New York State Homeowner Assistance Fund Needs Assessment and Plan

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NEW YORK STATE OF OPPORTUNITY. | Homes and Community Renewal

HOUSING TRUST FUND CORPORATION

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Executive Summary

The Homeowner Assistance Fund (the "HAF") was established under section 3206 of the American Rescue Plan Act of 2021 (the "Act") and provides $539,458,518 in financial assistance to New York State, through the United States Department of the Treasury ("US Treasury"). The New York State Legislature in the 2021-22 Budget Authorization Bill directed New York State Homes and Community Renewal (HCR) to manage and operate the HAF on behalf of the State of New York. The aim of the HAF is to mitigate financial hardships associated with the Coronavirus pandemic by preventing homeowner mortgage delinquencies, defaults, foreclosures, loss of utilities or home energy services, and displacement. For more information related to the HAF and the US Treasury's guidance to recipients, please visit: https://home.treasury.gov/system/files/136/HAF-Guidance.pdf.

This Needs Assessment and Plan (the "Plan") outlines the homeownership landscape in New York and estimates the impact that the Coronavirus pandemic has had on homeowners. There are an estimated four million (4,000,000) homeowners in NY State, across multiple market segments. They include mortgaged homeowners who are in forbearance or delinquent on their mortgage; non-mortgaged homeowners who may be delinquent on their property taxes; cooperative or condominium owners who may be behind on their monthly maintenance or HOA fees; and manufactured homeowners who may have other types of housing debt, such as chattel loans or retail installment contracts, which also may be in arrears due to the impacts of the Coronavirus pandemic.

The Plan proposes relief programs aimed at avoiding foreclosure and/or displacement of low- and moderate-income and Socially Disadvantaged Individuals[1]. Proposed relief includes three core programs - the Mortgage Reinstatement and Principal Reduction Program and the Non-Mortgage Arrears Satisfaction Program, and for eligible applicants who are low-income, defined as earning less than eighty percent (80%) of the Area Median Income (AMI), the New York State Homeowner Assistance Fund (the "NYS HAF") will also offer the Forward Payments Program. The Forward Payments Program will utilize NY State funds under the CARES Act for the Community Development Block Grant (CDBG-CV) program and will be reserved for eligible applicants who are severely underemployed or remain unemployed due to economic impacts resulting from the Coronavirus pandemic.

[1] Socially Disadvantaged Individuals is defined, per US Treasury guidance, as "those who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities. The social disadvantage must stem from circumstances beyond their control. There is a rebuttable presumption that the following individuals are socially disadvantaged: Black Americans, Hispanic Americans, Native Americans, and Asian Americans and Pacific Islanders. In addition, an individual may be determined to be [Socially Disadvantaged] in accordance with the procedures set forth at 13 CFR 124.103(c) or (d)."

Introduction

Background on HCR

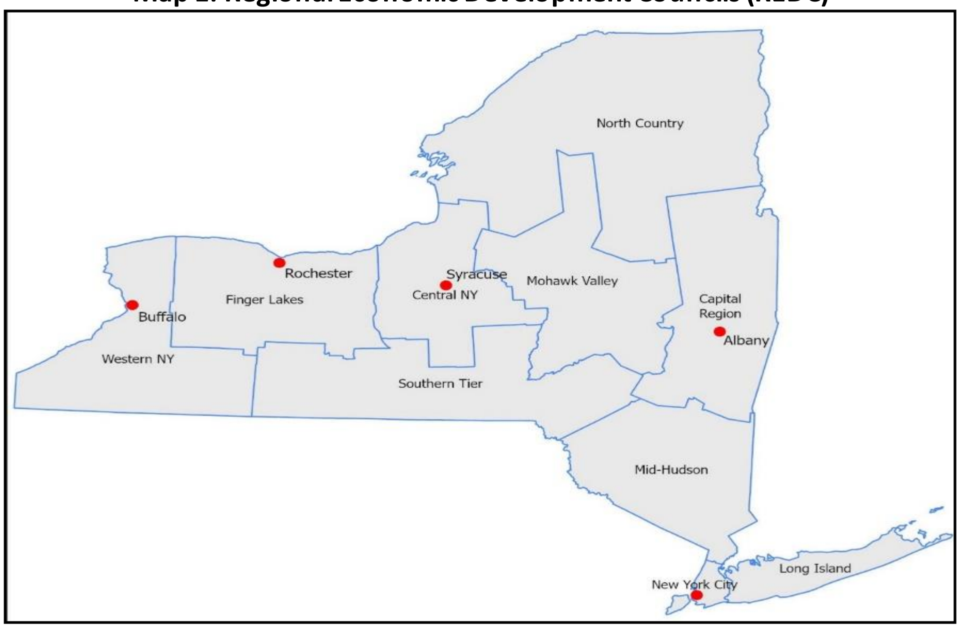
New York State Homes and Community Renewal (HCR) is New York State's affordable housing agency, with a mission to build, preserve, and protect affordable housing and increase homeownership throughout the State. HCR develops, preserves, and protects affordable housing and invests in economically vibrant communities. HCR works with private, public, and nonprofit partners to create safe, healthy, and affordable housing opportunities for all New Yorkers.

HCR consists of all the major housing and community renewal agencies of the State, including the Housing Trust Fund Corporation ("HTFC"). HTFC was established as a subsidiary public benefit corporation of the New York State Housing Finance Agency. HTFC's mission is to further community development through the construction, development, revitalization, and preservation of housing for low-income residents, the development and preservation of businesses, the creation of job opportunities, and the development of public infrastructures and facilities.

Homeownership Landscape in New York State

The State is home to more than nineteen million (19,000,000) people, living in approximately seven million three hundred thousand (7,300,000) housing units. The State is administratively divided into sixty two (62) counties, nine hundred thirty two (932) towns, five hundred thirty nine (539) villages, and sixty two (62) cities.[2] Since 2011, the State has also been organized into ten (10) regions called Regional Economic Development Councils (REDCs) based on pre-existing New York State Empire State Development (NYS ESD) and New York State Department of Labor (NYS DOL) regional boundaries.[3] (See Map 1.) The REDCs are used in this document to describe the State's demographic, economic, and housing conditions and how they vary geographically.

Map 1: Regional Economic Development Councils (REDC)



Approximately fifty-four percent (54%) of households own their homes, with homeownership rates varying considerably by REDCs. In New York City - which is home to forty-five percent (45%) of the State's population - only about a third of

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[2] https://data.ny.gov/Government-Finance/New-York-State-Cities-Towns-and-Villages-per-Count/y6cw-5z7p
[3] https://regionalcouncils.ny.gov/redc-faqs

households own their homes; while in REDCs north of New York City, homeownership rates range from sixty-five to seventy percent (65% - 70%). More than four-fifths of households on Long Island own their homes.

Outside of New York City, homeownership rates are generally high, typically exceeding the national average of sixty-five percent (65%).[4] Although in dense urban areas, such as the cities of Buffalo, Albany, and Newburgh, there are slightly lower rates of homeownership.

In every REDC, households of color are less likely to own their homes than the general population; only a third of households of color are homeowners across the state. In REDCs that have extremely high homeownership, such as Long Island, two-thirds of households of color are homeowners. Comparatively, the homeownership rate is eighty percent (80%) for the population as a whole, as illustrated in the chart below.

Table 1: Homeowners & Homeownership Rates by REDCs (All Races/Ethnicities & Households of Color)

REDC	All Races & Ethnicities		Households of Color		
	Homeowning Households	Homeownership Rate	Homeowning Households	% of All Homeowners	Homeownership Rate
Capital Region	284,725	65.6%	21,325	7.5%	34.9%
Central New York	207,751	67.8%	13,549	6.5%	35.0%
Finger Lakes	330,050	67.9%	31,210	9.5%	36.6%
Long Island	754,814	80.6%	174,969	23.2%	67.7%
Mid-Hudson	538,278	65.8%	117,368	21.8%	45.2%
Mohawk Valley	134,410	69.8%	6,172	4.6%	36.2%
New York City	1,034,637	32.7%	517,389	50.0%	26.5%
North Country	110,306	68.0%	4,122	3.7%	38.6%
Southern Tier	175,494	67.7%	8,348	4.8%	33.6%
Western New York	387,337	66.7%	35,405	9.1%	35.9%
Statewide	**3,957,802**	**53.9%**	**929,857**	**23.5%**	**33.1%**

Source: U.S. Census Bureau, American Community Survey (ACS) 5-Year Estimates 2015-2019, Summary Tables B25003, B25003H

Most homeowners in New York live in single-family homes; nearly eighty percent (80%). Of nearly four million (4,000,000) owner-occupied housing units, about three million (3,000,000) are one-unit detached or attached dwellings. Another eight hundred thousand (800,000) units are in small and large multifamily buildings, including limited equity cooperatives, three quarters of which are in New York City, and about one hundred thousand (100,000) homeowning households live in manufactured homes, both in manufactured home communities (MHCs) or on privately-owned land. (See Table 2.)

