - \$20,000 for various costs (mailer, consultants, etc.) used for PILOT program and large plan development
 - \$715,393 to the Department of Commerce for administrative and outreach support (however, we are currently in discussions with Commerce and a portion or all of these funds may be returned to the WSHFC. If and when that happens the returned portion will be added to Outreach).
 - **Total Allocated: \$17,315,393.50.**

*The PILOT Program assists homeowners that are currently facing a recorded non-judicial foreclosure, judicial foreclosure, or other judicial lien extinguishment action by providing a grant to end the pending sale or lawsuit. The grant amount is \$60,000 but it can be exceeded for those with demonstrable need and meeting all other Treasury guidelines. Through April 14, 2022 it has assisted 39 homeowners and expended approximately \$719,000.00.

Budget

- Your total allocation amount is \$173,153,935.00. Our records indicate that you have received an initial 10% payment of \$17,315,393.50, and that upon plan approval, you may draw up to \$155,838,541.50.
 - The total budget in your draft HAF plan is for \$147,230,000.00. Please confirm your budget is correct, and that at this time, you wish to receive less than your remaining allocation. If necessary, please revise your budget, including the initial 10% that was paid in your initial payment. [WSHFC RESPONSE: The WSHFC is taking this opportunity to restate its budget and allocation request. At this time, we intend to seek the entire allocation. Please see budget itemization set forth below. In addition, the application has been modified as necessary to incorporate the budget modification set forth below, as well as to increase the request to match the total allocation.](#)

	Budgeted	Committed from Initial 10%	Total
From Treasury	\$ 155,838,541.50	\$ 17,315,393.50	\$ 173,153,935.00
MPFAP	\$ 133,500,000.00		\$ 133,500,000.00
IT Solution	\$ 9,000,000.00		\$ 9,000,000.00
Counseling	\$ 3,411,060.47	\$ 2,000,000.00	\$ 5,411,060.47
Hotline	\$ 2,000,000.00		\$ 2,000,000.00
Civil Legal Aid (CLA)	\$ 2,046,636.28	\$ 1,200,000.00	\$ 3,246,636.28
Counseling/CLA App Process	\$ 2,000,000.00		\$ 2,000,000.00
Comm Fee	\$ 1,731,539.35		\$ 1,731,539.35
Pilot		\$ 11,000,000.00	\$ 11,000,000.00
Pilot Admin		\$ 880,000.00	\$ 880,000.00
Marketing	\$ 2,149,305.40	\$ 1,500,000.50	\$ 3,649,305.90
Misc		\$ 20,000.00	\$ 20,000.00
Commerce		\$ 715,393.00	\$ 715,393.00
Total	\$ 155,838,541.50	\$ 17,315,393.50	\$ 173,153,935.00
Balance	\$ -	\$ -	\$ -

- According to HAF guidance (<https://home.treasury.gov/system/files/136/HAF-Guidance.pdf>), Counseling & Legal Expenses may not exceed 5% of your received funding, or \$7,361,500 for Washington (due to Washington requested an overall amount less than their HAF allocation). Therefore, the Counseling & Legal Expense budget of \$8,650,000 exceeds 5% of your requested funding, \$147,230,000.00. Please revise your budget to bring this funding within 5% of your total requested amount. [WSHFC RESPONSE: We have modified our application request to incorporate the amounts already allocated to counseling and legal aid from our initial 10% allocation. Therefore, the amounts requested for both counseling and civil legal aid total 5% of the total allocation. Should Treasury allow us to exceed the 5% guideline by using funding from the initial 10% allocation, we would ask for the opportunity to revise our budget to increase both counseling and civil legal aid. However, we now interpret the guidelines to state that 5% of the total allocation is all that allowable.](#)
- Can you provide additional information on the additional \$4,350,000 in funding for housing

counseling and legal aid expenses in your budget? Will this funding be used differently than funding within the normal Counseling & Legal Expense budget? WSHFC RESPONSE: The original requests in the application have been deleted. However, we have added an additional administrative cost of \$2,000,000 to be available to housing counselors or civil legal aid that actively participate in the HAF Financial Assistance application process (not for providing counseling services or legal assistance).

- Can you clarify what the \$1,730,000 budgeted for a “1% Administration Fee” will be used for? WSHFC RESPONSE: The administrative fee is for the WSHFC’s efforts in administering the program until completion. It includes the WSHFC internal programmatic staff time, legal services, and other costs associated with program administration.