Table 2: Owner-Occupied Housing Types in New York State

	Housing Units		Population	
	#	*% of total*	*#*	*% of total*
1 Unit	3,045,302	76.9%	8,630,276	79.6%
2-4 Units	366,543	9.3%	1,088,566	10.0%
5+ Units	433,994	11.0%	865,205	8.0%

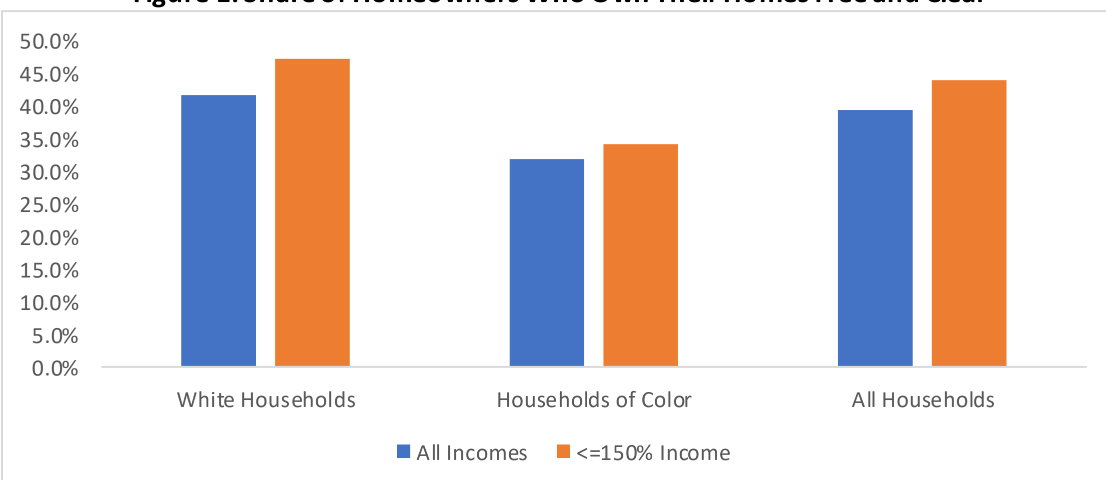
[4] https://www.census.gov/housing/hvs/files/currenthvspress.pdf

Manufactured Home	110,969	2.8%	250,188	2.3%
Boat, RV, Van, etc.	994	0.0%	2,199	0.0%
All Housing Types	**3,957,802**	**100.0%**	**10,836,434**	**100.0%**

Source: U.S. Census Bureau, American Community Survey (ACS) 5-Year Estimates 2015-2019, Summary Table B25032

Approximately sixty-one percent (61%) or two million four hundred thousand (2,400,000) households have a mortgage. White households are more likely than households of color to own their homes unencumbered from debt; forty-two percent (42%) versus thirty-two percent (32%), respectively. In addition, lower income households, regardless of their race and ethnicity, are slightly more likely to own their homes without a mortgage; forty-four percent (44%) for households making less than one hundred fifty percent (150%) of the AMI versus thirty-nine percent (39%) for households of all incomes. (See Figure 1.)

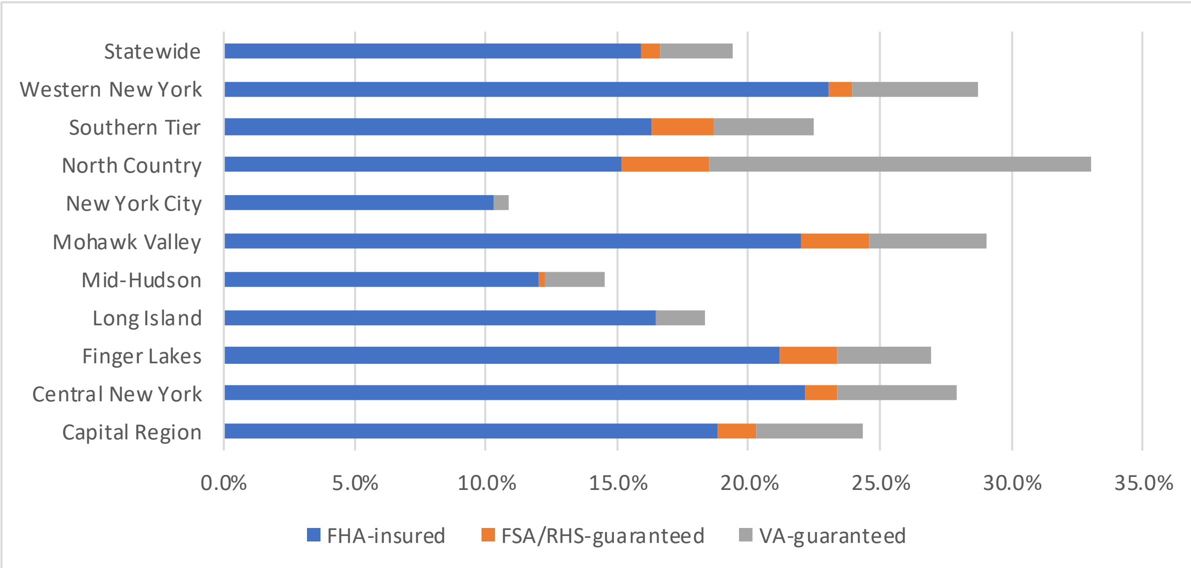
Figure 1: Share of Homeowners Who Own Their Homes Free and Clear



Source: U.S. Census Bureau, American Community Survey (ACS) 5-Year Estimates 2015-2019, Public Use Microdata Sample (PUMS)

According to Home Mortgage Disclosure Act (HMDA) data on home loans originated between 2007 and 2019, about one-fifth of New York homeowners with mortgages financed their homes with non-conventional loans secured by the Federal Housing Administration (FHA), the U.S. Department of Veterans Affairs (VA) or the United States Department of Agriculture's (USDA) Rural Housing Service or Farm Service Agency (RSA/FSA). These non-conventional mortgages are slightly less prominent in the State's downstate regions of New York City, Long Island, and Mid-Hudson, as compared with the rest of the State. (See Figure 2.) Because they generally offer more flexible qualification requirements, non-conventional loans are more prevalent among lower income and Socially Disadvantaged borrowers.

Figure 2: Share of Government-Secured Mortgages by REDC

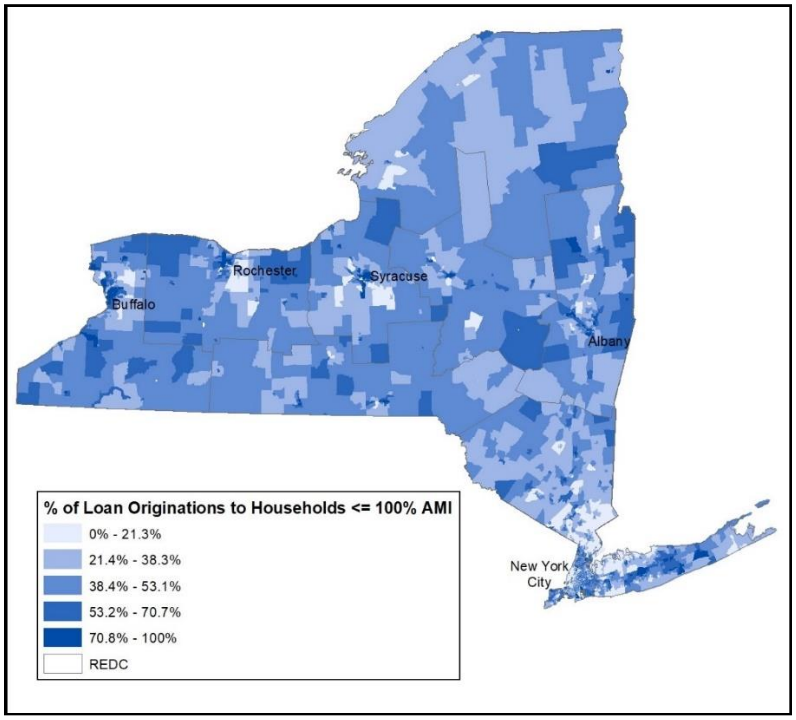


Source: Home Mortgage Disclosure Act (HMDA) Loan Application Register (LAR) data, loans originated 2007 - 2019

The same HMDA data shows that approximately forty percent (40%) of loans originated between 2007 and 2019 were for households with incomes at or less than the median.[5] Approximately fourteen percent (14%) of loan originations were for households of color with incomes at or less than one hundred and fifty percent (150%) of the AMI. Analysis of the data at the census tract level reveals that most of these low-income households, and particularly households of color, are concentrated in cities, as well as the suburban areas of New York City. (See Maps 2 and 3.)

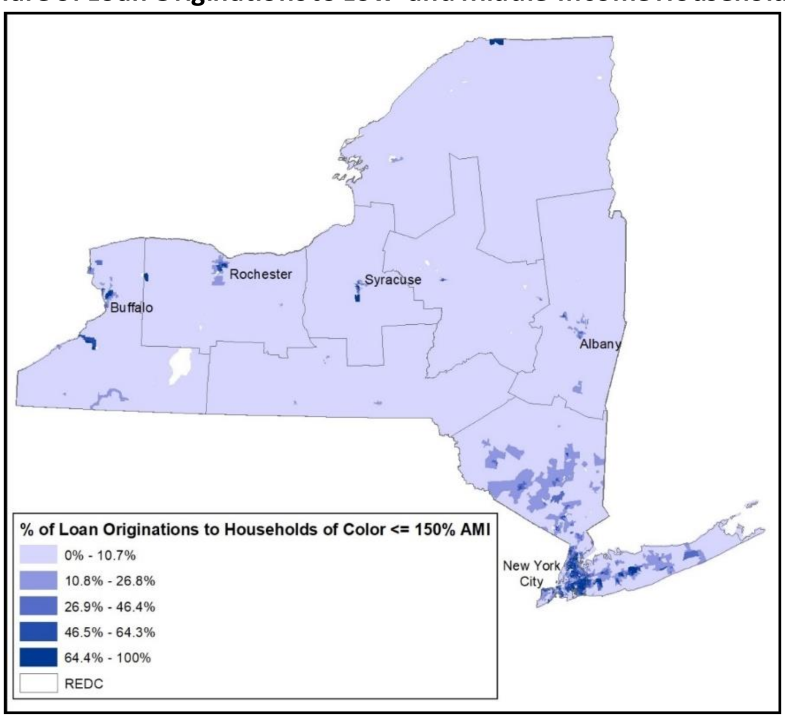
[5] Area median income varies based on location and household size. HMDA data includes the income of the borrower household and is available at the census tract level, but it does not include household size. Our analysis used the 3-person income limits to estimate the percentage of AMI for households in the HMDA data.

Map 2: Share of Loan Originations to Low-Income Households



Source: Home Mortgage Disclosure Act (HMDA) Loan Application Register (LAR) data, loans originated 2007 - 2019

Map 3: Share of Loan Originations to Low- and Middle-Income Households of Color



Source: Home Mortgage Disclosure Act (HMDA) Loan Application Register (LAR) data, loans originated 2007 - 2019

Coronavirus Pandemic Impact

On March 1, 2020, the first person in the State tested positive for the novel Coronavirus (COVID-19). A week later, Governor Andrew M. Cuomo (the "Governor") declared a state of emergency; [6] and two weeks later, following the first COVID-19-related death, the Governor closed schools statewide, ordered some businesses closed and restricted restaurants to takeout and delivery service, and limited social and recreational gatherings. [7] On March 20, 2020, as the number of positive cases and deaths continued to climb, the Governor signed the PAUSE Executive Order, requiring one hundred percent (100%) of non-essential businesses to close, banned non-essential gatherings and contact recreational activities, and instituted a six feet social distancing requirement. [8]

Throughout the Spring of 2020, the health system in the State and throughout the country strained against surging COVID-19 cases, and millions of New Yorkers followed the stay-at-home order. For some, that meant working from home, but for many, the closure of non-essential businesses and the stay-at-home order meant temporary reduction or loss of income, and in some cases, long-term unemployment. By April 2020, the New York State economy lost nearly two million (2,000,000) jobs.[9] The State's initial unemployment claims peaked in mid-April at nearly four hundred thousand (400,000) – a more than three thousand percent (3,000%) increase over the roughly twelve thousand (12,000) initial claims that same week a year before.[10] The retail trade, leisure, and hospitality industries were hit particularly hard, accounting for more than forty percent (40%) of jobs lost in April 2020, [11] but almost no industry was spared.

The State has undertaken an analysis to estimate the impact of these job losses on homeowners and renters. Using data from the United States Census Bureau (US Census) on households and individuals in the year 2019,[12] and a New York University Furman Center for Real Estate and Urban Policy (NYU Furman) analysis of pandemic-impacted occupation codes,[13] the State has estimated that about one-third of households - two million three hundred thousand (2,300,000) households - have at least one (1) family member working in a COVID-impacted industry, and therefore, were vulnerable to job loss or loss of income, including approximately one million one hundred thousand (1,100,000) homeowners.

The pandemic's impact on job loss, as well as the pace of the ongoing recovery, has varied across REDCs, industry, and demographics. New York City suffered a steeper drop in jobs and has seen a slower recovery than the rest of the State. Employment levels bottomed out in May 2020, when employment was down twenty-one percent (21%) statewide as compared to February 2020, before the pandemic hit; in New York City, employment dropped twenty-nine percent (29%) from February to May of 2020. As of April 2021, employment had rebounded to just nine percent (9%) below pre-pandemic levels. (See Figure 3.)

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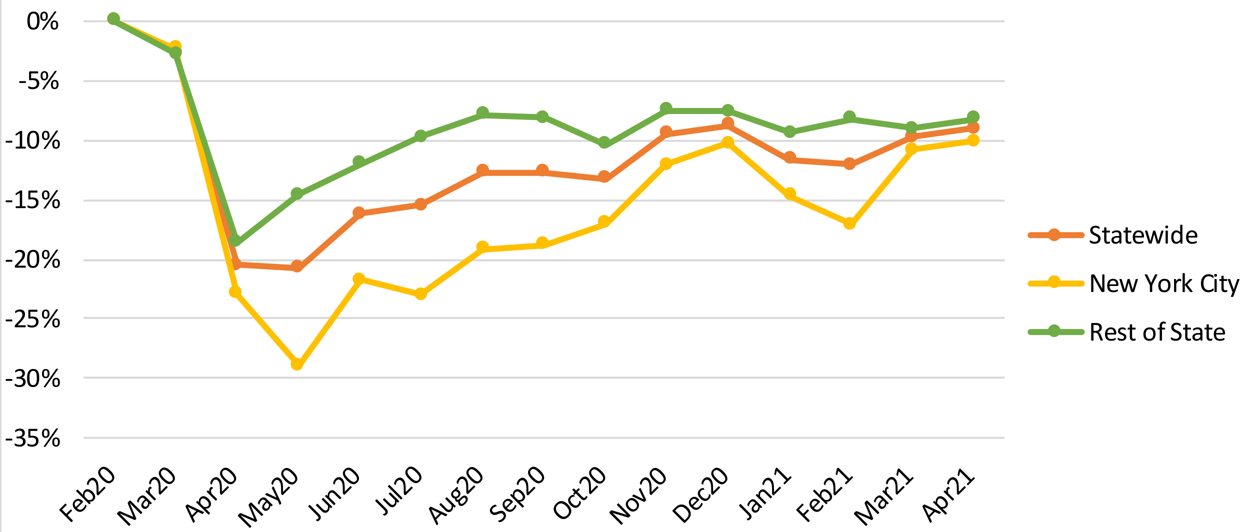
[6] https://www.governor.ny.gov/news/no-202-declaring-disaster-emergency-state-new-york
[7] https://www.governor.ny.gov/news/no-2023-continuing-temporary-suspension-and-modification-laws-relating-disaster-emergency
[8] https://www.governor.ny.gov/news/no-2027-continuing-temporary-suspension-and-modification-laws-relating-disaster-emergency
[9] U.S. Bureau of Labor Statistics, Current Employment Statistics (State and Metro Area), State and Area Employment (SAE), Seasonally Adjusted Nonfarm employment estimates for New York State. https://www.bls.gov/sae/data/
[10] https://dol.ny.gov/system/files/documents/2021/03/research-notes-initial-claims-we-4112020.pdf
[11] U.S. Bureau of Labor Statistics, Current Employment Statistics (State and Metro Area), State and Area Employment (SAE), Seasonally Adjusted Nonfarm employment estimates for New York State. https://www.bls.gov/sae/data/
[12] Primary data source for this analysis is the U.S. Census Bureau American Community Survey (ACS) Public Use Microdata Sample (PUMS), 5-year Estimates (2015-2019), household and person files for New York State; available at https://data.census.gov/mdat/#/ or https://www2.census.gov/programs-surveys/acs/data/pums/2019/5-Year/
[13] https://furmancenter.org/thestoop/entry/covid-19-and-the-rental-market

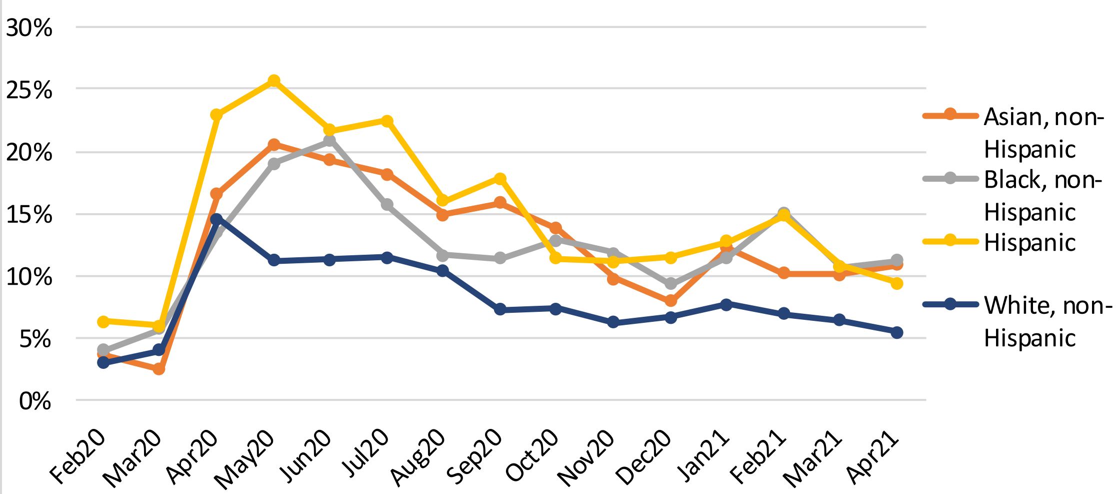
Figure 3: Change in Employment, February 2020 - April 2021



Source: IPUMS-CPS Monthly Data, University of Minnesota, www.ipums.org.

Patterns of unemployment have also varied by demographic categories, both at the onset of the pandemic and over the course of the recovery, with Hispanic, Black, and Asian populations seeing higher unemployment rates than non-Hispanic White populations.

Figure 4: Unemployment Rate by Race/Ethnicity, February 2020 - April 2021



Source: IPUMS-CPS Monthly Data, University of Minnesota, www.ipums.org.

Beyond the unprecedented economic impacts of the pandemic, there was a tremendous human toll. Daily hospitalizations for COVID-19 patients peaked in mid-April 2020, with nearly nineteen thousand (19,000) New Yorkers being admitted daily, including more than five thousand (5,000) to intensive care units;[14] hospitals and first responders

[14] https://forward.ny.gov/daily-hospitalization-summary-region

were overwhelmed. Since the pandemic began, more than two million (2,000,000) cases of COVID-19 have been reported in New York, and more than fifty thousand (50,000) New Yorkers have died because of the disease.[15]

Homeowner Needs Assessment

Assessment Methodology

The State used a variety of data sets and industry surveys in order to determine the extent to which various types of homeowners may be at risk of default, eviction, foreclosure, or housing instability. Utilizing a combination of public and proprietary data, including the Home Mortgage Disclosure Act (HMDA) loan-level data, U.S. Census American Community Survey (Census ACS) 5-Year Estimates, an NYU Furman analysis of pandemic-impacted occupation codes,[16] and zip code-level Mortgage Analytics and Performance Dashboard (MAPD) data on loan performance collected and compiled by the private research firm Black Knight, LLC. and accessed from the Federal Reserve Bank of Atlanta.

In addition to these data sources, the State executed a number of industry and stakeholder surveys to enhance the understanding of the potential universe of homeowners at risk of foreclosure or displacement, including a portfolio-wide survey from the State of New York Mortgage Agency's (SONYMA) Master Servicer, a survey of county-level tax collecting entities, aggregated administrative data sets collected from State and City agencies, including the Asset Management Division within HCR, the New York State Department of Labor (NYS DOL), the New York State Division of Motor Vehicles (NYS DMV), and the New York City Department of Housing Preservation and Development (NYC HPD).

HCR has analyzed these findings, with particular focus on income segmentation, race and ethnicity, mortgage type, and estimated delinquencies related to housing costs, including housing costs other than home mortgages (chattel and retail installment loans, condominium association and cooperative maintenance fees, and property tax arrears). Where available data sets only represented a partial segment of the total population, methodological tools were adopted to extrapolate using available market-wide indicators to make reasonable assumptions.

Estimating Target Populations

In order to identify areas in New York State with high populations of low income and Socially Disadvantaged homeowners, HCR relied primarily on analysis of Census ACS data to estimate the population of homeowners in New York – both with mortgages and without – who may be eligible for assistance under one of the NYS HAF programs, based on income and being in a Socially Disadvantaged group.[17]

Homeowners who are Low-Income and/or Socially Disadvantaged

Table 3 shows the number of owner-occupied homes with a mortgage and without, disaggregated by pre-pandemic income and Socially Disadvantaged status.

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[15] https://usafacts.org/visualizations/coronavirus-covid-19-spread-map/state/new-york

[16] https://furmancenter.org/thestoop/entry/covid-19-and-the-rental-market

[17] Treasury guidance defines Socially Disadvantaged Individuals as "those who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities. The social disadvantage must stem from circumstances beyond their control. There is a rebuttable presumption that the following individuals are Socially Disadvantaged: Black Americans, Hispanic Americans, Native Americans, and Asian Americans and Pacific Islanders." For the purposes of this analysis, we have defined Socially Disadvantaged households as those whose householder is in any racial or ethnic group besides non-Hispanic/Latinx White as reported to the Census Bureau.

Table 3: Households in Owner-Occupied Housing Units by Mortgage Status, Income, & Socially Disadvantaged Status

	With a Mortgage	Without a Mortgage	Total
All Households	2,406,639	1,551,163	3,957,802
<= 100% AMI	860,274	845,277	1,705,551
100-150% AMI	603,575	295,128	898,703
Total HH <= 150% AMI	**1,463,849**	**1,140,405**	**2,604,254**
Socially Disadvantaged Households	632,800	297,057	929,857
<= 100% AMI	290,700	179,612	470,312
100-150% AMI	157,405	53,817	211,222
Total HH <= 150% AMI	**448,105**	**233,429**	**681,534**

Source: U.S. Census Bureau, American Community Survey (ACS) 5-Year Estimates 2015-2019, Summary Table B25081, Public Use Microdata Sample (PUMS)

Using the above analysis of estimated target applicant populations, population segments are further broken down by their vulnerability to foreclosure and displacement. Target populations in need of assistance may be homeowners with a mortgage who are coming out of a forbearance plan; homeowners without a mortgage who were unable to pay their real estate tax obligations; homeowners in MHCs who may be delinquent on their home loan; homeowners in condominiums who are delinquent on association fees; and homeowners in cooperatives who are delinquent on their maintenance fees.

Homeowners with Mortgages

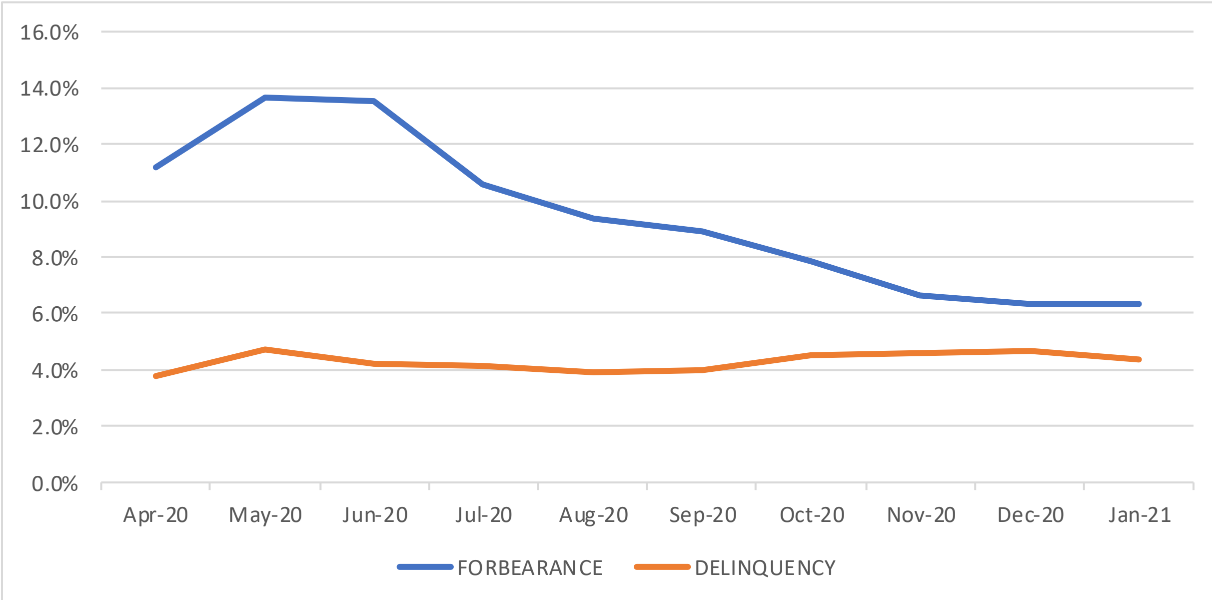
The federal CARES Act, passed in March 2020, provides forbearances for homeowners with federally backed mortgages, while New York's Banking Law Section 9-x, signed into law in June 2020, provides forbearances for non-federally backed mortgages serviced by a New York State regulated company.

Using Mortgage Analytics and Performance Dashboard (MAPD) data, which was compiled by the private research firm Black Knight and provided to HCR by the Federal Reserve Bank of Atlanta, shows that for a sample of six hundred thousand (600,000) mortgages, the delinquency rate remained rather steady around four percent (4%), with a small uptick at the end of 2020. The forbearance rate peaked in June 2020 at thirteen point seven percent (13.7%) and has declined steadily since to six-point four (6.4%) in January 2021. (See Figure 5.)

According to data from the Mortgage Bankers Association (MBA), about three point four percent (3.4%) of mortgages in the state were delinquent in Q4 2019, prior to the pandemic. By Q4 of 2020, that rate had more than doubled to seven point seven percent (7.7%) of New York State mortgaged homeowners.[18]

[18] Mortgage Bankers Association, State Mortgage Market Profiles, Q4 2020

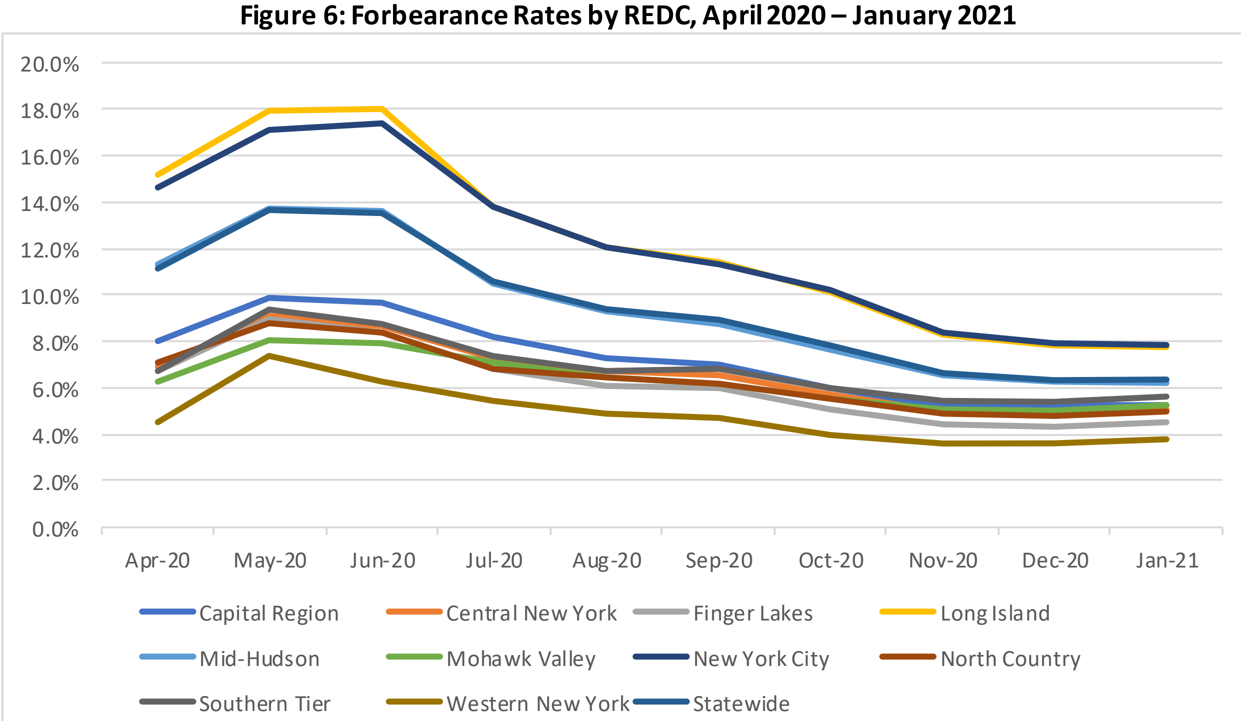
Figure 5: New York State Forbearance & Delinquency Rates, April 2020 - January 2021



Source: Mortgage Analytics and Performance Dashboard (MAPD) data, April 2020 – January 2021, accessed from Federal Reserve Bank of Atlanta

Figure 6 shows that forbearance rates were much higher – both during the peak and as the crisis has eased – in the New York City metro area and its suburbs (Long Island and Mid-Hudson), and to a lesser extent, the Capital Region which includes the Albany metro area, as compared to the rest of the state.

Figure 6: Forbearance Rates by REDC, April 2020 – January 2021



Source: Mortgage Analytics and Performance Dashboard (MAPD) data, April 2020 – January 2021, accessed from Federal Reserve Bank of Atlanta

To help identify the target populations for the NYS HAF, we used estimates of mortgaged households who have incomes at or below one hundred fifty percent (150%) of the AMI, and the loan performance data from January 2021, broken down by REDCs to account for regional differences in the housing market. Using this methodology, there are approximately ninety-four thousand (94,000) households making less than one hundred fifty percent (150%) of the AMI and who were in forbearance, of which thirty-three thousand (33,000) were Socially Disadvantaged households; and sixty-five thousand (65,000) households were delinquent, of which twenty thousand (20,000) were Socially Disadvantaged households.

Homeowners without Mortgages

Households that own their homes free and clear may also be at risk of displacement if they have been unable to pay their real estate taxes, insurance and/or homeowner association/maintenance costs. Due to the immediate and ongoing nature of the crisis, it is difficult to get an accurate estimate of tax delinquencies resulting from a qualifying Financial Hardship.[19] As well as being collected on a lagged basis, data on tax collection performance are not collected or compiled centrally in the State – in fact, there are over four thousand two hundred (4,200) tax collecting entities in the State. In some cases, county administrators have some information and data on property tax collections, but in other cases, collections are decentralized to municipalities and other local taxing entities.

Despite the disaggregated nature of the collection data, county and municipal tax collectors have been engaged for this analysis to better understand to what extent delinquencies may have increased due to the pandemic. Based on these engagements, the current projection is that approximately one to 2 percent (1-2%) of homeowners may have fallen behind on their taxes due to the pandemic. Based on these estimates, it is thought that up to approximately twenty-three thousand (23,000) non-mortgaged households statewide, including about five thousand (5,000) Socially Disadvantaged households, may be at risk of tax foreclosure due to tax delinquencies. (See Table 4.)

Table 4: Homeowners without a Mortgage by Income and Socially Disadvantaged Status

	Homeowners w/o a Mortgage	Potentially Delinquent Homeowners
All Households	1,551,163	31,023
<= 100% AMI	845,277	16,906
100-150% AMI	295,128	5,903
TOTAL <= 150% AMI	**1,140,405**	**22,808**
Socially Disadvantaged Households	297,057	5,941
<= 100% AMI	179,612	3,592
100-150% AMI	53,817	1,076
TOTAL <= 150% AMI	**233,429**	**4,669**

Source: U.S. Census Bureau, American Community Survey (ACS) 5-Year Estimates 2015-2019, Summary Table B25081, Public Use Microdata Sample (PUMS); various sources

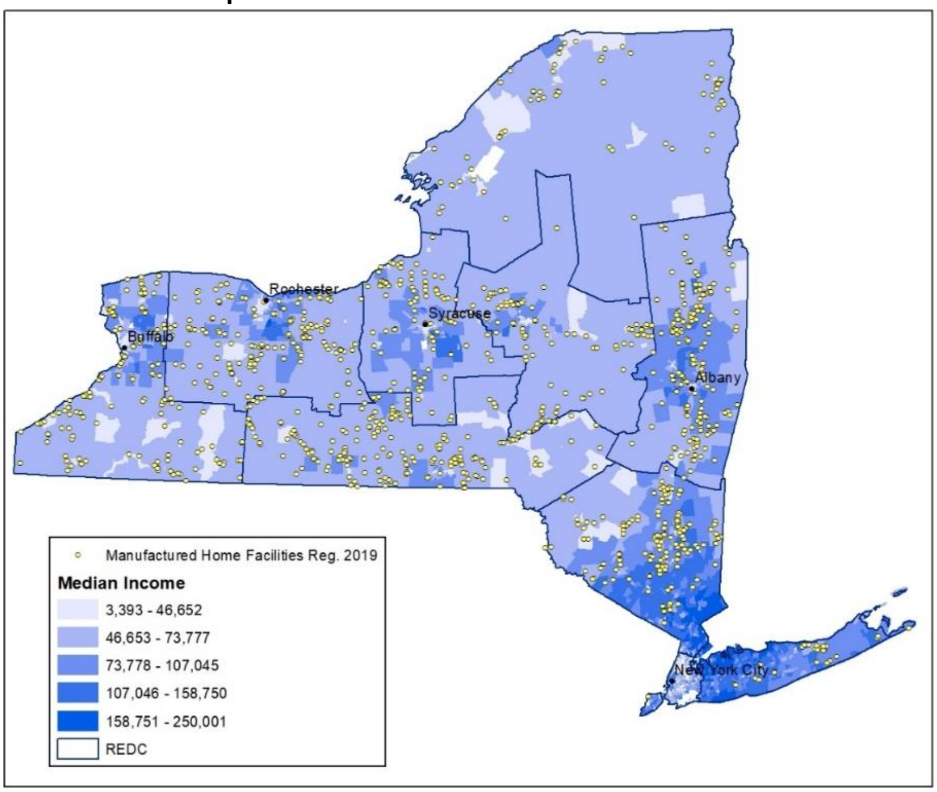
[19] The US Treasury HAF Guidance defines a "Financial Hardship" as a material reduction in income or material increase in living expenses associated with the coronavirus pandemic that has created or increased a risk of mortgage delinquency, mortgage default, foreclosure, loss of utilities or home energy services, or displacement for a homeowner

Homeowners in Manufactured Home Communities (MHCs)

Manufactured housing — defined by the United States Department of Housing and Urban Development's (HUD) code as a post-1976 housing structure satisfying building standards of strength, transportability, fire resistance, energy efficiency, plumbing, and heating — represents a significant portion of New York State's affordable housing stock, particularly in upstate and rural regions. According to Census data, more than one hundred and ten thousand (110,000) households reside in manufactured homes, with some seventy thousand (70,000) located in approximately eighteen hundred (1,800) MHCs. Table 7 shows that in some more rural regions, manufactured homes account for more than ten percent (10%) of owner-occupied housing stock, and so are an essential component of the affordable housing market.

Manufactured homes are more prevalent in the upstate and rural regions of the state; these areas tend to be lower income than some of the more urban and suburban parts of the state. Map 5 shows MHC locations, alongside Census data on the median household income by census tract. More than two thirds of the MHCs are in census tracts where the median income is less than the State median of $68,486. Further, analysis of Census ACS data suggests that nearly seventy-one percent (71%) of owner-occupied manufactured home households have incomes at or below the median income, and over eighty-eight percent (88%) are at or below one hundred and fifty percent (150%) of the AMI.[20]

Map 4: MHCs and Median Household Incomes



U.S. Census Bureau, American Community Survey (ACS) 5-Year Estimates 2015-2019, Summary Table S1903

Based on the demographic and geographic profile of manufactured home households and the analysis of the pandemic's economic impact, there is an estimated five thousand (5,000) households who may be eligible for assistance through the NYS HAF.

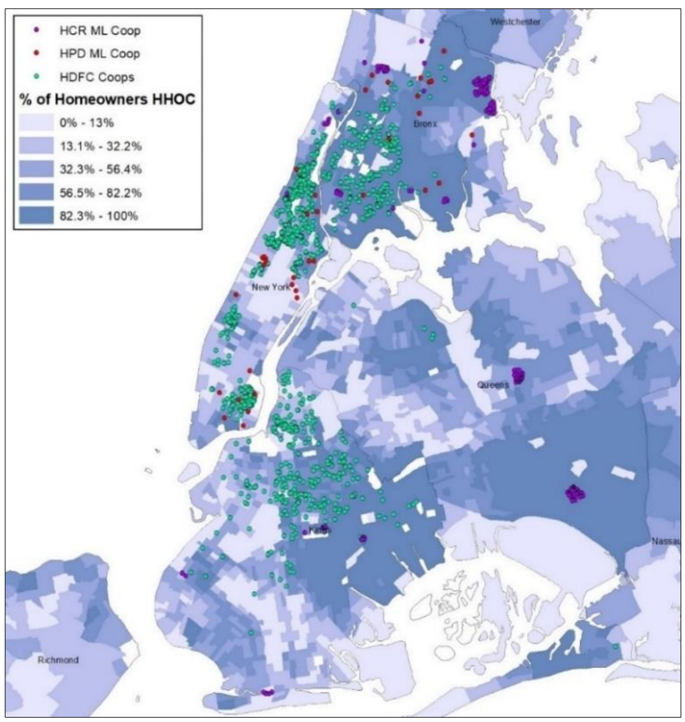
[20] Analysis of U.S. Census Bureau American Community Survey (ACS) 5-year Estimates 2015-2019 Public Use Microdata Sample (PUMS)

Homeowners in Limited-Equity Cooperatives

Based on administrative data from New York City and New York State, there are at least eighty-five thousand (85,000) shareholder households living in more than twelve hundred (1,200) limited-equity cooperatives.[21] To purchase one of these units, buyers must meet strict income requirements.[22] Residents are generally required to submit income affidavits annually, and while existing residents may earn more than the income limits imposed on new buyers, surcharges are assessed on households who are over-income. Based on HCR's administrative data on surcharges in the State's portfolio, we estimate that about ninety percent (90%) of the households living in cooperatives are low-income.[23]

As well as being concentrated in New York City, these cooperative developments are also generally located in areas that are lower income and have higher concentrations of Socially Disadvantaged populations. Map 6 shows the cooperative developments in New York City with Census data showing the share of homeowners who are households of color; seventy-three point five percent (73.5%) of these developments are located in tracts where the share of households of color exceeds fifty percent (50%). Map 7 shows the same developments alongside HMDA data that represents the share of loan originations to households with incomes at or less than one hundred percent (100%) of the AMI; twenty-nine percent (29%) of the developments are in tracts where low-income home buyers exceeded fifty percent (50%) of loan originations.

Map 5: Share of Socially Disadvantaged HOs



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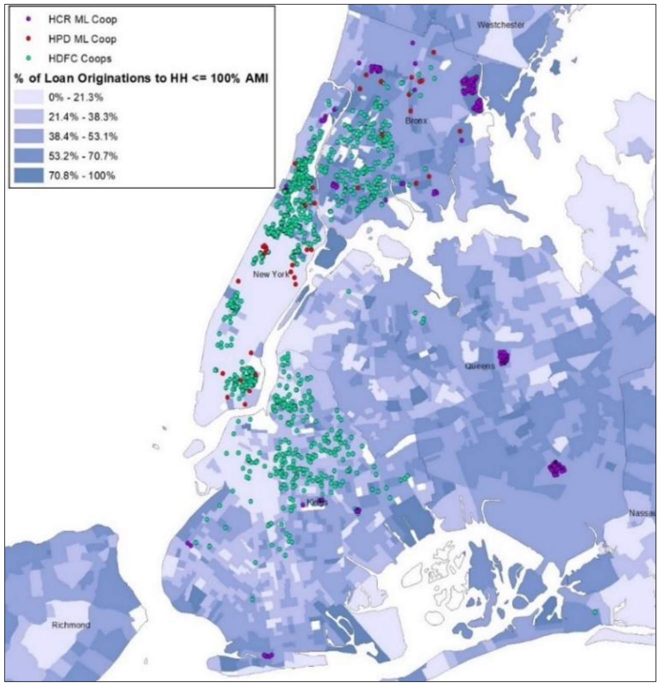
[21] Figures include: 25,167 units in 1,163 Housing Development Fund Corporation (HDFC) Cooperative buildings (Source: UHAB), 25,588 units in 48 New York City-supervised Mitchell-Lama Cooperative buildings (Source: NYC Department of Housing Preservation & Development (HPD)), and 35,680 units in 37 New York State -supervised Mitchell Lama Cooperative buildings (Source: New York State Homes & Community Renewal)

[22] For HDFC units, household income cannot exceed 165% AMI and is sometimes stricter depending on the development; for City and State Mitchell-Lama, household incomes cannot exceed 125% AMI.

[23] Income limits for surcharges are not uniform across or within programs, and are not always based on AMIs, so it is difficult to assert that these households are below a certain AMI level, but incomes for households in non-surcharged units would not exceed 165% in most cases.

Source: Administrative data from NYC HPD, HCR, and UHAB; American Community Survey (ACS) 5-Year Estimates 2015-2019, Summary Tables B25003, B25003H

Map 6: Share of Low-Income Home Buyers



Source: Administrative data from NYC HPD, HCR, and UHAB; Home Mortgage Disclosure Act (HMDA) Loan Application Register (LAR) data, loans originated 2007 - 2019

Program Design

The following customized programs were designed with the intent to prevent foreclosure and displacement of the maximum number of homeowners who are at the greatest risk of housing instability. Over time, programs may be adjusted to best meet homeowner needs and maximize the number of home retentions. Please note, utility assistance under the programs listed below require that homeowners first secure any non-NYS HAF assistance that is available. For example, homeowners will be directed to the New York State Department of Public Service's website for a list of available utility assistance, as well as their local human resources office for a one-shot deal or other assistance.[24]

Mortgage Reinstatement/Principal Reduction Program

Program Overview	Homeowners who cannot achieve an affordable loss mitigation solution offered by their loan servicer may be eligible for a partial or full reinstatement of owed principal, interest, taxes, and insurance (PITI) payments under this program. Homeowners coming out of a mortgage forbearance agreement, as well as homeowners who were denied or missed the option to go into forbearance, are encouraged to apply.

[24] NYS Department of Public Service: https://www3.dps.ny.gov/W/AskPSC.nsf/All/8CC826B524B19E308525857600498B24?OpenDocument; and Social Services Directory: https://ocfs.ny.gov/directories/localdss.php

	The underlying mortgage issues are to be resolved in their entirety. In instances where the NYS HAF funds are insufficient to resolve the situation, homeowners can leverage HAF with other available funds, including their resources. **Loan servicers/investors should offer all available loss mitigation options to the borrower prior to the NYS HAF eligibility being determined, and if the option is affordable and reasonable, the homeowner should accept the offer.**
Foreclosure/Displacement Risk Factor	Once mortgage foreclosure moratoria and mandatory forbearance periods expire, this population will be at risk, either because they were not placed in a forbearance agreement during the pandemic, and consequently, they are now delinquent on their mortgage, or because the post-forbearance loss mitigation solution being offered to the borrower by the mortgage holder or servicer will not be financially viable without additional economic relief.
Program Goal	To provide financial assistance to Eligible Homeowners to make their mortgage affordable and sustainable, resulting in homeownership retention where it otherwise would not be possible.
Targeted Population	Eligible Homeowners with mortgages who are exiting forbearance or are delinquent and who earn less than 100% AMI and/or who earn less than 150% of the AMI and meet the definition of socially disadvantaged. (Note: There are an estimated total of 2,406,639 homeowners, of which 866,486 (36%) are <=100% AMI and 451,341 (18.8%) are Socially Disadvantaged and <=150% AMI.)
Eligible Homeowners	Eligible Homeowners must meet the following criteria: • Homeowner must be a natural person or trustee of a living trust that holds title to the property. Heirs, equitable owners, and successors-in-interest, as that term is defined in section 1024.31 of Title 12 of the Code of Federal Regulations, meet this ownership requirement. • Homeowner must have experienced a Qualified Financial Hardship after January 21, 2020. • Homeowner must currently own and occupy the property as their primary residence. • Homeowner must meet the Homeowner Income Eligibility Requirements. • Homeowner must agree to provide all necessary documentation to satisfy program guidelines within timeframes established by the State, including self-certification or attestation of Socially Disadvantaged status, as applicable. • The original, unpaid principal balance of the homeowner's first mortgage or housing loan, at the time of origination, was not greater than the conforming loan limits in effect at time of origination. Eligible Homeowners must have the ability to pay their ongoing housing costs. Applicants who do not have the ability to pay their ongoing housing costs may be eligible for the Forward Payments Program (see Forward Payments Program section). Co-owners are not permitted to separately apply for the NYS HAF Program assistance.
Qualified Financial Hardship	A Qualified Financial Hardship is defined in the American Rescue Plan, §3206 (ARP), as a material reduction in income or material increase in living expenses associated with the Coronavirus pandemic that has created or increased the risk of mortgage delinquency, mortgage default, foreclosure, loss of utilities or home energy services, or displacement for a homeowner.

	Reduction of Income is a temporary or permanent loss of income after January 1, 2020. Increase in living expenses is an increase in out-of-pocket household expenses, such as medical expenses, inadequate medical insurance, increase in household size, increase in childcare costs, or other costs associated with the Coronavirus pandemic after January 1, 2020.
Homeowner Income Eligibility Requirements	Homeowner Income Eligibility Requirements are limited to households with incomes at or below the median income unless the household is Socially Disadvantaged, in which case the household income can be at or below 150% of the AMI.
Homeowner Prioritization	Funding will be prioritized to the applicants whose servicer/lender agrees to modify the mortgage through a combination of maturity extension, interest rate reduction, deferment of arrears and/or principal reduction (whichever waterfall options are permissible for the loan and investor type).
Eligible Properties	Eligible Properties are those that are: • Single-family properties • Condominium units • 2- to 4-unit properties where the homeowner is living in one of the units as their primary residence • Manufactured homes permanently affixed and taxed as real property • Cooperative units Ineligible properties are those that are: • Homes that are vacant or abandoned • Second homes • Non-owner-occupied investment property
Eligible Uses of Proceeds	Housing obligations as listed below and that were not incurred/billed prior to January 21, 2020 are Eligible Uses of Proceeds: • Existing first mortgage loan payment (principal and interest), escrow shortages. • Subordinate lien payment (principal and interest). • Land Contract monthly payment (P&I). • Utilities, including electric, gas, home energy and water, if arrearages not otherwise covered from another source of funds. • Internet service, including broadband internet access, if arrearages not otherwise covered from another source of funds. • Condominium association fees, and cooperative maintenance fees, including for lien extinguishment. • Homeowner's hazard, flood and/or mortgage insurance. • Delinquent property taxes.
Maximum Per Household NYS HAF Assistance	Depending on the loss mitigation option made available by the loan servicer, the Mortgage Reinstatement / Principal Reduction Program will pay the amount needed to make the loss mitigation solution affordable and sustainable to the borrower. Awards will be provided only if the underlying matter is resolved in its entirety and will not exceed the NYS HAF Maximum Assistance amount of $50,000 per household.
Assistance Type	Assistance will be structured as a 5-year, non-interest bearing, non-amortizing forgivable loan. The loan is due in full upon sale, refinance, or transfer of ownership. If no resale, transfer, or refinance occurs within 5 years and the homeowner remains in the home, the loan will be fully forgiven.

Payout of the NYS HAF Assistance	Disbursements will be made directly to mortgage lender/servicer, land contract holder, county treasurer or local taxing authority, condominium/homeowners' association, cooperative board or management company, utility provider, internet/broadband service providers, and/or other third-party payee authorized to collect eligible charges. In instances where the resolution exceeds the amount the NYS HAF can provide, the homeowner may pay the difference through any means available to them provided the outcome results in a sustainable homeownership retention outcome.

Non-Mortgage Arrears Satisfaction Program

Program Overview	Homeowners who do not have a mortgage but are delinquent on other housing obligations, such as property taxes, insurances, water and sewer charges, homeowner association and/or maintenance fees, seniors with reverse mortgages, or chattel loans and/or retail installment contracts, may be eligible for the Arrears Satisfaction Program.
Foreclosure/Displacement Risk Factor	Property tax foreclosures are mostly controlled by local county governments and move on a much faster timeline - roughly two to three (2-3) years, as compared with mortgage foreclosures, which in New York state can take as long as five (5) years. In addition, property tax delinquencies often lead to the levying of interest penalties and fees once a homeowner is three (3) months past due, often with very high penalty rates. Cooperative shareholders are at risk of displacement if they are delinquent on their maintenance fees. Limited-equity cooperative buildings are mostly in minority-majority neighborhoods and serve low-income households, based on regulatory requirements imposed as a condition of City or State government financing. Additionally, there are several non-limited-equity cooperatives throughout the State where low-income and Socially Disadvantaged people own. Under New York State law, cooperative and condominium boards may evict a shareholder for non-payment of maintenance through a Civil Court proceeding. Condominium homeowners are also at risk of displacement for non-payment of homeowner association fees (HOA). Homeowners with association fee delinquency could face civil lawsuits by the HOA, which could lead to judgments, wage garnishments or other collection activity, which could result in the homeowner being placed at risk of foreclosure. Financing options available to purchasers of manufactured homes, particularly in MHCs, often carry very high interest rates and are not regulated by state and federal mortgage banking regulators. Repossession and eviction of homes due to non-payment occur on an expedited timeline, through local town courts, sometimes in a matter of months. In most of these cases, borrowers are not represented by legal counsel.
Program Goal	To provide financial assistance to Eligible Homeowners to satisfy non-mortgage arrears, resulting in homeownership retention where it otherwise would not have been possible.

Targeted Population	Homeowners without mortgages who are delinquent on property taxes, insurance, water and sewage, and who earn less than 100% of the AMI and/or who earn less than 150% of the AMI and meet the definition of Socially Disadvantaged. (NOTE: there are an estimated 1,551,163 homeowners, nearly 55% of which – or 849,097 – have incomes that are at or below the median, and 15.1% - or 234,484 – who are Socially Disadvantaged and have incomes that are at or below 150% of the AMI. Based on data collected from a sample of county tax collectors, there has been an estimated two percent (2%) increase in tax delinquencies since the start of the pandemic. Included in this target population are seniors with reverse mortgages, for who ninety percent (90%) are backed by the Federal Housing Administration (FHA), and whom are most commonly living on fixed, low incomes. Homeowners in Limited-Equity Cooperatives who earn are delinquent on maintenance or HOA fees and who earn less than 100% of the AMI and/or who earn less than 150% of the AMI and meet the definition of Socially Disadvantaged. (Note: there are 86,435 homeowners, approximately 90% - or 77,792 – have incomes that are at or below the median, and 45% - or 38,896 – who are Socially Disadvantaged and have incomes that are at or below 150% of the AMI. Additionally, low-income and/or Socially Disadvantaged homeowners in non-limited-equity cooperatives, and condominiums, are also target populations. Homeowners in a Manufactured Home Community (MHC) who are delinquent on their home loans, and who earn less than 100% of the AMI and/or who earn less than 150% of the AMI and meet the definition of Socially Disadvantage. (Note: there are 67,233 households living in approximately 1,800 MHCs. An estimated 70.7% - or 47,563 – have incomes that are at or below the median, and 6.8% - or 4,567 are Socially Disadvantaged and have incomes that are at or below 150% of the AMI.
Eligible Homeowners	Eligible Homeowners must meet the following criteria: • Homeowner must be a natural person or trustee of a living trust that holds title to the property. Heirs, equitable owners, and successors-in-interest, as that term is defined in section 1024.31 of Title 12 of the Code of Federal Regulations, meet this ownership requirement. • Homeowner must have experienced a Qualified Financial Hardship after January 21, 2020. • Homeowner must currently own and occupy the property as their primary residence. • Homeowner must meet the Homeowner Income Eligibility Requirements. • Homeowner agrees to provide all necessary documentation to satisfy program guidelines within timeframes established by the State, including self-certification or attestation of Socially Disadvantaged status, as applicable. Eligible homeowners must have the ability to pay their ongoing housing costs. Applicants who do not have the ability to pay their ongoing housing costs may be eligible for the Forward Payments Program (see Forward Payments Program section). Co-owners are not permitted to separately apply for the NYS HAF Program assistance.

Qualified Financial Hardship	A Qualified Financial Hardship is defined in the American Rescue Plan, §3206 (ARP), as a material reduction in income or material increase in living expenses associated with the Coronavirus pandemic that has created or increased the risk of mortgage delinquency, mortgage default, foreclosure, loss of utilities or home energy services, or displacement for a homeowner. Reduction of Income is a temporary or permanent loss of income after January 1, 2020. Increase in living expenses is an increase in out-of-pocket household expenses, such as medical expenses, inadequate medical insurance, increase in household size, increase in childcare costs, or other costs associated with the Coronavirus pandemic after January 1, 2020.
Homeowner Income Eligibility Requirements	Homeowner Income Eligibility Requirements are limited to households with incomes at or below the median income unless the household is Socially Disadvantaged, in which case the household income can be at or below one hundred and fifty percent (150%) of the AMI.
Homeowner Prioritization	Funding will be prioritized to the applicants whose taxing entity, lender, or Board of Directors, etc., agrees to waive penalties, fees or arrearages that exceed the NYS HAF Maximum Per Household Assistance.
Eligible Properties	Eligible Properties are those that are: • Single-family properties • Condominium units • 2- to 4-unit properties where the homeowner is living in one of the units as their primary residence • Manufactured homes permanently affixed and taxed as real property • Cooperative units • Manufactured homes on leased land in manufactured home communities Ineligible properties are those that are: • Vacant or abandoned • Second homes • Non-owner-occupied investment property
Eligible Uses of Proceeds	Housing obligations as listed below and that were not incurred/billed prior to January 21, 2020 are Eligible Uses of Proceeds: • Delinquent property taxes. • Homeowner's hazard, flood and/or mortgage insurance. • Existing chattel or retail installment loan payment (principal and interest). • Manufactured home loan monthly payment (P&I) and lot rent, if applicable. • Utilities, including electric, gas, home energy and water, if arrearages not otherwise covered from another source of funds. • Internet service, including broadband internet access, if arrearages not otherwise covered from another source of funds. • Condominium association fees, and cooperative maintenance fees, including for lien extinguishment.
Maximum Per Household NYS HAF Assistance	Eligible homeowners may apply for an amount equal to the arrears due since January 1, 2020 and limited to $50,000 per household.
Assistance Type	Assistance will be structured as a non-interest bearing, non-amortizing loan. The loan is due in full upon sale, refinance, or transfer of ownership. If no resale, transfer, or refinance occurs within 5 years and the homeowner remains in the home, the loan

	will be fully forgiven.
Payout of the NYS HAF Assistance	Disbursements will be made directly to the county treasurer or local taxing authority, manufactured home lender/community owner (lot fees), condominium or homeowners' association, cooperative board or management company, utility provider, internet/broadband service providers, and/or other third-party payee authorized to collect eligible charges. In instances where the resolution exceeds the amount the NYS HAF can provide, the homeowner may pay the difference through any means available to them, and NYS will pay the max of their limit, so long as the underlying matter is resolved in its entirety.

Forward Payments Program

The Forward Payments Program is available to all eligible homeowners participating in the Mortgage Reinstatement/ Principal Reduction or Non-Mortgage Arrears Satisfaction Programs and who are no longer able to afford their housing payment obligations. Consideration will also be given to homeowners who incurred debt to pay their housing costs.

Economic recovery has been slower for low-income and Socially Disadvantaged homeowners. According to data compiled by the Economic Policy Institute in the 3rd Quarter of 2020, the unemployment rate in New York for White households was at ten percent (10%), while the unemployment rate for Black households was fourteen percent (14%), for Asian American/Pacific Islanders was at fifteen point eight percent (15.8%) and for Hispanic households was at nineteen point one percent (19.1%).

State unemployment benefits, coupled with the additional weekly unemployment benefits provided by the United States Department of Labor (DOL), have allowed many low-income households to make ends meet, however those benefits are set to expire or max-out for many recipients in the months to come. The State is committed to giving these homeowners additional time to recover from the income loss caused by the pandemic.

The State will leverage HAF funds with fifty million dollars ($50,000,000) from its HUD CARES CDBG allocation to assist homeowners whose reduced income can no longer support their housing cost obligations despite the availability of the maximum amount of assistance offered under the NYS HAF program.

Eligible homeowners must have pre-pandemic (2019) incomes that are at or below eighty percent (80%) of the area median income.

Eligible applicants may apply for up to six (6) months of prospective housing payments. Eligible housing payments include principal, interest, taxes, insurance(s), homeowner association fees, homeowner maintenance fees, chattel loan payments, retail installment payments and rent-to-own payments.

This program aims to help homeowners who are severely underemployed or who are unemployed at the time of application and at the time of award. The intent of this program is to give the additional time needed to find gainful re-employment or time to secure other income sources, like Social Security.

Payment Process

The State will disburse the NYS HAF assistance directly to mortgage lenders/servicers, land contract holders, manufactured home lender/community owner, county treasurer or local taxing authority, condominium/homeowners' association, cooperative board or management companies, insurance providers, internet/broadband service providers, and/or other third-party payee authorized to collect eligible charges.

No direct payments will be made to any homeowner under the Program. Once a homeowner completes a Program application, provides required documentation, and is approved for the Program, the funds will be disbursed by wire, ACH and/or bank check to the appropriate entity(ies).

Application Process
The Program administrator (see Readiness to Proceed section for more information on Program administrator) will provide for receipt of applications through an online portal, which will be accessible 24/7, unless routine maintenance is needed. The online application will collect demographic and other required information, as well as the ability to accept uploads of supporting documentation. In the event an applicant does not have access to apply virtually or needs further assistance with applying, a referral will be made to either a non-profit housing counseling organization, legal services provider, or the NYS HAF hotline who will assist the homeowner with application and documentation submission. Once an application is submitted, the Program administrator will review and determine eligibility for the Program.

The Program will also accept applications from the New York State Homeowner Protection Program (HOPP), which is composed of a network of legal services and housing counseling providers, who will screen and assist eligible homeowners with their applications, and coordinate with mortgage servicers; municipalities; and other eligible entities may also apply for funds on behalf of homeowners.

Once an application is submitted to the Program administrator, it will be processed in the order it was received with prioritization given as identified in the term sheets above, assessed for eligibility and completeness, and if further information is needed, the Program administrator will work with the homeowner, their advocate or other authorized representative to submit all outstanding and required information. Once an application is complete, the Program administrator will provide the homeowner a decision. If the application is approved, funding will be performed as per the NYS HAF Payment Process outlined above.

Methods for Targeting Potential Applicants

Using HMDA data to identify targeted census tracts, HCR identified areas in NY State where more than half of home loans originated between 2007 and 2019 were made to households with incomes at or below the median income and where more than half of loan originations were made to Socially Disadvantaged homeowners with incomes at or below one hundred and fifty percent (150%) of the AMI.

The second methodology used to identify potential applicants relied on MAPD loan performance data to identify areas where the January 2021 forbearance and delinquency rates suggest the highest economic distress impacting homeowners. Table 5 shows that in about one third of the nearly five thousand (5,000) census tracts in New York State, more than half of home buyers financing their homes with a mortgage were low-income (<=100% AMI). About one fifth were areas where low-income households of color (<=150% AMI) were the majority of home buyers.

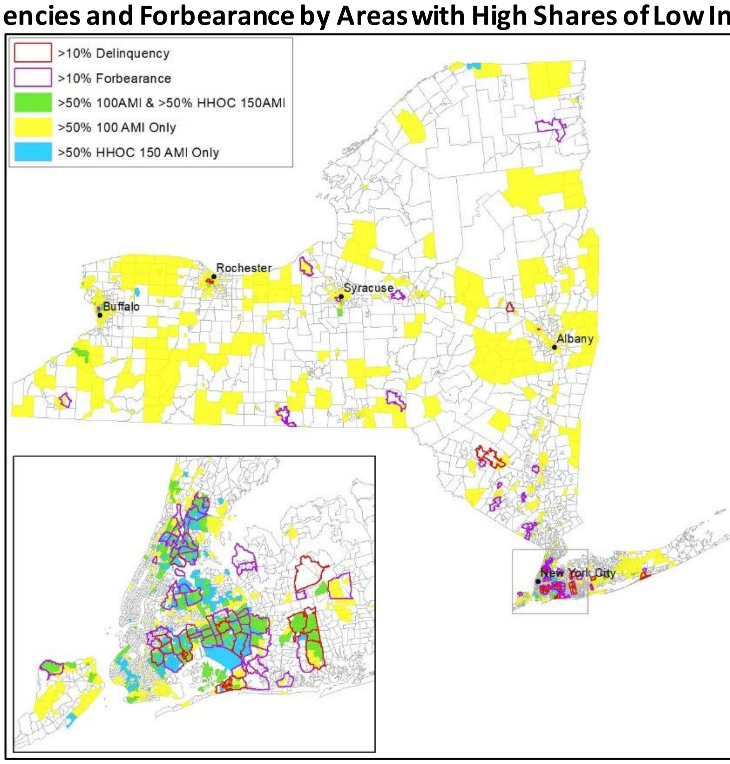
Table 5: Census Tracts Where Shares of Low-Income and Low-Income Households of Color Exceed 50%

REDCs	CTs >50% Loan Orig. to HHs <=100% AMI		CTs >50% Loan Orig. to HHs of Color <=150% AMI	
	#	% of total CTs	#	% of total CTs
Capital Region	133	47.3%	3	1.1%
Central New York	92	42.8%	10	4.7%
Finger Lakes	165	54.8%	35	11.6%
Long Island	214	35.7%	67	11.2%
Mid-Hudson	148	27.8%	33	6.2%
Mohawk Valley	69	47.6%	1	0.7%
New York City	624	29.4%	833	39.3%
North Country	16	15.4%	1	1.0%
Southern Tier	65	38.0%	0	0.0%
Western New York	214	58.8%	32	8.8%
Statewide	**1,740**	**36.0%**	**1,015**	**21.0%**

Source: Home Mortgage Disclosure Act (HMDA) Loan Application Register (LAR) data, loans originated 2007 - 2019.

Map 7 shows that these census tracts with high numbers of low income and Socially Disadvantaged homebuyers are largely concentrated in the urban areas, but there are areas throughout the State where low-income households made up most home buyers. The map also indicates that there is significant overlap between census tracts with high-percentage low-income homeowners and Socially Disadvantaged homeowners.

Map 7: Delinquencies and Forbearance by Areas with High Shares of Low Income HH & HOC



Map 7 also highlights zip codes where forbearance and delinquency rates were disproportionately high compared to the state average.[25] There is significant overlap between areas with low-income and Socially Disadvantaged homebuyers and economic distress; of about twenty one hundred (2,100) total census tracts where most home buyers were low-income or Socially Disadvantaged (or both), forty point three percent (40.3%) are in zip codes where mortgaged forbearance or delinquency rates (or both) exceeded ten percent (10%).

Legal Services and Housing Counseling
HCR, in partnership with the New York State Office of the Attorney General (NYSOAG), will contract with up to sixty-five (65) non-profit housing counseling and legal services entities, who are already part of the New York State Homeowner Protection Program (HOPP) network. This network was established in 2012 and has continued to operate state-wide to the present day. The network serves every county in the State and is highly trained and skilled at working with homeowners at risk of displacement. Many of these organizations are dedicated or required to work with low-income families, and a significant number of these organizations have physical offices located in majority-minority communities.

Under the NYS HAF engagement, HOPP groups will be required to apply for funding, and their applications must include a strategic outreach plan, as well as a detailed description of their plan for assisting targeted homeowners under the NYS HAF program with application submission, and a description of their plans to assist borrowers in negotiations with lien holders, mortgage servicers, tax collecting authorities, insurance providers, and investor groups.

Outreach strategies will include, but will not be limited to, in person and virtual presentations at community centers, faith-based institutions, and other community-based facilities where targeted homeowners are likely to be represented. Housing counselors and legal services providers will also be expected to host in person "walk-in" clinics where homeowners can meet with a counselor or an attorney and be reviewed for eligibility under the NYS HAF. Staff will also be expected to hold in-person "courthouse days" where HOPP groups may provide consultations to homeowners who may be at risk of foreclosure or eviction.

All outreach materials and applications materials used by HOPP will be available in multiple languages, in compliance with New York State language access requirements.

Paid and Earned Media
The State will authorize a reasonable portion of the administrative budget to be dedicated to paid media, including placing the NYS HAF advertisements on tv, radio, print publications, and to support direct mail and digital advertising. Based on the program operated in New York State during the last financial crisis, we have identified media and marketing channels that had the highest pull-through rates, as well as information about which channels were most successful in reaching borrowers in Socially Disadvantaged communities. The effectiveness of these ads will be monitored for efficacy at reaching qualified applicants under the NYS HAF program.

In addition to paid media, the State will launch and sustain a targeted social media campaign aimed at these same micro geographies. Social media will be utilized in partnership with community-based leaders, faith-based leaders, and local elected officials to amplify the social media messaging through stakeholders who have direct ties to the impacted communities.

The State will also establish a dedicated, well-staffed and multilingual homeowner hotline, website, and email, which will be promoted in all paid and earned media communications. The hotline will also serve as a tool to connect homeowners to HOPP members if they need assistance with applying to the NYS HAF.

[25] The maps show zip codes where forbearance rates and delinquency rates (separately) exceeded 10% in January 2021; the state average was 6.4% forbearance and 4.4% delinquency.

Grassroots Outreach and Stakeholder Education

The State will authorize the Program administrator to engage a team of up to ten (10) community-based organizations located in the communities with the highest concentrations of targeted homeowners. The Outreach Specialists will be contracted to perform targeted door to door outreach, particularly in areas where there is limited internet access, promote and hold neighborhood meetings with homeowners, and increase education and program awareness to "first-referrers" — trusted local leaders who are active in these targeted communities and who are typically community members turn to first when they are in crisis or in need of assistance.

In addition, HCR senior leadership will host an on-going series of education and outreach events to increase awareness about the NYS HAF to targeted stakeholder groups who are active in the concentrated areas outlined above. These stakeholder groups will include, but not be limited to, local housing agencies, local, county, and state-wide elected officials, faith-based organizations, community development and social service agencies, and professional organizations active in the homeownership space (realtor and banker trade associations, etc.)

All outreach materials and applications materials used by HOPP will be available in multiple languages, in compliance with New York State language access requirements.

Best Practices and Coordination with Other States

The Program descriptions above are modeled after successfully administered programs, such as the New York State Mortgage Assistance Program (NYS-MAP), a State-sponsored program that delivered over one hundred million dollars ($100,000,000) in zero-interest deferred mortgages to homeowners at risk of foreclosure because of the lingering effects of the 2008 financial crisis.

The State has vast experience delivering grant and forgivable loan programs to New Yorkers through other federal and state housing programs, including HUD's HOME and CDBG programs, and more than half a dozen annually funded state programs.

While New York was not funded under the Hardest Hit Fund program, the State has gone to great lengths to engage with multiple states, including Connecticut, New Jersey, New Hampshire, Maryland, Oregon, California, and Massachusetts, states that were part of Hardest Hit program and that shared valuable information with us on lessons learned. These incredibly important insights have factored heavily into this plan and program design.

HCR is a member of the National Council of State Housing Agencies (NCSHA), where the HAF recipients are in frequent and regular communication regarding the HAF programs, including chat groups, weekly conference calls and a shared library of template documents that may be used to create uniformity for states involved with the HAF.

Readiness to Proceed

Staffing and Systems

HCR has selected Sustainable Neighborhoods LLC (SN LLC), a nonprofit, US Treasury certified Community Development Financial Institution (CDFI), New York State Department of Financial Services (NYSDFS) licensed exempt mortgage banker, and SONYMA-approved mortgage originator/seller. SN LLC was established in 2010 as a wholly owned subsidiary of the Center for New York City Neighborhoods, Inc. (the Center), a nonprofit housing organization devoted to foreclosure prevention. The combined experience of SN LLC (as a mortgage lender focused on preventing foreclosure through loans and grants) and the Center (as a successful manager of foreclosure prevention programs) will administer the NYS HAF. The Center and SN LLC has a history of operating homeowner assistance and mortgage assistance programs, and to date, has administered three hundred and twenty-five million dollars ($325,000,000) in grants from local, state, federal and private funders. SN LLC will report directly to HCR's program staff and will work in conjunction with any consultants and/or vendors engaged by HCR.

SN LLC and HCR are in the process of negotiating the appropriate staffing levels for the NYS HAF administration and oversight. As part of the process, the agencies have assessed the need to scale the program quickly and considerations for scaling down in later years. To that end, SN LLC has proposed a plan that includes staff for Outreach and Marketing, Intake, Program Assessment, Funds Disbursements, Analysis and Reporting, Quality Control, and Program Management. HCR plans to utilize existing staff, which includes the SVP of Homeownership & Community Development, Chief of Staff of Homeownership & Community Development, VP of Compliance and Quality Control Officer for the State of New York Mortgage Agency, and Senior Program Manager of HTFC Finance. New positions being considered for the NYS HAF oversight within HCR include a NYS HAF Program Director, NYS HAF Program Compliance Manager, and a consultant.

SN LLC, HCR, and a consultant firm will work together to vet and procure technology solutions that will create an online application platform(s) so that homeowners, servicers/lenders, taxing authorities, and advocates may directly apply to the Program. Additionally, the platform itself, or through an Application Programming Interface (API) that interacts with SN LLC's existing case management system, will include reporting, quality control, PII security, and document storage and retention functions.

Contracts and Partnerships

HCR will contract with SN LLC to administer the NYS HAF program and will provide continuous oversight with the assistance of a consultant firm with experience managing multi-million-dollar state and federal programs. SN LLC will also contract with sub-vendors, including, but not limited to technology, hotline, compliance, reporting, finance, and marketing and outreach vendors. SN LLC will make sure all vendors go through a rigorous procurement and competitive bidding process, or another method to confirm reasonable cost, in a way that still complies with federal and state procurement requirements. Vendor selection assessment and recommendations will be made in partnership with HCR and its consultant. SN LLC may also sub-contract with another CDFI to assist in the delivery of programs.

The HCR consultant will assist in reviewing vendors selected by SN LLC, provide recommendations regarding vendors, particularly for technology partners in creating both the front- and back-end systems, assist with documenting program policies and procedures, review and make recommendations on quality control and data privacy protocols, and ensure that our systems and program guidelines are as consistent as possible with other state HAF participants.

As stated above, the program will also work with the HOPP network who will assist homeowners across the state to assess their current mortgage/housing situation and assist eligible clients to apply to the Program. The HOPP network has experience assisting thousands of homeowners to avert foreclosure and has also worked closely with SN LLC in the past on NYS MAP, securing over one hundred million dollars ($100,000,000) in foreclosure prevention loans for their clients. In addition to HOPP, HCR and SN LLC also propose working with local stakeholders, such as elected officials, places of worship, taxing authorities, and community-based organizations that represent the hardest hit neighborhoods.

Lastly, HCR is also establishing partnerships with mortgage servicers, tax collecting authorities, cooperative boards, condominium associations, and trade groups to better streamline assistance to eligible homeowners and delivery of funds.

Comment Submission

HCR seeks to obtain input and public comment from New York residents, advocacy and affordable housing organizations, faith-based and minority-led organizations, and other interested parties on the NYS HAF Needs

Assessment and Plan. Comments must be submitted in writing to HAF@nyshcr.org no later than **Friday, June 25th, 2021 at 3:00pm EST**. HCR will take into consideration all comments and feedback in finalizing this Needs Assessment and Plan prior to submission to the US Treasury.

In addition, HCR will conduct a virtual **public hearing on Wednesday, June 23, 2021 at 5:30pm EST** to provide the public with a brief overview of this Needs Assessment and Plan. Log-in information for the virtual public hearing may be found at hcr.ny.gov/homeowners.